Supreme Court of Ohio Clerk of Court - Filed October 05, 2015 - Case No. 2015-1470

IN THE SUPREME COURT OF OHIO

STATE *ex rel.* ANGELA M. FORD, ESQ.,	:	
	:	**CASE NO. 2015-1470**
Relator,	:	
	:	
-vs-	:	**ORIGINAL ACTION**
	:	**IN PROHIBITION**
HONORABLE ROBERT P. RUEHLMAN,	:	**AND MANDAMUS**
	:	
Respondent.	:	

MOTION OF STANLEY M. CHESLEY AND THE LAW FIRM OF WAITE, SCHNEIDER, BAYLESS & CHESLEY CO., L.P.A. TO INTERVENE

VOLUME II OF V

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June 26, 2015 03:28 PM
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Clerk of Courts
Hamilton County, Ohio
CONFIRMATION 421397

STANLEY M CHESLEY

vs.

ANGELA M FORD

A 1500067

JUDGE
JODY M LUEBBERS

FILING TYPE: MOTION

PAGES FILED: 19

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EXHIBIT

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COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

Mr. Stanley M. Chesley	:	Case No. A1500067
Petitioner,	:	Judge Ruehlman
v.	:	**MOTION OF INTERVENOR WAITE SCHNEIDER BAYLESS & CHESLEY CO., L.P.A. FOR DECLARATORY AND INJUNCTIVE RELIEF**
Angela M. Ford, Esq, *et al.*	:	
Respondents.	:	

NOW COMES Intervenor Waite Schneider Bayless & Chesley Co., L.P.A. ("WSBC") and hereby moves this Court:

1. For an Order permitting WSBC to intervene as a party in interest/plaintiff in this action.

2. For an Order determining WSBC's rights and responsibilities with respect to certain actions being taken or contemplated by Respondents in the Boone County Kentucky Circuit Court (Case No. 05-CI-436) (the "Kentucky Case") that directly and adversely affect WSBC and Thomas F. Rehme, Trustee ("Rehme"), the owner of all of the stock of WSBC.

   a. As outlined in more detail below, Respondent has filed a motion in the Kentucky Case seeking an Order from the Kentucky court directing Mr. Chesley to transfer and assign to Respondent Angela Ford ("Ford") all of Mr. Chesley's "beneficial interest in" the stock of WSBC and to deliver to Mr. Rehme a copy of such order to ensure that Rehme pays any funds that would otherwise be directed to Mr. Chesley to Ford.

   b. Respondents have also subpoenaed WSBC's accounting firm, Clark Schaefer & Hackett ("CSH"), another Ohio entity, in an effort to obtain WSBC's confidential and proprietary financial information. Such information includes, but is not limited to, the wages, earnings, and other personal, private data or confidential information of WSBC's past and current employees, vendors, and other parties with whom WSBC has transacted business over the past 10

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years. Respondents also have taken the position that Mr. Chesley, the former owner of WSBC, can be compelled to deliver WSBC's financial records to Respondents as part of discovery directed to him in Kentucky. Because Respondents do not have a judgment against WSBC, they should be compelled to obtain any information from WSBC through this Court which has the proper jurisdiction and authority to protect the interests of WSBC and all other interested parties.

3. For an Order directing CSH to withhold from production to Respondents any financial information pertaining to WSBC.

4. For an Order directing Mr. Rehme to decline any request from Mr. Chesley for WSBC's financial records to the extent such request emanates from a discovery request directed to Mr. Chesley in Kentucky or an Order in the Kentucky Case.

5. For an Order determining WSBC and/or Rehme's duties and responsibilities, if any, under any Kentucky Order directing Mr. Chesley to transfer and assign to Respondent Ford all of his "beneficial interest in" the stock of WSBC delivered to Rehme in an attempt to ensure that Rehme pays any funds that would otherwise be directed to Mr. Chesley to Ford because, among other things, any such request violates Ohio law, grants Ford (and the other Respondents) greater relief than they would otherwise be entitled to receive as judgment creditors in Ohio, and conflicts with the overwhelming majority of legal precedents across the country.

The following Memorandum is offered in support of this Motion.

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Respectfully submitted

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MEMORANDUM

A. WSBC Is Entitled To Intervene In This Action As Its Interests Will Be Directly Affected By The Outcome Of This Case And Are Not Adequately Represented By Existing Parties.

Rule 24 of the Ohio Rules of Civil Procedure, which governs intervention, should be construed liberally in favor of intervention. *State ex rel. Polo v. Cuyahoga County Bd. Of Elections,* 73 Ohio St.3d 143, 1995-Ohio-269, 656 N.E.2d 1277; *State ex rel. Strategic Capital Investors, Ltd. v. McCarthy* (1998), 126 Ohio App.3d 237, 248, 710 N.E.2d 290. Intervention can be as a matter of right or permissive. See Ohio R. Civ. P. 24(A) and (B). WSBC avers that it is permitted to intervene in this action as a matter of right as well as a permissive basis.

1. Intervention Under Rule 24(A)(2) Is Warranted Because WSBC's Unique Interests Are Not Adequately Represented By The Existing Parties.

Rule 24(A) of the Ohio Rules of Civil Procedure provides that:

> (A) Intervention of right. Upon timely application anyone shall be permitted to intervene in an action: (1) when a statute of this state confers an unconditional right to intervene; or (2) when the applicant claims an interest relating to the property or transaction that is the subject of the action and the applicant is so situated that the disposition of the action may as a practical matter impair or impede the applicant's ability to protect that interest, unless the applicant's interest is adequately represented by existing parties.

WSBC as intervenor, has such an interest as a matter of right because the subject of the instant action is so situated that the disposition of the action will impair and/or impede WSBC's ability to protect its interests as same are not being adequately represented by existing parties.

Key to the intervention is the legal fact that Mr. Chesley is not an owner or shareholder of WSBC pursuant to the terms of that certain Wind-Up Agreement dated

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April 15, 2013 (the "Wind-Up Agreement") and therefore, cannot represent WSBC's interests. In particular, Section 1 of the Wind-Up Agreement provides that: "Transferor [Mr. Chesley] hereby transfers and assigns his 225 shares in the Corporation (the "Shares") to Transferee [Rehme] to be held in trust for the exclusive purposes of winding up the Corporation [WSBC] for the benefit of its employees, creditors and transferor." Furthermore, section 4.1(g) of the Wind-Up Agreement provides that Rehme, as Trustee of the Trust, is to: "Liquidate corporate assets and distribute proceeds to creditors as required and the remainder to Transferor. . . ." (emphasis added). Hence, at best, Mr. Chesley only has a contingent remainder interest in the Trust holding the WSBC shares. Simply stated, WSBC is not Mr. Chesley and is not represented by proxy through him in this action or in the Kentucky Case.

Further, enumerated paragraph 3 of this Court's January 14, 2015 Restraining Order (the "Restraining Order") provides:

> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents *are enjoined from taking any action to collect the Chesley Judgment in the State of Ohio, from any Ohio resident, Ohio citizen or Ohio domiciled entity*. (emphasis added).

Thus, WSBC is a direct, intended third-party beneficiary of the Restraining Order, and is entitled to the protections afforded thereby, which in WSBC's view, simply require Ford to comply with Ohio law to domesticate the judgment – nothing more and nothing less. However, despite the issuance for the Restraining Order and their knowledge of same, Respondents have fragrantly failed to comply with the Order forcing WSBC to now seek intervention in the instant case to ensure its rights and the rights of Rheme as its trustee, are fully protected.

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2. In the Alternative, WSBC Should Be Permitted To Intervene Under Rule 24(B)(2).

Alternatively, Rule 24(B) provides:

> Upon timely application anyone shall be permitted to intervene in an action: (1) when a statute of this state confers a conditional right to intervene; or (2) when the applicant's claim or defense and the main action have a question of law or fact in common.

Ohio R. Civ. Pro. 24(B) [in pertinent part]. Permissive intervention under Rule 24(B) is to be liberally granted, so as to promote the convenient and prompt disposition of all claims in one litigation. *See City of Cleveland v. Cities Serv. Oil Co.* (N.D. Ohio 1969), 20 Ohio Misc. 179, 47 F.R.D. 543.

Even if this Court did not agree that WSBC has a *right* to intervene, this is a quintessential case for permissive intervention under Rule 24(B)(2). Obviously, the actions of Respondents are nothing more than a back-door attempt (i) to avoid compliance with this Court's Restraining Order and applicable Ohio law, (ii) to obtain through Mr. Chesley WSBC's information despite the fact that WSBC is not even a party to Respondents' Kentucky Case, and (iii) to seize assets and confidential information of WSBC and other Ohio entities or residents without first perfecting the Judgment in Ohio.

B. Respondents' Actions In The Kentucky Case Are In Direct Violation Of This Court's Restraining Order.

As noted, this Court's Restraining Order expressly provides in paragraph 3 that:

> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents *are enjoined from taking any action to collect the Chesley Judgment in the State of Ohio, from any Ohio resident, Ohio citizen or Ohio domiciled entity*. (emphasis added).

In utter disregard of the Restraining Order, on May 21, 2015 the Respondents filed a Motion (the "Transfer Motion") in the Kentucky Case, asking the Kentucky Court

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to enter an order, in direct contravention of the Restraining Order, that requires "Defendant Chesley's [an Ohio resident and citizen] beneficial interest in the shares of his former law firm, Waite, Schneider, Bayless & Chesley Co., L.P.A. ("WSBC") [an Ohio domiciled entity] be transferred to Plaintiffs, with all distributions pursuant to that interest to be made to Plaintiffs through their counsel."

The Transfer Motion also requested that the Court order "Defendant Chesley [an Ohio citizen] and his counsel to provide a copy of the Order Thomas F. Rehme, who holds those shares [of an Ohio domiciled entity] in trust [established under Ohio law] for Defendant Chesley's benefit, and order Defendant Chesley [an Ohio citizen] to direct Mr. Rehme to make payments as ordered." *Id.* Put simply, Respondents filed the Motion in an effort to obtain indirectly from the Kentucky Court that which they are unable to obtain in Ohio under Ohio law despite the clear and direct language in the Restraining Order prohibiting them from taking such actions.

Likewise, on April 20, 2015, Respondents subpoenaed WSBC's accounting firm, CSH, another Ohio entity, in an effort to obtain WSBC's confidential and proprietary financial information. Such requested information includes, but is not limited to, the wages, earnings, and other confidential information of WSBC's employees, vendors, and other parties with whom WSBC has transacted business over the past 10 years. Respondents even filed in the Kentucky Case a Motion to Compel CSH to comply with their contemptuous subpoena *duces tecum* and order production of the requested information (the "CSH Compel Motion").

Also on May 21, 2015, Respondents filed a motion for contempt against Mr. Chesley and his counsel to compel discovery responses (the "Chesley Compel

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Motion"). In particular, the Chesley Compel Motion chides Mr. Chesley for having among other things:

a. "[N]ot provided any account information for his former law firm, Wait, Schneider, Bayless & Chesley Co., L.P.A." Chesley Compel Motion pg. 2.

b. Not proving requested names and financial account information for all entities Mr. Chesley had an interest and noted that "WSBC is clearly responsive to these interrogatories, but no responsive documents have been produced." *Id.* at pg. 5.

c. Not providing information in regards to all trusts noting that the "trust created by the WSBC Wind-Up Agreement is clearly covered by this interrogatory…." *Id.* at pg. 6.

d. Not providing year-end financial statements since 2005 for Chesley and any business, rust or entity held since 2005 noting "Chesley has provided no such statement for WSBC. . . ." *Id.* at pg. 7.

As a direct, intended third-party beneficiary of the Court's Restraining Order, WSBC is entitled to the protections afforded by that order. WSBC should not be burdened by having to respond to the Transfer Motion, or to otherwise seek clarification of its impact on, or import to, WSBC, by filing this motion seeking guidance from this Court. Likewise, WSBC should be protected from Respondents duplicitous efforts to obtain WSBC's confidential and proprietary financial information through third parties. Indeed, there is no justification for placing Mr. Rehme and WSBC in the potential cross-hairs of former employees, vendors, creditors or other counter-parties of WSBC whose private and confidential data would be disclosed to Ford without appropriate protections being in place in a Court of competent jurisdiction like this one.

Accordingly, this Court should enter an order (i) directing Ford to show cause why she should not be held in contempt of the Restraining Order for filing the Transfer Motion and seeking via a back-door attempt to obtain information regarding WSBC via

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the CSH subpoena, the CSH Compel Motion, and the Chesley Compel Motion; (ii) ordering Ford to pay WSBC's attorney's fees and costs incurred in filing this Motion and any related papers or proceedings; and (iii) declaring that any Order that emanates from the Transfer Motion, CSH Compel Motion or the Chesley Compel Motion is null and void as to WSBC (and Mr. Rehme) unless and until Ford complies with Ohio law regarding domestication of the judgment and any execution thereon.

C. Respondents Have Not Properly Domesticated The Judgment In Ohio; Thus, The Transfer Motion Is Nothing More Than A Back-Door Attempt To Do Indirectly What They Have Failed To Accomplish Directly.

For reasons known only to Ford, Respondents have not attempted domesticate their Judgment in Ohio. They haven't even tried. Whether that failure is due to Ford's unwillingness to use the proper procedural channels, or to her inability to satisfy the statutory requirements for the domestication of the Judgment in Ohio is not relevant here. What is relevant is that Ford's continued use of Kentucky courts to circumvent applicable Ohio laws and procedures, and her service of Kentucky subpoenas directed at Ohio parties, and the private information of those Ohio parties against whom she has no judgment or rights, is both improper under applicable law and a violation of this Court's Restraining Order.[1] Ford's Motion becomes even more troubling when one considers the way in which her conduct has the effect of depriving Ohio parties, such as WSBC and its former employees, creditors, vendors and the like, of the rights and protections afforded to them under Ohio law by effectively seeking relief against them in

[1] In that regard, it is worth noting that through her "Kentucky" subpoenas, Ford has sought to obtain voluminous records of WSBC and other **Ohio** parties containing highly confidential and/or proprietary information of countless **Ohio** individuals and parties. Her hubris is compounded by the fact that (a) she utterly failed and refused to service notice of the subpoenas on WSBC or the other third-parties whose information she was seeking; and (b) she simultaneously filed a motion asking the Kentucky court to eviscerate the agreed protective order in Kentucky so she can be free to publicize the information she obtains in Kentucky.

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a Kentucky court that has no jurisdiction over them in a case in which they are not parties and in a forum that is not their own.

The proper procedural steps for domestication of a foreign judgment have been clearly set out in various papers filed by Mr. Chesley in this case. See O.R.C. 2329 *et seq.* Despite having filed voluminous responses and motions in this Court and in the Kentucky Case, Ford has never disputed Mr. Chesley's description of the applicable law nor has she ever taken any steps to complete the domestication process. As a result, Ford (and the Respondents) have absolutely no legal basis for any attempt to interfere with the operations of WSBC or to obtain the private financial information of WSBC, its creditors, and its employees. And it is wholly unreasonable and unjust to expose Mr. Rehme to claims by third parties (such as persons whose information would be disclosed in WSBC documents) solely because Ford and the other Respondents have chosen to ignore this Court's Restraining Order and to ignore Ohio law. Neither WSBC nor Mr. Rehme should be put in the position of having to elect whether to produce WSBC information (pursuant to Kentucky discovery in the Kentucky Case in which WSBC is not a party and from a court that has no jurisdiction over WSBC) or to stand on the substance of this Court's orders.

It is no coincidence that Respondents filed the Transfer Motion immediately after the Ohio Court entered an order denying Respondents' motion to void the Restraining Order despite having been well aware of the Wind-Up Agreement and the interests thereunder for quite some time. The ruse is obvious: Ford filed the Motion in hopes of convincing the Kentucky court to unknowingly participate in her scheme to treat the Restraining Order as though it does not exist. Respondents tacitly acknowledge this fact

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in the Transfer Motion and Memorandum when they also request that this Court "should also order Defendant Chesley and his counsel to provide a copy of the Order to Thomas F. Rehme, who holds those shares in trust for Defendant Chesley's benefit, and order Defendant Chesley to direct Mr. Rehme to make the payments as ordered." Transfer Motion at pg. 1, Memorandum thereto at pg. 3. In doing so, Ford seeks to utilize the Kentucky court as the vehicle to "go around" the Restraining Order and to effectively order WSBC, an entity against whom Respondents do not have a judgment and who is not a party to the Kentucky action to be somehow bound by a Kentucky order that is appears to contradict the plain language of this Court's Restraining Order.

The Respondents' actions in filing the Transfer Motion are similar to those of parties who wish to skirt the strict requirements of pre-judgment attachment by seeking a temporary injunction/restraining order instead. For example, in Kentucky, like Ohio, in order to obtain a prejudgment attachment, the plaintiff must comply with the stringent requirements of KRS § 425.301 *et seq.* to justify attachment. Under KRS § 425.301(3), before an order of attachment shall issue prior to judgment, the plaintiff must first make a demand in writing, delivered or mailed (registered or certified) to the debtor, along with a copy of the complaint, motion and summons, to his last known place of residence, at least seven (7) and not more than sixty (60) days before such order is sought. The demand shall contain a statement that the debtor has seven (7) days in which to petition the court for a hearing or in which to pay the claim in full, and that unless a hearing is set or the claim paid, an order will be sought to subject his property to payment of the claim. An affidavit of the plaintiff or his attorney evidencing compliance with this section must be filed before an order of attachment can be issued by the clerk. *Id.* Further, KRS

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§ 425.309(1) provides as follows: "An order of attachment shall not be issued [before final judgment] until a bond has been executed by one (1) or more sufficient sureties of the plaintiff in an amount not less than double the amount of the plaintiffs claim." Thus, the plaintiff must secure a bond of at least double the amount of the total claim against the defendant.

Instead of navigating though the prejudgment attachment process, it is often the case that plaintiffs will attempt to impermissibly circumvent such requirements by seeking a temporary injunction or restraining order despite provisions such as KRS § 425.301 *et seq. (pre-judgment attachment)* being an adequate remedy. *Cf. USACO Coal Co. v. Carbomin Energy, Inc.*, 689 F.2d 94, 99 (6th Cir. Ky. 1982) (internal citations omitted) ("An "adequate remedy at law" is a remedy that is plain and complete and as practical and efficient to the ends of justice as the remedy in equity by injunction."); *Taggart Global Operations, LLC v. Elk Horn Coal Co., LLC*, 415 S.W.3d 665, 669 (Ky. Ct. App. 2013) (provisions of the attachment statute require strict compliance) *citing* McLean v. McLean, 73 Ky. 167, 168 (Ky. 1873); *accord State on Relation of Gaines, Stern, Schwarzwald & Robiner Co. v. Fuerst*, 1980 Ohio App. LEXIS 13813, 5-6 (Ohio Ct. App., Cuyahoga County Feb. 7, 1980) ("The legislature has enacted a detailed scheme that is specifically designed to deal with the prejudgment attachment of a defendant's assets . . and [it] provides the exclusive method of obtaining a prejudgment attachment."). Courts routinely reject these attempts to avoid specific statutory requirements by seeking more general, equitable relief.

Here, Ohio law provides a very clear path for Respondents to domesticate their Judgment and execute on it if they wish to do so. See O.R.C. 2329 *et seq.* They simply

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need to comply with that statute and then they would be free to use the **Ohio** courts to pursue **Ohio** assets and parties, including Mr. Chesley's contingent, beneficial interest in WSBC. Respondents have failed to comply with the Ohio statutory provisions for domesticating the Judgment. Respondents must not be permitted to simply ignore, or refuse to pursue, plain legal remedies available to them – such as domestication of the Judgment in Ohio followed by use of Ohio's execution statutes – and ask instead for equitable relief like that which is sought in the Transfer Motion.

Like the plaintiffs who wish to "get around" the strict attachment requirements by seeking a temporary injunction, Respondents now ask the Kentucky court to contravene this Court's Restraining Order and to grant them back-door access to WSBC, an Ohio entity that is not a party to the Kentucky Case. This Court should act promptly to protect WSBC (and its former and current employees, creditors, and other interested parties whose confidential information Ford seeks to publish) and should block Ford's attempt to escape the consequences of her own failure to simply comply with Ohio domestication and execution law. The mere fact that Respondents apparently find themselves unable to correctly domesticate their Judgment in Ohio is not an excuse for them to simply disregard Ohio law and to violate the rights on third party Ohio residents, like WSBC, against whom they have no Judgment.

Respondents failed to cite in the Transfer Motion a single Kentucky Case that holds that KRS 426.384 authorizes a Kentucky court to order an Ohio resident to transfer Ohio real or personal property to Kentucky plaintiffs – because there is no such Kentucky Case.

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For the same legal reasons that a Kentucky court does not have jurisdiction to foreclose on Ohio real estate or garnish Ohio bank accounts, a Kentucky court may not accomplish the same objective by enjoining a defendant to transfer such property to Kentucky plaintiffs. A persuasive precedent is *Elkhart Coop. Equity Exch. v. Hicks*, 823 P.2d 223 (Kan. App. 1991). In that case, a Kansas court ordered a judgment debtor to "surrender to Kansas officials certain nonexempt property (or documents of title to said property) located in Oklahoma." 823 P.2d at 224. The Kansas Court of Appeals held "that a state has no power to reach property beyond its borders, and that he [defendant] cannot be required to bring property located out-of-state before the Kansas court to surrender to the sheriff for satisfaction of the judgment. . . . Recent case law in other jurisdictions limits judgment creditors to obtaining property located in the *situs* jurisdiction." *Id*. at 226, citing *Chadwin v. Krouse*, 254 Pa. Super., 445, 386 A.2d 33 (1978). *Accord, Baxter State Bank v. Bernhardt*, 185 F.R.D. 621, 624 (D. Kan. 1999) ("According to a recent decision from the Kansas Court of Appeals, Kansas courts have no jurisdictional authority to order a non-resident judgment debtor to bring out-of-state property into Kansas to satisfy a judgment.") citing *Elkhart Coop. Equity Exch. v. Hicks, supra*.

Another persuasive precedent is *Sargeant v. Al-Saleh*, 137 So.3d 423 (Fla. App. 2014). The Florida Court of Appeals held that "the [trial] court lacked jurisdiction to compel the turnover of property located outside the State of Florida." 137 So.3d at 433.

The Florida court further reasoned that permitting such a transfer would evade the legal protections in the *situs* state for other creditors, as well as statutory protections for the debtor:

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> From a policy standpoint, we agree with the *Koehler* dissent. . . . [W]e are concerned about the practical implications of permitting Florida trial courts to order judgment debtors to turn over assets located outside the state. First, there may be competing claims to the foreign asset and we believe "that claims against a single asset should be decided in a single forum – and . . . that the forum should be, as it traditionally has been, a court of the jurisdiction in which the asset is located."

137 So. 3d at 435, quoting *Koehler v. Bank of Bermuda Ltd.*, 911 N.E.2d 825, 831 (N.Y. 2009) (Smith, J., dissenting). The relief sought by Respondents would simply sweep away rights of Mr. Chesley, WSBS and Rehme as Trustee, under Ohio law, such as statutory exemptions for judgment debtors. As the Florida court recognized in *Sargeant*, the only proper venue for the adjudication of those rights and issues is the situs state – Ohio.

The proper procedure is for the Respondents to domesticate the Kentucky judgment in Ohio pursuant to the Uniform Enforcement of Foreign Judgments Act and proceed in an Ohio court pursuant to governing Ohio law. As the Kansas Court of Appeals said in *Elkhart*:

> We have not left the plaintiff without a remedy. Kansas has adopted the Uniform Enforcement of Foreign Judgments Act, K.S.A. 60-300 at *et seq.* The State of Oklahoma has adopted the Uniform Foreign Money Judgments Recognition Act, Okla. Stat. tit. 12, §§ 710 at *et seq*. (1981), and it has adopted the Uniform Enforcement of Foreign Judgments Act, Okla. Stat. tit. 12, §§ 720 at *et seq*. (1981). The plaintiff can file the Kansas judgment in the state of Oklahoma and utilize the postjudgment collection procedures available in that state.

823 P.2d at 341. *Accord Sargeant*, 137 So.3d at 435 ("Second, we emphasize that allowing trial courts to compel judgment debtors to bring out-of-state assets into Florida would effectively eviscerate the domestication of foreign judgment statutes.").

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Until such time as Respondents actually follows Ohio law and properly domesticate the Judgment, this Court should issue an Order prohibiting WSBC and Rehme from having to comply with any order issued by the Kentucky Case. Likewise, Respondents should be estopped from seeking any WSBC information from WSBC's accountants CHS until such time as they properly domesticate their Judgment in Ohio and then seek that information under the auspices of this Court.

D. Pursuant To The Wind-Up Agreement, Mr. Chesley Only Has A Contingent Remainder Interest In The Trust And Is Not In "Control" Of The Information Sought In the Transfer Motion, CHS Compel Motion And The Chesley Compel Motion.

Civ R. 34 states that documents subject to discovery must be "in the possession, custody, or control of the party upon whom the request is served." *Maiben v. Waver*, 2013 Ohio Misc. LEXIS 6 (Ohio C.P. Feb. 7, 2013). It is axiomatic under Ohio law that in order to obtain discovery of an alleged affiliated party, the party seeking discovery must show that the party from whom the discovery is sought has control over the alleged affiliate. *See Owens-Corning Fiberglas Corp. v. Allstate Ins. Co.*, 74 Ohio Misc. 2d 174, 179 (Ohio C.P. 1993) *citing Sedgwick v. Kawasaki Cycleworks, Inc.* (1985), 24 Ohio App. 3d 109, 24 Ohio B. Rep. 179, 493 N.E.2d 308; *Gerling Internatl. Ins. Co. v. Commr. of Internal Revenue* (C.A.3, 1988), 839 F.2d 131, 141-142. Likewise, speculation that one party has control over the documents of another entity simply because they are somehow related is insufficient to establish control and compel discovery. See *In re Porsche Cars N. Am., Inc.*, 2012 U.S. Dist. LEXIS 136954 (S.D. Ohio Sept. 25, 2012) (internal citations omitted).

WSBC is a law firm. Under Ohio law, only licensed lawyers can be owners of law firms like WSBC. Mr. Chesley no longer holds a law license in Ohio. Indeed, it was

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when Mr. Chesley permanently retired from the Ohio bar that he was compelled to transfer ownership of WSBC to another Ohio attorney, Mr. Rehme. As evidenced by the Wind-Up Agreement, Mr. Chesley has only contingent remainder interest in the assets of the Trust holding the shares of WSBC after all the claims of all WSBC creditors holding allowed claims are paid. See Wind-Up Agreement, Sections 1 and 4.1(g). Further, WSBC was not a party in the Kentucky Case nor found to have any liability relating to the Judgment; hence, discovery on WSBC at this point would be unreasonable. See *Suttle v. DeCesare*, 8th Dist. No. 77753, 2001 Ohio App. LEXIS 3030, 2001 WL 777016 (July 5, 2001) (finding denial of discovery request upon individual shareholder was not unreasonable, arbitrary for unconscionable where liability was found only against corporation and not shareholder).

As Mr. Chesley does not own the shares of WSBC and is not in charge of winding down and liquidating WSBC; of course, then, he is not a person in "possession, custody or control" of the financial and other information of WSBC sought by Respondents. However, Respondents' requested information concerning WSBC could be obtained from WSBC directly through a subpoena if they simply domesticated the Judgment in Ohio.

WHEREFORE, WSBC respectfully request that the Court enter an Order:

1. Permitting WSBC to intervene as a party in interest/plaintiff in this action;
2. Enjoining Respondents from obtaining any confidential, financial, propitiatory or other information regarding WSBC from Mr. Chesley, CHS, Rehme or any other party;

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3. Directing CSH to withhold from production to Respondents any confidential, financial, propitiatory or other information pertaining to WSBC;
4. Directing Rehme to decline and reject any request from Mr. Chesley for WSBC's financial records to the extent such request emanates from a discovery request directed to Mr. Chesley in Kentucky;
5. Directing and determining WSBC and/or Rehme's duties and responsibilities, if any, under any Kentucky Order directing Mr. Chesley to transfer and assign to Respondent Ford all of his "beneficial interest in" the stock of WSBC delivered to Rehme in an attempt to ensure that Rehme pays any funds that would otherwise be directed to Mr. Chesley to Ford; and
6. Granting such other and further relief as this Court deems just and proper.

Respectfully submitted,

/s/ Donald J. Rafferty

Donald J. Rafferty (0042614)
Cohen, Todd, Kite & Stanford, LLC
250 E Fifth St, Suite 2350
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Attorney For Intervener, Waite Schneider Bayless & Chesley Co., L.P.A..

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the **MOTION OF INTERVENOR WAITE SCHNEIDER BAYLESS & CHESLEY CO., L.P.A. FOR DECLARATORY AND INJUNCTIVE RELIEF** was served this 26th day of June, 2015, via regular U.S. Mail upon the following:

Vincent E. Mauer
Frost Brown Todd LLC
3300 Great American Tower
301 E. Fourth Street
Cincinnati, OH 45202

Brian Sullivan
Christen M. Steimle
Dinsmore & Shohl, LLP
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Cincinnati, OH 45202

/s/ Donald J. Rafferty
Donald J. Rafferty

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TRACY WINKLER
HAMILTON COUNTY CLERK OF COURTS

COMMON PLEAS DIVISION

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July 22, 2015 10:59 AM
TRACY WINKLER
Clerk of Courts
Hamilton County, Ohio
CONFIRMATION 426669

STANLEY M CHESLEY

vs.

ANGELA M FORD

A 1500067

JUDGE
JODY M LUEBBERS

FILING TYPE: MOTION

PAGES FILED: 28

EFR200

EXHIBIT

11

exhibitsticker.com

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

Stanley M. Chesley,	:	Case No. A1500067
	:	Judge Ruehlman
Petitioner,	:	
	:	**PETITIONER'S MOTION FOR LEAVE TO FILE SECOND AMENDED VERIFIED PETITION**
v.	:	
	:	
Angela M. Ford, Esq., *et al.*	:	
	:	The proposed amended filing is attached.
Respondents.	:	A proposed order is attached.

Pursuant to Civ.R. 15(A) and 20, Petitioner Stanley M. Chesley ("Chesley") moves this Court for leave to file his Second Amended Verified Petition to specifically identify certain current "Unknown Respondents" who Respondent Angela Ford ("Ford") recently revealed are Ohioans. The amendment would transition certain Ohio residents who Ford recently listed as her clients and Chesley's judgment creditors from "Unknown Respondents" into "Ohio Respondents." These persons were identified by Ford in a Louisiana filing in June, 2015.

Counsel for Chesley sought consent from Ford's counsel and counsel for Waite Schneider & Chesley to file a Second Amended Verified Petition: counsel for WSBC consented to the request but counsel for Ford did not consent.

The grounds for this motion are more fully set forth in the following memorandum.

Respectfully submitted,

/s/ Vincent E. Mauer
Vincent E. Mauer (0038997)
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Attorney for Petitioner, Stanley M. Chesley

MEMORANDUM IN SUPPORT

I. INTRODUCTION

On January 6, 2015 Chesley filed his Verified Petition for Declaratory Judgment and Injunctive Relief (the "First Verified Petition") in this Court. At that time, Chesley had no current information regarding Ford's clients or their states of residence. Instead, Chesley could only rely on information from a grid of Ford's clients from over ten years ago.

Ford removed the case to Federal court. There, after much time and effort was spent identifying and locating Ohio residents from Ford's grid, the Petition was amended to include the identified individuals (the "Ohio Respondents"). The case was then remanded to this Court.

Recently, Ford and her clients have initiated an action to enforce their judgments in Louisiana. Ford identified additional Ohioans whose names and/or addresses were not present on the outdated grid of judgment creditors. Those individuals (or estates) are: Ruby Adams (c/o Gloria Little); Glenna Brock-Powell-Renner Estate; Ruby Godbey; Louisa Moss Howard; Rebecca Lovell Estate; and Mary White-Lynch (collectively, the "New Ohio Respondents").

Due to Ford's repeated refusal to update Chesley's information regarding who he owes and what he owes them, neither Chesley nor Chesley's counsel was aware of the New Ohio Respondents prior to Ford's Louisiana filing. In light of this new information, Chesley now seeks to amend the Amended Verified Petition to include the New Ohio Respondents as "Ohio Respondents" instead of "Unknown Respondents."

II. ARGUMENT

Civ.R.15(A) provides that "[l]eave of court [to amend] shall be freely given when justice so requires." The primary purpose of the rule is to permit liberal amendments to pleadings and to ensure the efficient and expeditious resolution of cases on the merits. *Hoover v. Sumlin*

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(1984), 12 Ohio St.3d 1, 5-6, 465 N.E.2d 377. Consequently, Ohio courts have interpreted Rule 15(A) "liberally to mean that a motion for leave to amend should be granted absent a finding of bad faith, undue delay or undue prejudice to the opposing party." *Reinhart v. Fostoria Plumbing, Heating & Elec. Supply, Inc.*, 3d Dist. No. 13-10-08, 2010-Ohio-4825, at ¶10.

Likewise, Rule 20(A) allows for permissive joinder of parties in the interest of judicial economy, and joinder is preferable and strongly encouraged, even though parties could have been sued separately. *Dice v. White Family Cos.,* 2d District Montgomery No. 20491, 2005-Ohio-2861.

Chesley has brought this motion quickly after learning of the existence and location of the New Ohio Respondents. These individuals are already "Unknown Respondents."

The allegations and relief sought in the proposed Second Amended Verified Petition remain exactly the same as in Chesley's First Amended Verified Petition. Because the proposed Second Amended Verified Petition is entirely consistent with the First Amended Verified Petition, Ford will not be forced to expend time or resources in preparing additional defenses to this litigation; nor will she be unduly prejudiced by the Court's granting this Motion.

III. CONCLUSION

Based on the foregoing, Chesley respectfully requests that the Court grant his Motion for Leave to File his Second Amended Verified Petition in order to add the New Ohio Residents. Chesley further requests that the proposed Second Amended Verified Petition, attached hereto as Exhibit A, be accepted and deemed filed as of the date of the Court's granting of this motion.

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Respectfully submitted,

/s/ Vincent E. Mauer

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Attorney for Petitioner,
Stanley M. Chesley

CERTIFICATE OF SERVICE

The undersigned certifies that on July 21, 2015 a copy of the foregoing was served by first class United States mail, postage prepaid, on:

Brian Sullivan, Esq.
Christen Steimle, Esq.
Dinsmore & Shohl LLP
255 East Fifth Street, Suite 1900
Cincinnati, Ohio 45202

Donald J. Rafferty, Esq.
Cohen Todd Kite & Stanford
250 East Fifth Street, Suite 2350
Cincinnati, Ohio 45202

/s/ Vincent E. Mauer

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EXHIBIT A

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

Mr. Stanley M. Chesley 9005 Camargo Road Cincinnati, Ohio 45243 Petitioner v. Angela M. Ford, Esq. Chevy Chase Plaza 836 Euclid Avenue, Suite 311 Lexington, KY 40502 Unknown Respondents, possibly over 400 John Doe or Jane Doe or their successors Located at unknown addresses, Ms. Judith Peck (n/k/a Wageman) 2166 Eastern Ave. Cincinnati, Ohio 45202 Ms. Jayne Adams 1077 Theatre Street Chillicothe, Ohio 45601 Ms. Carol Boggs 3415 at County Road Ironton, Ohio 45638 Ms. Linda Brumley 415 W. Mulberry Street West Union, Ohio 45693 Ms. Patricia Kennedy 7594 Shawnee Lane West Chester, Ohio 45069 Ms. Betty Kelly, deceased 117 W. Parkwood Fairborn, Ohio 45324 Ruby Adams c/o Gloria Little 2322 Highland Ave, Apt 2 Norwood, Ohio 45212-2350	:	Case No. A1500067 Judge Ruehlman **SECOND AMENDED AND SUPPLEMENTAL VERIFIED PETITION FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF**

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Ruby Godbey
1134 Terrington Way
Miamisburg, Ohio 45342-4265

Louisa Moss Howard
3880 Mack Rd. Apt 85
Fairfield, Ohio 45014-7541

-and-

Rebecca Lovell Estate
4591 Miles Dr.
Port Orange, FL 32127-9243
Respondents.

PURPOSE OF THE AMENDMENT

This Second Amended And Supplemental Verified Petition For Declaratory Judgment And Injunctive Relief (this "Second Amended Petition") makes only one change to the previously filed First Amended and Supplemental Verified Petition For Declaratory Judgment And Injunctive Relief (the "Amended Petition"). The Second Amended Petition identifies as additional individually named Respondents four more of Respondent Angela Ford's ("Ford") clients who she has described as Chesley's judgment creditors[1] who reside in Ohio (together with the previously specifically identified putative judgment creditors, the "Ohio Respondents" or individually an "Ohio Respondent").[2] These four respondents were previously parties as members of the group known as "Unknown Respondents."

SUMMARY OF PROCEEDING

Chesley finds himself in an untenable and unprecedented situation – subject to a judgment issued by a Kentucky court the current total amount of which is unknown and which is

[1] Two additional judgment creditors who reside in Ohio, Glenna Brock-Powell Renner Estate and Mary White-Lynch, have also been identified, however, Petitioner does not yet know their precise residence address.
[2] The remainder of Ford's clients who she has described as Chesley's judgment creditors continue, at least for now, to be identified as the "Unknown Respondents."

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owed to a list of approximately 400 persons that has not been updated in over 13 years.[3] Given the virtual certainty that at least one of those persons died or was the subject of a bankruptcy petition, it is true that the judgment against Chesley is currently in an unknown amount owed to unknown judgment creditors.

Despite those very serious flaws, Respondent Angela M. Ford ("Ford"), on behalf of the judgment creditors (collectively the Ohio Respondents and the "Unknown Respondents"), has commenced collection efforts including "post-judgment" discovery directed at Chesley and at least ten third parties who are not judgment debtors. Because Chesley's *res* that Ford targets, Chesley's assets, are in Ohio, the only way Ford can recover from Chesley is by coming to Ohio and invoking this Court's jurisdiction and assistance.

In the same manner, Ford's best means of obtaining information from third parties with whom Chesley has some affiliation is to come to Ohio and invoke this Court's jurisdiction and assistance. Instead, Ford has (a) subpoenaed information from accountants and refused to notify those third parties that she wants their financial information as required by law (see the documents filed on April 28, 2015) and (b) served discovery on Chesley seeking the information of several nonparties.

Hence, the filing of this case by Chesley to assure that a modicum of fairness and protection prevails in respect to Ford's collection efforts so that the rights and interests of Chesley and third parties who Ford has targeted may be properly protected.[4] Absent the relief requested in this action, the rights of Chesley and others will be irreparably harmed.

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[3] It is beyond ironic that Ford's damages chart or "grid" was created by the Criminals, defined below and used by them to perpetrate a fraud in Kentucky.

[4] Ford's first two acts targeting nonparty Ohioans: (A) the post-judgment discovery that Ford served on Chesley in Kentucky seeks to obtain from Chesley information concerning and belonging to third parties (almost all of whom are Ohio domiciles) in an attempt to circumvent the applicable rules and deprive those third parties of the protections to which they are afforded by Ohio law; and (B) in Kentucky, Ford has served a subpoena on Clark Schaeffer & Hackett, Chesley's accounting firm, which is an Ohio entity with an office in Kentucky, seeking

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Accordingly, Chesley seeks a declaration that Ford and any other counsel acting on behalf of the Ohio Respondents or the Unknown Respondents cannot register or domesticate into the State of Ohio and then enforce using Ohio courts, subpoenas, sheriffs and laws a Kentucky judgment against Chesley without first disclosing to this Court and Chesley (i) the actual total amount now owed on that judgment, (ii) exactly what persons or entities are currently entitled to collect that judgment and (iii) the amount owed to each specific judgment creditor after credit for the amounts distributed by Ford and amounts retained by Ford as her fee. Ford's refusal to provide this information to this Court and Chesley (a) violates Ohio law, (b) impedes implementation of Ohio public policy imperatives, (c) deprives Chesley of valuable rights, (d) deprives the judgment creditors of their rights, (e) impairs the rights of other third parties from whom, or about whom, Ford seeks information, (f) aids Ford's avoidance of her obligations to her clients who are the judgment creditors, and (g) could prevent courts in Ohio and Kentucky from making informed decisions on certain issues that may arise.

PROCEDURAL STATUS

Respondent Ford removed this case to the United States District Court for the Southern District of Ohio on February 5, 2015. That removal was premised on Ford's purposeful misrepresentation that there was complete diversity between Chesley and the respondents.[5]

This case was remanded to this Court by United States District Court Judge Peter J. Economus on April 6, 2015. Simultaneously with that remand, Judge Economus granted Petitioner's motion for leave to file this Amended Petition. This Court affirmed that permission at a status conference on April 28, 2015.

---

information concerning and belonging to several third parties (at least ten of whom are Ohio domiciles). That subpoena violates this Court's January 14, 2015 Order and with Ford's other sharp practices seeks to circumvent applicable rules and deprive third parties of the protections to which they are afforded by Ohio law.

[5] Ford asserted that complete diversity existed despite what Judge Economus called the "undisputed" fact that the Unknown Respondents included several Ohio residents.

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Also on April 6, 2015, Judge Economus "terminated" two motions Ford had filed in the federal court: Ford's Motion For Order to Declare the Restraining Orders Dissolved or to Dissolve Them; and Ford's Motion to Dismiss for Lack of Jurisdiction. See the certified copy of the federal court's docket sheet filed in this matter.

COMES NOW Petitioner Mr. Stanley M. Chesley ("Chesley"), through the undersigned counsel, who states as follows:

INTRODUCTION

1. Chesley is a resident of Hamilton County, Ohio as are certain other persons and entities against which Ford has threatened to issue subpoenas and from whom Ford has threatened to seize assets. Also Ohio residents and domiciliaries are eight to ten entities whose private financial information Ford seeks via both of Ford's first two acts against nonparties—(a) discovery issued to Chesley on May 1, 2015 and (b) a subpoena that Ford issued to Clark Schaeffer & Hackett ("CSH"), an Ohio based accounting firm. Venue of this matter is appropriate in this Court.

2. Respondent Ford is a resident of the Commonwealth of Kentucky and a practicing lawyer in the Commonwealth of Kentucky who represents the plaintiffs in litigation styled *Mildred Abbott et al. v. Stanley M. Chesley, et al.* Boone County, Kentucky Circuit Court Case No. 05-CI-00436 (the "Abbott Case"). Some or all of the Abbott Case plaintiffs are Chesley's alleged judgment creditors and are the "Ohio Respondents" and the remaining Ford clients are "Unknown Respondents" herein.

3. Each of the Ohio Respondents is a resident of Ohio and, upon information and belief, is a judgment creditor of Petitioner and is represented by Ford. The amount Petitioner owes to each of the Ohio Respondents is unknown because Ford has refused to disclose that

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information. Ford has minimum contacts with Ohio consistent with this Court's appropriate exercise of personal jurisdiction over Ford.

4. On August 1, 2014 the Boone County, Kentucky Circuit Court ("Boone Circuit Court") entered an Order against Chesley in the Abbott Case (the "Chesley Judgment"); that Order awarded what is described herein as the "Chesley Judgment." That judgment was amended twice, most recently on October 22, 2014 when the Boone Circuit Court entered a Second Amended Judgment against Chesley in the Abbott Case. The Chesley Judgment incorrectly purports to impose on Chesley joint and several liability with three other individuals who suffered a prior judgment in the Abbott Case. The Chesley Judgment is based solely on the principal of collateral estoppel and holds that the Kentucky Supreme Court decided all the factual issues necessary to establish Chesley's liability to the Abbott Case plaintiffs when the Kentucky Supreme Court considered disciplinary action against Chesley. See Exhibit A attached. Chesley disagrees with this conclusion.

5. Chesley has exercised his right to appeal the Chesley Judgment to the Kentucky Court of Appeals and expects the Chesley Judgment to be reversed. Chesley's confidence is based in part on the fact that in 2014 Judge Schrand of the Boone Circuit Court crocheted together Chesley and the Criminal Defendants (defined below) but (i) Judge Wehr of that same court previously said, "[t]he rationale of the previously entered partial summary judgment [against the Criminal Defendants] does not apply to" Chesley, (ii) the Kentucky Court of Appeals refused to equate Chesley with the Criminal Defendants in 2011 saying that material issues and needed discovery prevented the awarding of a judgment against Chesley[6] and (iii) the 2013 Kentucky Supreme Court's *Abbott v. Chesley* decision agreed saying:

[6] Despite this statement from the Kentucky Court of Appeals, Judge Schrand entered summary judgment against Chesley without any additional discovery to resolve the open material issues of fact.

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> Appellants also contend that the joint and several liability of CGM [Cunningham, Gallion and Mills the "Criminal Defendants" discussed below] should extend to Chesley because he acted in concert with CGM. We decline the invitation to do so. . . . Chesley's role in the enterprise clearly differed from that of Cunningham, Gallion, or Mills. The agreement itself seems to treat him differently.

Judge Schrand's decision against Chesley is an anomaly that is contrary to the conclusions of Judge Weir, the Kentucky Court of Appeals and the Kentucky Supreme Court.

6. Nothing in this Amended Petition or any other document filed herein admits that Chesley agrees with any particular finding of fact and conclusion of law that led to the Chesley Judgment. *Inter alia*, Chesley disputes the Chesley Judgment's holding that he is jointly and severally liable with the Criminal Defendants because the Chesley Judgment arose out a procedural morass wherein Ford and the Boone Circuit Court conflated the issues in a disciplinary matter and those in the Abbott Case, a civil lawsuit where parties are entitled to complete discovery (which was not done in the Abbott Case) and a reasoned decision based on the merits which also did not occur in the Abbott Case. Instead, Judge Schrand summarily applied collateral estoppel in the Abbott Case depriving Chesley of the due process to which he is entitled as a matter of law.

7. Unlike Chesley, the three other jointly liable judgment debtors (hereinafter the "Criminal Defendants") were accused of federal crimes for their actions that form the basis of the Abbott Case. For that reason, the August 2007 judgment against those three persons in the Abbott Case is referred to herein as the "Criminal Defendants Judgment." The Criminal Defendants created the settlement chart used by Ford in the Abbott Case as the basis of the 2007 Criminal Defendants Judgment. The Criminal Defendants used that chart as part of their fraud and yet, Ford chose to use that chart as the basis of the damages calculation for the Criminal Defendants Judgment.

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THE JUDGMENT, COLLECTION ACTIVITY AND MONEY DISSIPATED

8. After entry of the 2007 Criminal Defendants Judgment, but prior to the entry of the 2014 Chesley Judgment, Ford and her co-counsel collected many millions of dollars from the Criminal Defendants and possibly others. As a matter of law, the gross amount of those collections must be credited against the Criminal Defendants Judgment, thus reducing the amount of that judgment. Reducing the Criminal Defendants Judgment will simultaneously reduce the amount of the Chesley Judgment since the Boone Circuit Court held Chesley jointly and severally liable for the same $42,000,000 in damages owed by the Criminal Defendants to the Abbott Case plaintiffs; that damages amount which arose from a chart created by the Criminal Defendants, cannot be explained and Ford has refused to provide the calculation of that amount. Ford repurposed and now clings to a damages calculation that is purposefully vague and ambiguous. There is not now and never has been any accurate accounting of the damages owed to the Ohio Respondents and the Unknown Respondents.

9. The stated amount of the 2007 Criminal Defendants Judgment is $42,000,000 plus 8% prejudgment interest and 12% post judgment interest.[7] Although entered more than seven years after entry of the Criminal Defendants Judgment, the stated amount of the 2014 Chesley Judgment is also $42,000,000 plus 8% prejudgment interest and 12% post judgment interest.[8] In another purposeful misleading of a court, Ford failed to fully disclose to the Boone Circuit Court the amount to be credited against the Criminal Defendants Judgment; so the Boone Circuit Court made no adjustment when it entered the stated amount of the Chesley Judgment.

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[7] Chesley's counsel was not involved in the determination of the $42,000,000 amount because it was first determined in a summary judgment motion against the Criminal Defendants not Chesley. Chesley was never provided an opportunity to challenge this amount.

[8] The $42,000,000 amount (i) is a calculation relating to the Criminal Defendants and not Chesley, (ii) is wholly disconnected from any funds Chesley received, and (iii) fails to reconcile the fact that the Kentucky Supreme Court suggested that the maximum judgment to which Chesley would be $6,465,621.87, the "worst case" amount by which Chesley was overpaid in the Settled Case.

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Ford's assertion to the Boone Circuit Court in 2014 that Chesley owes precisely $42,000,000 is so far from accurate that it might possibly constitute a fraud on that court in which event the Chesley Judgment is unenforceable in Ohio as a matter of law.

10. Two of the Criminal Defendants, Cunningham and Gallion, were defendants in a criminal case heard by the United States District Court of the Eastern District of Kentucky as Criminal Case No. 07-39-WOB (the "Criminal Case"). Ford accepted appointment as the Victims Advocate in the Criminal Case but never produced an accounting of her work in that court despite the request of United States District Court Judge Reeves.

11. Ford squandered some of the funds collected from the Criminal Defendants and others. As a result, said funds were not prudently disbursed, properly accounted for or applied to the Criminal Defendants Judgment. Examples include:

> (i) Ford permitted some of the seized assets to be operated by a state court receiver rather than immediately selling those assets and applying the proceeds to the Criminal Defendants Judgment. The receivership operated at a cash flow deficit requiring that other cash payable to the Abbott Case plaintiffs be used to support the receivership. The receivership's use of saleable assets caused those assets to lose value;
>
> (ii) Ford selected a Kentucky lawyer as her co-counsel for collection work on the Criminal Defendants Judgment. Ford now claims that Kentucky lawyer improperly transferred over $2,000,000 to persons that were not Ford, Ford's designees, or the Abbott Case plaintiffs; and
>
> (iii) The Criminal Case victims included 14 known persons who were not Abbott Case plaintiffs. As the Victims Advocate, Ford accepted duties to those 14 persons. To meet her duties to those 14 persons, Ford diverted funds from the Abbott Case plaintiffs into an escrow account for the potential benefit of those 14 persons. Funds that should have been distributed to the Abbott Case plaintiffs but which Ford diverted to others should still be credited against the Criminal Defendants Judgment. Chesley does not believe that those 14 persons are among the 463 different names that Ford has at various times listed as her clients as discussed elsewhere.

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12. The Criminal Defendants Judgment must be reduced by the total gross value of all assets seized from the Criminal Defendants or otherwise acquired or paid on account of the Criminal Defendants Judgment at the time those assets were seized by Ford or her co-counsel regardless of (i) any operating losses suffered by the receivership, (ii) the reduced amount for which those assets were sold after the receivership was terminated or the assets otherwise liquidated, (iii) the alleged loss of any funds caused by Ford's co-counsel, (iv) the diversion of funds from the Abbott Case plaintiffs to persons who were Criminal Case victims but not Abbott Case plaintiffs, or (v) the retention of funds by Ford or her co-counsel.[9] Even if $42,000,000 was the correct damages number in 2007 when the Criminal Defendants Judgment was entered, as applied to Chesley, in 2014 the $42,000,000 judgment amount is at best a guess.

13. Two of the three Criminal Defendants, Gallion and Cunningham (the "Criminals"), were convicted by the United States District Court for the Eastern District of Kentucky, and ordered to pay restitution to their victims, all but 14 of whom are Abbott Case plaintiffs. Forfeiture of certain assets was also ordered in the Criminal Case. Credit against the Criminal Defendants Judgment and therefore the Chesley Judgment must to be given for all amounts paid to the Abbott Case plaintiffs as restitution or from forfeited assets.

14. Despite numerous requests in Kentucky and including work in this Court that started on January 7, 2015, Ford has refused to provide to Chesley an accurate accounting of all funds paid to the Abbott Case plaintiffs on account of her collection efforts or distributions made in the Criminal Case – who is owed, how much is owed and how much has already been collected? For many months in two states, Chesley has sought information from Ford and received nothing. Over the same period, Chesley has produced over 5,000 to pages.

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[9] Neither the Criminal Defendants Judgment nor the Chesley Judgment include an award of attorney fees or expenses. So, any funds collected by Ford but not disbursed to the Abbott Case plaintiffs reduce the amount owed on the judgments.

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15. Despite numerous requests, Ford has refused to provide to Chesley an accurate accounting of all funds that are legally to be credited against the Chesley Judgment, including but not limited to those amounts described above that were not paid to the Abbott Case plaintiffs. Chesley suspects that Ford's continuing refusal to provide an accurate accounting of the amount owed on the Chesley Judgment arises from the fact that Ford knows a complete and accurate accounting of her clients' damages will not result in a calculation that yields an initial gross amount approximating $42,000,000. That is why Ford prefers a vague and ambiguous damages calculation.

16. Despite numerous requests, Ford has failed or otherwise refused to provide to Chesley an accurate accounting of the pre-judgment and post-judgment interest that Ford alleges has accrued and is accruing under the Chesley Judgment. The amount of accrued and/or accruing interest must be adjusted downward each time Ford made assets seizures that reduce the $42,000,000 principal balance of the Criminal Defendants Judgment. The amount of accrued and/or accruing interest must also be adjusted downward to recognize the forfeiture of assets in the Criminal Case and restitution distributions in the Criminal Case.

17. The pre-judgment interest rate is one-third lower than the post judgment interest rate (8% versus 12%). The Criminal Defendants Judgment was entered in 2007 and the Chesley Judgment was entered in 2014; hence, there is a seven year period when interest accrued on the Criminal Defendants Judgment at the higher post-judgment rate of 12% while, as to Chesley, the pre-judgment 8% interest rate applies. Ford must account for that inconsistency and all the other misleading activities described herein.

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FORD AVOIDS HER OBLIGATIONS

18. Various filings in the Abbott Case and certain filings in the Criminal Case disagree with respect to the number and identity of the Abbott Case plaintiffs. The Abbott Case "Plaintiffs" are the stated beneficiaries of the Chesley Judgment and are real parties in interest in this proceeding – the Ohio Respondents and the Unknown Respondents. See Exhibit A. Maintaining the vagueness and ambiguity she created, despite Chesley's requests, Ford has refused to provide to Chesley (i) an exact number of Abbott Case plaintiffs who are Chesley's creditors, (ii) the name of each current judgment creditor, (iii) a current address for each current judgment creditor, and (iv) the amount owed to each current judgment creditor after the distributions of millions dollars to those persons in the Abbott Case and the Criminal Case.[10]

19. For purposes of this Amended Petition, Chesley has listed as respondents herein an unknown number of Jane Doe and John Doe persons or entities (e.g. bankruptcy estates or estates of deceased Abbott Case plaintiffs). Chesley requests that this Court order Ford to disclose the names and addresses of each current judgment creditor so that those persons or entities can be made parties to this action.

20. Public policy in Ohio and Kentucky both favor and actively promote the settlement of litigation. Ford is obligated to communicate with and advise her clients individually[11] concerning the progress of this matter and, for example, any settlement offer made by Chesley so that any particular client can knowingly decide how to proceed in this matter.

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[10] Identifying the current judgment creditors and the amount now owed each after all proper credits is the most fundamental element of a valid judgment. The danger of allowing Ford to proceed in Ohio to collect on the Chesley Judgment without first providing this basic information is readily apparent: for example, if Chesley were inclined to consider making any reasonable settlement offers and if some of the Ohio Respondents or Unknown Respondents wanted to accept, to whom would Chesley make the settlement check payable and from whom would he obtain a release or satisfaction of judgment?

[11] The Abbott Case is a "mass action" and not a class action proceeding. Ford chose to bring a "mass action" and must now live with that choice and communicate with and advise each client individually.

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21. Ford's refusal to disclose to Chesley the current identity of the Unknown Respondents and the current amount owed to each of them permits Ford to treat Chesley's judgment creditors as a group thus protecting Ford from the work of communicating with specific individual clients and advising each of them individually on this matter. Ford's refusal to disclose to Chesley the current identity of the Ohio Respondents and the current amount owed to each of them protects Ford from the work of communicating with specific individual clients and advising each of them individually on this matter.

22. Ford made several filings in the Criminal Case and in the Sixth Circuit Court of Appeals seeking to keep from Chesley and the federal court (i) the total value of assets seized on account of the Criminal Defendants Judgment, (ii) the current names and addresses of her clients, (iii) the amounts distributed to those clients, and (iv) the amount of money she collected that was not distributed to her clients. Ford's relationship with her clients and the fees she retained while collecting the Criminal Defendants Judgment has had no more oversight than the activities of the Criminal Defendants in the Settled Case that permitted the fraud that resulted in the Criminal Case.

23. Ford's refusal to provide requested information to Chesley (i) impairs Ohio and Kentucky's public policy that favors settlements, (ii) deprives Ford's individual clients of the potential opportunity to receive individualized communications and advice, (iii) deprives Chesley of valuable rights and (iv) deprives courts in Kentucky and Ohio of information they may need to handle certain issues that may arise in connection with this matter.

24. Ford's actions threaten the rights of third parties in Ohio who Ford has stated she intends to depose and whose rights Ford has attempted to violate by seeking their private financial documents and information in Kentucky rather than by pursuing the proper procedural

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mechanism for obtaining the information directly from this third parties – a process that would require Ford to come to Ohio invoke the jurisdiction of the Ohio courts in order to issue subpoenas, and at the same time, afford those third parties the opportunity to protect themselves and their information under the auspices of the Ohio courts. Ford's actions in Kentucky seeking information from and concerning Ohio third parties are being done in violation of the rights of those parties.[12]

25. Since Chesley was not a judgment debtor until August 1, 2014, Chesley had no significant opportunity to participate in any of the above-described actions in the Abbott Case or the Criminal Case that (i) determined the $42,000,000 judgment amount in 2007 or (ii) created all the necessary adjustments to the amount owed on the Criminal Defendants Judgment and, consequently, the Chesley Judgment.

FORD THREATENS ACTION THAT WILL CAUSE HARM

26. The "*res*" in this matter, Chesley's assets, if any, are in Ohio not in Kentucky. Chesley does not have any assets in the Commonwealth of Kentucky that are subject to seizure for collection on the Chesley Judgment. Ford intends to domesticate the Chesley Judgment in the State of Ohio and take collection action on assets located in the State of Ohio.

27. Ford has threatened to issue subpoenas and take depositions of numerous persons, entities and institutions. Ford's targets will not voluntarily provide information to Ford thereby requiring Ford to issue subpoenas to those targets, many of whom have no presence in Kentucky and are not subject to a subpoena issued by the Boone Circuit Court. Some of the targets of Ford's scattergun discovery efforts are not parties to, or currently aware of, the Abbott Case and some of the assets Ford might attempt to seize are used by, held by or owned by entities who are

[12] See the letter of Thomas Pyper, Esq., counsel for Clark Schaeffer & Hackett, an entity on whom Ford served a subpoena in Kentucky. A copy of this letter was filed with the Court on April 28, 2015.

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not parties to, or currently aware of, the Abbott Case. Many of these third parties are Ohio residents, citizens or domiciles who deserve the procedural protections offered by Ohio law.

28. Ford served a subpoena (in Kentucky) on Chesley's accounting firm demanding that CSH produce to Ford the financial records and information of at least 10 Ohio entities or citizens. Ford did not comply with applicable Kentucky law in relation to service of that subpoena because she did not serve a copy of it on those eight to ten Ohio entities or citizens prior to serving it on CSH. That subpoena (a) removes any doubt about Ford's intention of getting information from Ohio citizens or domiciliaries, or access to Ohio assets, without being required to comply with Ohio law or to otherwise afford the Ohio targets of her efforts with the procedural and substantive protections to which they are legally entitled; and (b) violates this Court's January 14, 2015 Order. See the Kentucky subpoena and related correspondence added to the record herein on April 28, 2015.

29. Acting in the Abbott Case on May 1, 2015 Ford served on Chesley discovery that seeks private financial information of certain Ohio entities, including several not owned by Chesley. That discovery evidences the same intent to harm Ohio entities and the same disregard for the Court that Ford demonstrated with the subpoena served on CSH.

30. As of this writing, there is a protective order in the Abbott Case that limits how Ford may disseminate confidential financial information. In a motion filed in the Abbott Case on April 21, 2015, Ford seeks to eliminate those limitations.[13] In that motion, Ford stated that she plans to file fraudulent conveyance actions; given her discovery targets, Ford is clearly targeting Ohioans. Ford seeks to avoid the need to file those actions under seal despite the confidential financial information she will disclose concerning many Ohio residents. Ford intends to publicly

[13] A copy of this motion was filed with the Court on April 28, 2015.

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disclose the private financial information of Ohio residents including Chesley and others who are not parties to the Abbott Case.

31. Chesley does not have the ability to secure a supersedeas bond in the amount of $42,000,000, plus millions in accrued interest. If any money is owed by Chesley to the Abbott Case plaintiffs, Chesley believes that an accurate calculation of the amount owed on the Chesley Judgment may substantially reduce the Chesley Judgment for the reasons described above. Chesley does not know and cannot estimate the amount that remains owed on account of the Chesley Judgment. Knowing the current amount owed on the Chesley Judgment is important because, *inter alia*, that amount is relevant (a) to any consideration by a Kentucky court of requirements that might be imposed if Chesley seeks a stay of enforcement of the Chesley Judgment while his Kentucky appeal is pending and (b) to limitations this Court might impose on Ford to insure that her collection efforts do not attach assets in excess of the amount truly owed on the Chesley Judgment.[14] Ford's refusal to disclose the current total amount of the Chesley Judgment may impair judicial decision making in Kentucky and this Court.

32. Chesley is confident his Kentucky appeal of the Chesley Judgment will be successful. Thereafter, any collection activity by Ford against Chesley will have to be reversed including the return of assets to innocent third parties from whom Ford may seize assets. The temporary loss of seized assets may cause significant harm to the innocent third-parties who are the subject of Ford's collection activity.

33. Ford asserted in the Criminal Case that any money she seized and kept as her fee did not have to be returned if the judgment being enforced was later reversed.[15] Ford is anxious

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[14] Query: how will any court properly control the dollar value of assets about which Ford seeks information and then seeks to seize if Ford refuses to state the total current amount of the Chesley Judgment?

[15] See Ford's July 7, 2011 Objection To The United States' Motion For An Order Of Accounting And Motion To Alter, Amend, Or Vacate The Court's June 29, 2011 Order Granting The United States Motion filed in the Criminal

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to collect the Chesley Judgment despite the pendency of a likely successful appeal because she plans to retain her 40% of what she collects even after Chesley's Kentucky appeal is successful.

FORD IS ACTIVE IN OHIO

34. As noted above, Ford has threatened several severe and significant actions in Ohio intended to enforce the Chesley Judgment. Those acts will not be Ford's first activity in Ohio related to the Abbott Case. Respondents Judith Peck (n/k/a Wageman), Jayne Adams, Carol Boggs, Linda Brimley, Patricia Kennedy, Ruby Adams, Ruby Godbey, Louisa Moss Howard, Rebecca Lovell Estate,[16] and Betty Kelly, deceased (collectively the "Ohio Respondents") are Ohio residents. The Ohio Respondents are among Ford's clients who Ford has described as Chesley's judgment creditors and are in the same position as the above-described Unknown Respondents except that Chesley believes he has discovered their current addresses.

35. Chesley's counsel made extraordinary efforts to determine the current addresses of the Ohio Respondents. Chesley is choosing to specifically identify these persons at this time because their Ohio residency impacts certain legal issues that the Court may face.

36. Ford contends that her clients are specifically identified on the "settlement grid" created about 12 years ago by the Criminal Defendants in the Settled Case.[17] Ford made that assertion in open court and in multiple filings in the Abbott Case. Ford chose to rely on the

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Case in which Ford responded to concerns that reversal of the Criminal Defendants Judgment might require the return of the funds she collected by stating ". . . an attorney cannot be required to repay an attorney's fee paid to her by a client out of funds collected by the attorney to satisfy a judgment which is later reversed."

[16] The current address located for Rebecca Lovell, presumably the address of her estate, is located in Port Orange, FL. However, upon information and belief, this individual was located in Ohio until 2012.

[17] *Jonetta M. Moore, et al. v. A. H. Robbins Company, et al.* Boone County, Kentucky Circuit Case No. 98-CI-00795 is the "Settled Case." A copy of the settlement grid is attached to and verified by the Affidavit of Mr. Frank Benton (the "Benton Affidavit") initially filed in the federal court and re-filed herein for the Court's convenience. Mr. Benton also describes the origin of the settlement grid – it was created by the Criminal Defendants and was used as part of the fraud that sent the Criminals to jail. Given this history, the Court can understand Ford's need to hide information concerning damages. A thorough investigation of Ford's damage calculation could possibly reveal that use of the settlement grid in 2007 to determine the amount of the Criminal Defendants Judgment effectuated a fraud on the Kentucky court.

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settlement grid created by the Criminal Defendants and tell the Boone Circuit Court it lists her clients. Ford is estopped from now asserting that the persons on the settlement grid (including the Ohio Respondents) are not her clients. Ford cannot now assert that the Ohioans listed on the settlement grid are not her clients and Chesley's judgment creditors.

37. A review of the settlement grid relied on by Ford lists the names and addresses of Ford's clients and shows that Ford's clients include (or at least included) the Ohio Respondents. The settlement grid shows Ohio addresses for the Ohio Respondents. Those persons continue to reside in Ohio, specifically at the addresses shown in the caption to this pleading.

38. In 2007 when Ford filed her Eighth Amended Complaint in the Abbott Case, five of the Ohio Respondents [as identified on the Ford used settlement grid] were still listed by Ford as her clients.

39. Except for the fact that Chesley is now informed of their current addresses, the Ohio Respondents are in the same circumstance as the above-described Unknown Respondents.

40. On information and belief, Chesley asserts that as counsel for the Unknown Respondents and the Ohio Respondents, Ford has communicated with her clients during the 10 years the Abbott Case has been pending. In actions directly related to the Abbott Case, Ford has directed communications into Ohio which were specifically intended for the Ohio Respondents.

41. In 2011 Ford made a filing in the Criminal Case. In that filing, Ford stated that she has collected over $40,000,000 in the Abbott Case. Ford also asserted that significant portions of those funds were distributed by Ford to her clients, including the Ohio Respondents.[18] In actions directly related to the Abbott Case, Ford has sent money into Ohio.

42. In that same 2011 Criminal Case filing, Ford stated that she retained for the payment of attorney fees over $13,000,000 from the funds she collected in the Abbott Case.

[18] See Angela M. Ford's Pre-Hearing Memorandum filed on September 6, 2011 in the Criminal Case.

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Ford has asserted that she retained those fees pursuant to contracts she has with each of her clients, including the Ohio Respondents. In actions directly related to the Abbott Case, Ford has entered into contracts with multiple Ohio residents for the provision of legal services for the benefit of those Ohioans.

43. Ford has sufficient personal and professional contacts with Ohio (including the above-described contacts related to the Abbott Case) that courts in Ohio have general personal jurisdiction over Ford for all purposes including this case. This Court also has specific personal jurisdiction over Ford such that Ford is subject to the jurisdiction of this Court for purposes of this case.

44. On September 8, 2012, Betty L. Kelly died. At that time, Betty Kelly resided in Ohio and any probate estate arising from that death was or will be opened in Ohio. Chesley does not know what person or entity that succeeded to Ms. Kelly's rights against Chesley. Hence, Chesley named Ms. Kelly as one of the Ohio Respondents in an effort to cause proper notice to reach the person or entity that succeeded to Ms. Kelly's rights against Chesley.

45. Even using the old settlement chart, it is impossible for Chesley to identify each of Ford's current clients who Ford contends hold a judgment against Chesley because Ford has (a) listed some 463 different names in various filings in the Abbott Case while (b) simultaneously claiming that her clients who hold judgments against Chesley number approximately 382. A complete discussion of this topic can be found in Chesley's Verified Memorandum In Support Of Motion For Injunctive Relief filed herein on January 6, 2015.

CONCLUSION

WHEREFORE, Petitioner Stanley M. Chesley prays that the Court:

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A. Declare that before Respondents take any action in the State of Ohio to enforce the Chesley Judgment, Petitioner Stanley M. Chesley is entitled, at a minimum, (i) the name, address and amount owed to each of Chesley's current judgment creditors and (ii) the exact current amount owed on the Chesley Judgment in the unexpected event the Chesley Judgment is affirmed;

B. Declare that Petitioner Stanley M. Chesley is entitled to know and that Respondent Ford must immediately disclose to Chesley (i) how much money and the value of assets seized under the authority of the Criminal Defendants Judgment, any assets forfeited in the Criminal Case and any restitution paid in the Criminal Case, (ii) when any assets were seized or forfeited and any restitution payments were made so that Chesley can check the accuracy of Ford's pre-judgment and post-judgment interest calculations, (iii) the amount collected by Ford and not distributed to her clients, and (iv) the total amount distributed to each of the Ohio Respondents and the Unknown Respondents in both the Settled Case and the Abbott Case, after reduction for Ford's 40% fees and Ford's expenses;

C. Enjoin Respondent Angela M. Ford, the Unknown Respondents, the Ohio Respondents and any other person acting on behalf of the Unknown Respondents or the Ohio Respondents from taking any action to collect the Chesley Judgment in the State of Ohio until 90 days after Chesley has received all of the information that this Court declares Chesley is entitled to receive;

D. Enjoin Respondent Angela M. Ford, the Unknown Respondents, the Ohio Respondents and any other person acting on behalf of the Unknown Respondents or the Ohio Respondents from registering or domesticating the Chesley Judgment in Ohio and attempting to issue subpoenas or any other discovery to non-parties in Ohio, except Chesley, until 90 days

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after Chesley has received all of the information that this Court declares Chesley is entitled to receive;

E. Enjoin Respondent Angela M. Ford, the Unknown Respondents, the Ohio Respondents and any other person acting on behalf of the Unknown Respondents or the Ohio Respondents from registering or domesticating the Chesley Judgment in Ohio and attempting to issue subpoenas or any other discovery seeking information from or concerning Ohio residents, Ohio domiciliaries or Ohio citizens, except for Chesley, until 90 days after Chesley has received all of the information that this Court declares Chesley is entitled to receive; and

F. Enjoin Respondent Angela M. Ford, the Unknown Respondents, the Ohio Respondents and any other person acting on behalf of the Unknown Respondents or the Ohio Respondents, from destroying any documents relevant to any of the issues described in this Petition or Chesley's other filings made simultaneously herewith. Chesley submits that this relief is required due to Ford's demonstrated efforts to hide the information sought by Chesley.

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VERIFICATION

Petitioner Stanley M. Chesley swears or affirms as follows: (1) I am over eighteen years old and have never been declared mentally incompetent; (2) I have personal knowledge of the facts set forth in the above-written Second Amended and Supplemental Restated Verified Petition For Declaratory Judgment And Injunctive Relief (the " Second Amended Petition"); (3) I am the judgment debtor who is the target of the Chesley Judgment described in the Second Amended Petition, (4) to the best of my knowledge and belief, the facts set out in the Second Amended Petition are true and correct.

_____
Stanley M. Chesley

Sworn to, and subscribed, in my presence on _____, 2015 by Stanley M. Chesley who is known to me.

_____
Notary public, State of Ohio
My commission expires on _____

SIGNATURE AND APPEARANCE OF PETITIONER'S COUNSEL

Respectfully submitted,

/s/ Vincent E. Mauer
Vincent E. Mauer (0038997)
FROST BROWN TODD LLC
3300 Great American Tower
301 E. Fourth Street
Cincinnati, Ohio 45202
513-651-6785
Fax 513-651-6981
vmauer@fbtlaw.com

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2015, a copy of the foregoing was served on Christen M. Steimle, Esq., Dinsmore & Shohl LLP, 255 East Fifth Street, Suite 1900, Cincinnati, Ohio 45202 by first class United States mail, postage prepaid.

/s/ Vincent E. Mauer

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COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

Stanley M. Chesley,	:	Case No. A1500067
Petitioner,	:	Judge Ruehlman
v.	:	**ORDER GRANTING PETITIONER'S MOTION FOR LEAVE TO FILE SECOND AMENDED VERIFIED PETITION**
Angela M. Ford, Esq., *et al.*	:	
Respondents.	:	

This matter comes before the Court upon the Motion of Petitioner Stanley M. Chesley ("Chesley") for leave to file a Second Amended Verified Petition in order to add new defendants to the First Amended Verified Petition. For reasons stated in Chesley's Motion, and for other good cause shown, the Court finds that said Motion is well-taken and is hereby GRANTED.

IT IS, THEREFORE, ORDERED, ADJUDGED, AND DECREED that Chesley is hereby granted leave to amend, and that the proposed Second Amended Verified Petition attached as Exhibit A to Chesley's Motion is deemed filed as of the date of this Order.

Petitioner's counsel shall arrange for service of the Second Amended Petition.

IT IS SO ORDERED.

_____
Judge Ruehlman

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TRACY WINKLER
HAMILTON COUNTY CLERK OF COURTS

COMMON PLEAS DIVISION

ELECTRONICALLY FILED
July 30, 2015 09:00 AM
TRACY WINKLER
Clerk of Courts
Hamilton County, Ohio
CONFIRMATION 428601

STANLEY M CHESLEY

vs.

ANGELA M FORD

A 1500067

JUDGE
J. PATRICK FOLEY III

FILING TYPE: REPLY

PAGES FILED: 15

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EXHIBIT

12

exhibitsticker.com

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

Mr. Stanley M. Chesley	:	Case No. A1500067
Petitioner,	:	Judge Ruehlman
v.	:	**REPLY TO DEFENDANT ANGELA M. FORD'S RESPONSE IN OPPOSITION TO THE MOTION OF INTERVENOR WAITE SCHNEIDER BAYLESS & CHESLEY CO., L.P.A. FOR DECLARATORY AND INJUNCTIVE RELIEF**
Angela M. Ford, Esq., *et al.*	:	
Respondents.	:	

NOW COMES Intervenor Waite Schneider Bayless & Chesley Co., L.P.A. ("WSBC") and hereby files its reply (the "Reply") to Defendant Angela M. Ford's ("Ford") Opposition (the "Objection") to the Motion of Intervenor WSBC for Declaratory and Injunctive Relief (the "Motion"). In support of its Reply, WSBC respectfully submits as follows:[1]

A. WSBC Has The Absolute Legal Right To Intervene In This Action.

1. The Interests of WSBC Are Not Represented In This Action.

As noted in the Motion, Rule 24 of the Ohio Rules of Civil Procedure, which governs intervention, should be *construed liberally in favor of intervention*. *State ex rel. Polo v. Cuyahoga County Bd. Of Elections,* 73 Ohio St.3d 143, 1995-Ohio-269, 656 N.E.2d 1277; *State ex rel. Strategic Capital Investors, Ltd. v. McCarthy* (1998), 126 Ohio App.3d 237, 248, 710 N.E.2d 290. Ford's Objection entirely ignores this basic rule of interpretation and law. Indeed, the Objection is noticeably devoid of any explanation

[1] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

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of why the liberal rule for intervention should not apply in this case and permit WSBC to intervene particularly given the undisputable fact that Ford's actions directly impact WSBC.

Nonetheless, Ford avers that as "Rheme is the sole shareholder of WSBC, he control the actions of WSBC" and by proxy, represents WSBC. Reply at pg. 6. In doing so, Ford fails to recognize the legal distinction between shareholder and corporation. Although Rehme is trustee of all of the WSBC shares, "[i]t is well settled that a corporation is a separate legal entity from its shareholders, even when the corporation only has one shareholder." *My Father's House #1, Inc. v. McCardle*, 2013-Ohio-420, P27 (Ohio Ct. App., Marion County 2013) *citing LeRoux's Billyle Supper Club v. MA*, 77 Ohio App.3d 417, 421, 602 N.E.2d 685 (6th Dist. 1991), *citing First Natl. Bank of Chicago v. Trebein Co.*, 59 Ohio St. 316, 52 N.E. 834 (1898). "A corporation, being an artificial person, can act only through agents." *Lamar Advantage Gp Co. v. Patel*, 2012-Ohio-3319, P18 (Ohio Ct. App., Warren County July 23, 2012) *citing James G. Smith & Assoc, Inc. v. Everett*, 1 Ohio App.3d 118, 120, 1 Ohio B. 424, 439 N.E.2d 932 (10th Dist.1981).

It is a rudimentary legal principal that a corporation, such as WSBC, cannot represent itself through one of its officers. *Seitz Builders, Inc. v. Kaplan Mech. Corp.*, 2006 Ohio 3965, P2 (Ohio Ct. App., Cuyahoga County Aug. 3, 2006) (internal citations omitted). Thus, notwithstanding that the shares of WSBC stock are held in trust by Rehme, WSBC is still an active legal corporate entity. Consequently, WSBC is entitled to have its interests represented in this action and must do so through its own counsel.

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Key to the intervention analysis is the legal fact that Mr. Chesley is not an owner or shareholder of WSBC and, therefore, cannot represent WSBC's interests in this or any other case. See Section 1 of the Wind-Up Agreement. Likewise, Rehme as trustee of the trust holding the WSBS shares, cannot represent the separate legal interests of WSBC as a *de facto* sole shareholder. Because WSBC is not Mr. Chesley (or Rehme for that matter), it is not represented by proxy in this action and is entitled to intervene.[2]

2. WSBC Interests Are Directly Impacted By This Action.

This Court's Restraining Order expressly provides in paragraph 3 that:

> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents *are enjoined from taking any action to collect the Chesley Judgment in the State of Ohio, from any Ohio resident, Ohio citizen or Ohio domiciled entity*. (emphasis added).

For reasons outlined in the Motion, WSBC is entitled to the protections afforded by that order and to intervene in this case to ensure its interests are protected. This need is evidenced by the fact that in utter disregard of the Restraining Order, Ford's Transfer Motion, the CSH Compel Motion and the Chesley Compel Motion and the orders ensuing thereon all seek to obtain the confidential and proprietary financial information of WSBC, to apparently alter or interfere with its payment obligations to creditors, and to otherwise interfere with WSBC's interests in an effort to collect the Chesley Judgment.

WSBC must be permitted to intervene in this action to ensure that its own legal obligations as to the windup and payments to its creditors are protected. Ford falsely argues that she is essentially the sole beneficiary of the trust and that everything done

[2] The same is true with respect to the Kentucky Case, in which WSBC is not a party – namely, that Mr. Chesley does not, and cannot, represent WSBC in the Kentucky Case

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with respect to WSBC should be done only for her benefit. "The Trustee is now acting contrary to the benefit of the judgment creditors who are the sole beneficiaries of the Chesley's interest in WSBC." Objection at pg. 2. This is utterly false. In fact, even assuming for the sake of argument that Mr. Chelsey's interest in the trust was assigned to her per the Kentucky Court, the most Ford could have is Mr. Chesley's contingent reminder interest in the trust after payment of all of WSBC's employees, creditors (including federal, state, and local taxing authorites) and costs of winding up the business. See section 4.1(g) of the Wind-Up Agreement.

As trustee, Rehme has an obligation to ALL beneficiaries with his first priority being to ensure that all creditors of WSBC are paid first. In particular, O.R.C. § 1701.882(B) mandates that:

> (B) A corporation shall pay in full any claims and liabilities or provide for those payments in full by insurance or otherwise if the corporation has sufficient assets. If the corporation does not have sufficient assets, a corporation shall pay claims and liabilities or provide for those payments by insurance or otherwise in order of their priority. Among claims of equal priority, the corporation shall apportion those payments to the extent of funds legally available for the payment of those claims. Any remaining assets shall be distributed to the shareholders of the corporation according to their respective rights and preferences.

O.R.C. § 1701.882(B) made applicable pursuant to O.R.C. § 1785.08.

Ford is not a creditor of WSBC. Period.

Ford implicitly recognizes this fact but treats Rehme's duties under the trust as though they are strictly limited to her alleged contingent interest. "Per this Agreement, after WSBC's creditors are paid, the remainder of WSBC;s proceedis (sic) to be distribute to Chesley." Objection at pg. 3. She compounds here error by arguing that

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"WSBC's motion to intervene in this action ... is not in the judgment creditors' best interest." Objection at pg. 6. Ford is simply wrong. WSBC must do what is in the best interest of the entity and its creditors (which Ford is not) and not what's in the best interest of Mr. Chesley's and his creditors. Ford's allegation that "WSBC seeks to prevent the judgment creditors from successfully enforcing and collecting a valid judgment against Chesley" (Objection at pg. 6) is as illogical as it is simplistic. She essentially wants to grab WSBC assets to satisfy the Chesley Judgment and completely ignore the claims and interests of the employees and creditors of WSBC who have priority over any alleged claim of Ford.[3] Even if Ford does have some interest by virtue of the Transfer Order, it is subordinate to the claims and interests of WSBC's own creditors. Without intervention and protection from this Court, WSBC would find itself in a position where Ford – a creditor of Chesley, whose interest in behind that of the WSBC employees and creditors – would be paid before WSBC's creditors.

Likewise, Ford's statement that: "WSBC is incurring fees to file this motion, which is also not in the best interest of the judgment creditors" (*Id.)* suffers from the same failed premise. WSBC simply has no duty to Ford as a judgment creditor of Mr. Chesley that is superior to its duty to its own creditors. The filing of this Motion plainly protects the interests of WSBC's creditors, whose money Ford (at most a junior creditor, three times removed) is trying to grab. It is these errors in logic and law that cry out for WSBC to intervene in this case.

WSBC must concern itself with its own creditors first and not those of Mr. Chesley as it goes through the windup process. Its interests as a legal entity with legal

[3] There is very real doubt as to whether the Transfer Order even grants Ford **<u>any</u>** rights relative to WSBC.

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obligations must be protected from challenges from any party that would disrupt or damage the company to the detriment of its own creditors before the completion of the wind down. Thus, WSBC has not only a right, but a necessity to intervene in this case.

B. WSBC's Motion Does Not Ask This Court To Act In Defiance Of The Full Faith And Credit Clause Of The Constitution.

1. The Transfer Order Is Unenforceable As This Court Has Already Exercised Jurisdiction Over The Matters Set Forth Therein Prior To The Issuance Of Such Order.

Ford's conflated and confusing Full Faith and Credit Clause argument is without merit. In fact, it is Ford who has run afoul of the Full Faith and Credit principles by attempting to usurp this Court's jurisdiction over matters upon which it has already ruled.

The Restraining Order was entered after a hearing of which Ford had actual knowledge. The Restraining Order remained in place while this case was removed to Federal Court by Ford. Despite Ford's efforts to have the Federal Court (which she argued did not have jurisdiction over the case) terminate the Restraining Order, it remained in place when this case was ultimately remanded to this Court.[4] After the case returned to this Court, on May 14, 2015, this Court held a hearing on Ford's motions to dismiss this case and to terminate the Restraining Order. Ford's motions were fully briefed and counsel for Ford and Chesley offered arguments to the Court. The Court ultimately declined Ford's request to dismiss the case and to terminate the Restraining Order. Thus, it is folly for Ford to suggest that she has been subjected to a

[4] That Ford had the temerity to ask a Court that she contended lacked jurisdiction over the case to terminate the Restraining Order and then dismiss the case for lack of jurisdiction is remarkable. Ultimately, the Federal Court found in favor of Chesley on the jurisdictional issues and remanded the case to this Court leaving the Restraining Order in place.

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Restraining Order and denied a hearing. Indeed, there is no question regarding the following facts:

(a) that Ford was actually aware of the Restraining Order;

(b) that this Court's Restraining Order was the first judicial decision addressing the subject matter of that Order; and

(c) that Ford was actually litigating the substantive issues in the Restraining Order in this Court **long before she asked the Kentucky Court to enter the Transfer Order**.

There is no doubt, therefore, that this Court presently has valid jurisdiction over Ford, that she has actively litigated the Restraining Order issues, and that she was well aware of the Restraining Order.

In direct contravention of the clear language of the Restraining Order, Ford filed the Transfer Motion, the CSH Compel Motion and the Chesley Compel Motion seeking information regarding WSBC and trying to force WSBC (an Ohio entity domiciled in Ohio) and Rehme (an Ohio citizen) to pay to her money (Ohio property) otherwise payable to Mr. Chesley. In other words, Ford went to the Kentucky Court to obtain an order that directly contradicts, undermines, and/or vitiates the previously entered Restraining Order.

Despite the fact that WSBC and its trustee owner are Ohioans and not parties to the Kentucky litigation, on June 23, 2014 the Kentucky Court entered an order apparently to force the Trustee who owns WSBC pay to Ford any funds that would otherwise be directed to Mr. Chesley (the "Transfer Order") (copy attached as Exhibit A to the Objection). "On June 23, 2015, the Kentucky court entered an order granting this

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motion and *required Chesley to direct* that his beneficial interest in the shares of WSBC be transferred to his judgment creditors. . . . " Objection at pg. 3. (emphasis added).[5]

The Transfer Motion and Transfer Order were filed to allow Ford to do an end-run around this Court's Restraining Order.[6] Such improper action must be stopped.

This Court first established jurisdiction over issues pertaining to assets in Ohio that might be seized and/or procedures that Ford may utilize in Ohio to pay the Chesley Judgment. Applicable law clearly gives this Court priority and exclusive jurisdiction over those matters because the Restraining Order predates the Transfer Order. "As between courts of concurrent jurisdiction, the tribunal whose power is first invoked by the institution of proper proceedings acquires jurisdiction, to the exclusion of all other tribunals, to adjudicate upon the whole issue and to settle the rights of the parties. (*John Weenink & Sons Co. v. Court of Common Pleas* [1948], 150 Ohio St. 349, approved and followed.)" *Quoted in Knowlton Properties v. Knowlton*, (1992) 63 Ohio St. 3d 671, 681. (emphasis added). Despite this, Ford states that: "[t]here is nothing for an Ohio court to do on this matter; other than respect the valid and enforceable orders of the Kentucky courts." Objection at pg. 8. In fact, the opposite is true; this Court has an obligation to ensure that its own rulings, which predate any Kentucky orders, are respected and enforced, and that the interests of the affected Ohio parties (including WSBC) are protected.

---

[5] Ford then went a step even farther in her misguided and unlawful efforts to interfere with WSBC by garnishing (or attempting to garnish) WSBC funds in Nevada.

[6] The Transfer Order is technically inconsequential as to WSBC since the relief granted purports to compel Mr. Chesley to transfer his beneficial interest in the Shares of WSBC, of which he has none.

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WSBC has not argued that the Kentucky Court has no jurisdiction over Mr. Chesley as Ford infers in the Objection. Objection at pg. 8. WSBC does argue that it is not a party to the Kentucky case, and that no judgment has been entered against it such that the Kentucky Court has no authority to interfere with WSBC's operations or otherwise attach its assets.

This Court's Restraining Order enforcing Ohio law takes precedence over the Transfer Order because this Court first obtained and exercised jurisdiction over the property that is the subject of both orders. WSBC simply seeks to enforce the Restraining Order over matters to which this Court has already established jurisdiction prior to the entry of the Transfer Order upon which Ford premises her argument. Had Ford been unhappy with the Restraining Order decision, her remedy was to appeal the decision in Ohio which already had personal jurisdiction over her - not run back to Kentucky and obtain a conflicting order. As such, the Transfer Order should not be enforced.

2. The Full Faith And Credit Does Not Mean That A Judgment Of A Court In One State Is Automatically Entitled To Enforcement In Another State.

The United States Constitution, through the Full Faith and Credit Clause, requires Ohio courts to give full faith and credit to judgments from foreign jurisdictions. Section 1, Article IV, United States Constitution. This provision reads as follows:

> Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State. And the Congress may by general Laws prescribe the Manner in which such Acts, Records, and Proceedings shall be proved, and the Effect thereof.

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The "full faith and credit" language has also been codified in Section 1738, Title 28, U.S. Code. *Rion v. Mom & Dad's Equip. Sales & Rentals*, 116 Ohio App. 3d 161, 164-167 (Ohio Ct. App., Mercer County 1996). In essence, this Constitutional provision requires the courts of this state to honor judgments from other states without re-examining the merits of their claims. *Durfee v. Duke* (1963), 375 U.S. 106, 110-111, 11 L. Ed. 2d 186, 84 S. Ct. 242; *Dressler v. Bowling* (1986), 24 Ohio St. 3d 14, 16, 492 N.E.2d 446.

"Full faith and credit does not mean that a judgment of a court in one state is *automatically* entitled to enforcement in another state. States may require a new lawsuit to enforce a foreign judgment." *Rion v. Mom & Dad's Equip. Sales & Rentals*, 116 Ohio App. 3d 161, 165 (Ohio Ct. App., Mercer County 1996) (emphasis added) *citing Dressler v. Bowling* (1986), 24 Ohio St. 3d 14, 16-17, 492 N.E.2d 446.

The Uniform Enforcement of Foreign Judgments Act as adopted and codified in Ohio at O.R.C §§ 2329.021 through 2329.027 ("UEFJA") is intended to be a speedy and economical method of recognizing judgments consistent with the United States Constitution. *Goetz v. First Benefits Agency*, 1997 Ohio App. LEXIS 4632, 16-20 (Ohio Ct. App., Summit County Oct. 15, 1997). The UEFJA provides two options for a judgment creditor to enforce the judgment: (i) by the registering provisions of the UEFJA, O.R.C. section 2329.022 or (ii) by the creditor choosing to bring a direct action to enforce the judgment, O.R.C. sections 2329.26, 3115.01 to .34. These UEFJA statues are to be strictly construed. "The failure of the party seeking enforcement of the foreign judgment to comply with the requirements listed in the statutes precludes it from obtaining full faith and credit of the foreign judgment in an Ohio common pleas court,

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and the subsequently desired Ohio judgment and execution." *See Vyn-All Corp. v. Window I*, 105 Ohio App. 3d 451, 453 (Ohio Ct. App., Lake County 1995); *Grimm v. Grimm*, 2008-Ohio-324, P14 (Ohio Ct. App., Cuyahoga County Jan. 31, 2008); *Freeman v. Freeman*, 2008-Ohio-6073, P19 (Ohio Ct. App., Seneca County Nov. 24, 2008). Ford has never even attempted to comply with this applicable Ohio law regarding domestication and execution in Ohio.

As a result, Ford's assertion that WSBC is somehow asking this Court to "act in defiance of the Full Faith and Credit Claus of the Constitution" Objection at pg. 7 completely misses the point. Instead, it is Ford who is attempting to obtain Kentucky orders affecting a non-party Ohio corporation, an Ohio trustee of an Ohio trust in violation of this Court's validly entered Restraining Order and without even attempting to domesticate the Chesley Judgment.

C. Ford's Actions in Kentucky Violate the Restraining Order.

This Court's Restraining Order expressly provides, among other things, that:

> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents *are enjoined from taking any action to collect the Chesley* Judgment in the State of Ohio, from any *Ohio resident, Ohio citizen or Ohio domiciled entity*; Restraining Order, paragraph 3. (emphasis added).
>
> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents are *enjoined from issuing any subpoena seeking documents or testimony* to any *Ohio resident*, *Ohio citizen* or *Ohio domiciled entity* (other than Chesley) if the purpose of the requested documents or testimony would be to obtain information related to any effort to enforce the Chesley Judgment; Restraining Order, paragraph 4. (emphasis added).

Key to the language of the Restraining Order is that Ford is prohibited from taking "any action" to collect the judgment in the State of Ohio; obviously, this would

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include both direct and indirect actions. Ford states that the Restraining Order "did not, nor could it, limit her ability to collect against Chesley through the Kentucky or other Courts." Objection at pg. 8. Ford is again mistaken. The Kentucky Court has no authority or power to interfere with WSBC's operations, its payments to creditors, or its assets. None. Yet, the Transfer Order attempts to do precisely that and in a manner that utterly disregards the prior interests of WSBC's creditors including taxing authorites. Any question about Ford's "interpretation" of the Transfer Order as being carte blanche for her to seize WSBC's assets were conclusively answered when she attempted to garnish WSBC's assets (not Chesley's assets) in Nevada. Moreover, as noted above, this Court already had personal jurisdiction over Ford with respect to her actions upon persons, entities and property in Ohio including WSBC.

The existence of the conflict between the first issued Restraining Order and Ford's other efforts in Kentucky is plain. The information sought by Ford in the CSH Compel Motion with reference to WSBC was an act aimed at an Ohio domiciled entity with the purpose of gaining documents to obtain information to enforce the Chesley Judgment. Likewise, the Chesley Compel Motion sought to force Mr. Chesley, as a non-shareholder of WSBC, to provide financial and proprietary information of WSBC was an act aimed at an Ohio domiciled entity with the purpose of gaining documents to obtain information to enforce the Chesley Judgment. The end result of Ford's improper actions was the entry of the conflicting Transfer Order and the entry of two Kentucky orders granting the CHS Motion and the Chesley Compel Motion. See Exhibits E and F to the Objection.

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Since WSBC, the trust and its assets (the Shares of WSBC), and Rehme as trustee are all located in Ohio, and the fact that the trust itself and WSBC are governed by Ohio law, how then is this Ford's actions not an "act" to collect the judgment in Ohio? Ford's "smoke and mirror" attempt to take actions to collect the judgment via the Kentucky orders in violation of this Court's preexisting Restraining Order must be stopped.

D. Conclusion.

The interests of WSBC are clearly at stake and could be compromised in this action. As such, intervention by WSBC is both appropriate and necessary. Ford's backdoor attempts to circumvent the Restraining Order by running to Kentucky to obtain competing orders over matters upon which this Court has already ruled buttress this position.

Until such time as Ford actually follow Ohio law and properly domesticates the judgment, this Court should issue an Order protecting WSBC from any Kentucky Order seeking, directly or indirectly, to impermissibly obtain financial and other information pertaining to WSBC in violation of the Restraining Order.

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Respectfully submitted

//s/ Donald J. Rafferty
Donald J. Rafferty (0042614)
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Fax: (513) 241-4495
Email: drafferty@ctks.com

Attorney for Intervenor Waite, Schneider, Bayless & Chesley Co., L.P.A.

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the **REPLY TO DEFENDANT ANGELA M. FORD'S RESPONSE IN OPPOSITION TO THE MOTION OF INTERVENOR WAITE SCHNEIDER BAYLESS & CHESLEY CO., L.P.A. FOR DECLARATORY AND INJUNCTIVE RELIEF** was served this 30th day of July, 2015, via regular U.S. Mail upon the following:

Vincent E. Mauer
Frost Brown Todd LLC
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301 E. Fourth Street
Cincinnati, OH 45202

Brian Sullivan
Christen M. Steimle
Dinsmore & Shohl, LLP
255 East Fifth Street, Suite 1900
Cincinnati, OH 45202

/s/ Donald J. Rafferty
Donald J. Rafferty

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TRACY WINKLER
HAMILTON COUNTY CLERK OF COURTS

COMMON PLEAS DIVISION

ELECTRONICALLY FILED
August 18, 2015 12:36 PM
TRACY WINKLER
Clerk of Courts
Hamilton County, Ohio
CONFIRMATION 432952

STANLEY M CHESLEY

vs.

ANGELA M FORD

A 1500067

JUDGE
J. PATRICK FOLEY III

FILING TYPE: NOTICE

PAGES FILED: 84

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EXHIBIT

13

exhibitsticker.com

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

STANLEY M. CHESLEY	:	Case No. A1500067
	:	
Petitioner,	:	Judge Ruehlman
	:	
v.	:	**NOTICE OF FILING CERTIFIED COPIES**
	:	
ANGELA M. FORD, ESQ., et al.	:	
	:	
Respondents.	:	

Petitioner Stanley M. Chesley ("Chesley") hereby files with the Court certified copies of the following documents from the Boone County, Kentucky Circuit Court. These documents can now be considered as evidence in this matter.

1. Plaintiffs' Motion to File Fourth Amended Complaint, 12/7/2006
2. Order re: Plaintiffs' Motion for Ruling on Compensatory Damages, 8/1/2007
3. Plaintiffs' Response to Interim Receiver's Report and Request for Distribution of Funds to Plaintiffs, 2/27/2008
4. Order re: payment to Garretson Law Firm, 10/10/2008
5. Tenth Interim Receiver's Report, 9/14/2009
6. Order re: Plaintiffs' Motion for Partial Summary Judgment, 8/1/2014
7. Plaintiffs' Motion for Order Compelling Chesley to Withdraw All Efforts to Stay Judgment, 1/15/2015
8. Plaintiffs' Reply in Support of Their Motion for Order Compelling Chesley to Withdraw All Efforts to Stay Judgment, 1/29/2015
9. Plaintiffs' Motion to Amend Agreed Protective Order, 4/23/2015
10. Memorandum of Law in Support of Plaintiffs' Motion to Amend Agreed Protective Order, 4/23/2015
11. Plaintiffs' Motion to Transfer Beneficial Interest in Property Held in Trust, 5/21/2015

12. Memorandum of Law in Support of Plaintiffs' Motion to Transfer Beneficial Interest in Property Held in Trust, 5/21/2015

13. Plaintiffs' Reply in Support of Plaintiffs' Motion to Transfer Beneficial Interest in Property Held in Trust, 6/8/2015

14. Order re: Plaintiffs' Motion to Transfer Beneficial Interest in Property Held in Trust, 6/23/2015

Respectfully submitted,

/s/ Vincent E. Mauer

Vincent E. Mauer (0038997)
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Fax 513-651-6981
vmauer@fbtlaw.com

CERTIFICATE OF SERVICE

I hereby certify that a on this 18th day of August, 2015, a copy of the foregoing was served by first class U.S. Mail, postage prepaid, upon:

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Cincinnati, Ohio 45202

/s/ Vincent E. Mauer

0118087.0619701 4839-2386-0007v1

FILED
BOONE CIRCUIT DISTRICT COURT
DEC 07 2006
D Murray CLERK
BY: D.C.

BOONE CIRCUIT COURT
54th JUDICIAL DISTRICT
Case No. 05-CI- 436

MILDRED ABBOTT et al. **PLAINTIFFS**

v.

PLAINTIFFS' MOTION TO FILE FOURTH AMENDED COMPLAINT

STANLEY M. CHESLEY, et al. **DEFENDANTS**

* * * * * *

Plaintiffs, through counsel, request leave of the Court to file a Fourth Amended Complaint pursuant to CR 15.01. The Amended Complaint names an additional 19 Plaintiffs bringing the total number to 456 Plaintiffs, including the 44 Plaintiffs who were represented by J. Brent Austin. The proposed Fourth Amended Complaint is attached hereto.

Respectfully submitted,

Angela M. Ford
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NEAL & HARWELL, PLC
TBA No. 9248
150 Fourth Avenue North
Suite 2000
Nashville, TN 37219
(615) 244-1713

COUNSEL FOR PLAINTIFFS

NOTICE

The parties will hereby take notice that the foregoing Motion shall be heard on December 11, 2006 at 9:30 a.m. or at a time scheduled by the Court.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing has been served on December 1, 2006 by U. S. mail to:

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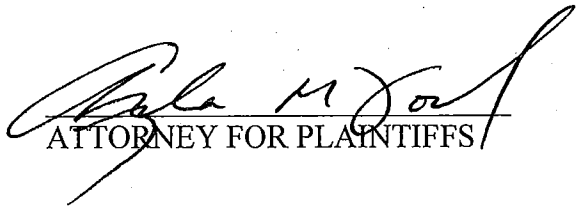

ATTORNEY FOR PLAINTIFFS

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the
Circuit/District Courts, do hereby certify that
the foregoing is a true and correct copy of the
original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY

By: _____ D.C.

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FILED
BOONE CIRCUIT DISTRICT COURT
AUG 0 1 2007
DIANNE MURRAY, CLERK
BY: _____ DC

BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT

Case No. 05-CI–436

MILDRED ABBOTT, *et al.* **PLAINTIFFS**

ORDER

V.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

* * * * * * * * * * * * * *

This matter came on before the Court for a hearing on July 23, 2007 on Plaintiffs' Motion for Ruling on compensatory damages and Defendants Mills, Cunningham and Gallions' Motions for a Stay of the trial of this action pending the outcome of the criminal case currently scheduled for trial in the United States District Court on October 15, 2007. The trial of this case is scheduled for September 20, 2007. Defendant Chesley filed a Motion for a Stay and Separate Trial, but not in sufficient time to be considered for a ruling at this hearing. The Plaintiffs were represented by Hon. Angela M. Ford and William T. Ramsey; Defendants Cunningham and Gallion were represented by Hon. Mary Meade Mckenzie, Hon. Jeff Harmon and Hon. Michael Gay. Defendant Chesley was represented by Hon. Frank V. Benton, IV and Hon. Alex Rose.

This Court previously ruled in its March 8, 2006 Order that Defendants Cunningham, Gallion and Mills breached their fiduciary duties to the Plaintiffs when they paid themselves fees over and above the amount to which they were entitled to under their fee contracts with their clients. Under the fee-splitting agreement entered into by the Attorneys, Defendants Cunningham, Mills and Gallion were entitled to 74%,

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collectively, of the total fees from the settlement of $200,000,000. The total fees are limited to these Defendants fee contracts with their former clients; the Court has previously reviewed and ruled on that issue. Plaintiffs most recent Summary of the Misappropriated Settlement Funds and Attorneys Fees (Exhibit A) reflects that these contracts limited the fees to which Defendants were entitled to $60,798,783.14. ($60,770,266.03 under Sixth Amended Complaint) According to Defendants own documents however, they paid themselves and others a total of $126,793,551.22, including the amount transferred to the corporation they established, The Kentucky Fund for Healthy Living, Inc. The difference between what these Defendants were entitled to and what they paid themselves and others from client funds is $64,280,497 pursuant to Plaintiffs uncontested Summary. (Under Sixth Amended Complaint, 64,241,586.10) The Court has reserved a ruling on Plaintiffs claim for Disgorgement of these fees based upon the egregiousness of the Defendants conduct.

Despite numerous opportunities, Defendant Gallion and Cunningham tendered no proof of expenses. Expenses were tendered by Defendant Mills, including salaries, expenses for daily office operation and maintenance, advertising, rent, utilities, phones, supplies, a legal publication and postage. Defendant Mills also claims a lump sum of $1,303,831.81 for services from Business Securities Solutions/Litigation Consultant but no invoice or detailed explanation for these services was produced nor is there any indication that these expenses are related exclusively to the clients represented in the Boone Circuit Court as opposed to the MDL action or other class actions. As previously stated in the Court's March 8, 2006 Order, there can be no allowance for contingency

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fees with non-lawyers and without explanation about how such a large sum of money was charged for services, none may be allowed.

It is therefore **ORDERED** that Plaintiffs are awarded $ 42 million dollars as a baseline compensatory damage award. Prejudgment interest is awarded at the legal rate of interest of 8%. This amount was arrived at by rounding down to 64 million the overpaid amounts claimed by plaintiffs, and then deducting a rounded up figure of 20.5 million used to fund the Kentucky Fund for Healthy Living, Inc. and another 1.5 million as rounded up for expenses claimed by Defendant Mills.

The Defendants Cunningham, Gallion and Mills operated in concert with one another as co-counsel for the plaintiffs and are jointly and severally liable for all compensatory damages, notwithstanding K.R.S. 411.182 (See Steelvest,Inc. v Scansteel Service Center, Inc., 807 S.W. 2d 476(Ky. 1991).

Pending the settlement conference scheduled for August 6, 2007, the Court submits on Plaintiffs' request to make this order final and appealable pursuant to CR 54.02, and on Defendant Mill's request to reconsider the apportionment issue. Furthermore, counsel for Defendant Chesley and Plaintiffs are advised to be prepared for a bifurcated trial on September 20, 2007, on the liability phase in the likely event that the pending motion for a stay as to Chesley is overruled.

In the Courts' Order of March 8, 2006, Plaintiffs Motion for Summary Judgment on Count I of their Complaint (Breach of Fiduciary Duty) against Defendants Gallion, Cunningham and Mills was granted. The Court also granted Plaintiffs Motion for Summary Judgment on Count Three (Declaratory Judgment) and Count Six (Constructive

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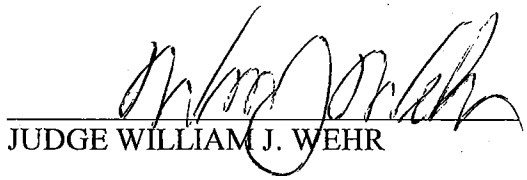
Trust) as to all Defendants, including The Kentucky Fund for Healthy Living, Inc. The Court has reserved for trial Plaintiffs Count II (Negligent and/or Fraudulent Misrepresentation) and punitive damages.

Defendant Mills, Cunningham and Gallions' Motions for a Stay of these proceedings were granted by previous order.



JUDGE WILLIAM J. WEHR

cc: Hon. Angela M. Ford
Hon. William T. Ramsey
Hon. Luther C. Conner, Jr.
Hon. Frank B. Benton, IV
Hon. Elizabeth R. Seif
The Kentucky Fund for Healthy Living
Hon. James E. Shuffett
Hon. Mary E. Meade-McKenzie
Hon. Calvin Fulkerson
Hon. C. Alex Rose
Hon. Byron E. Leet
Hon. Michael L. Gay
Hon. Jeffrey Harmon
Hon. William J. Wehr, Special Judge

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY

By: _____ D.C.

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FILED
BOONE CIRCUIT/DISTRICT COURT
FEB 27 2008
DIANNE MURRAY, CLERK
BY _____ DC

BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT

Case No. 05-CI-436

MILDRED ABBOTT, et al., **PLAINTIFFS**

v.

PLAINTIFFS' RESPONSE TO INTERIM RECEIVER'S REPORT AND REQUEST FOR DISTRIBUTION OF FUNDS TO PLAINTIFFS

STANLEY M. CHESLEY, et al., **DEFENDANTS**

******

Plaintiffs are again opposed to the use of funds entrusted to the Interim Receiver for any purpose other than for a distribution to the Plaintiffs on the same grounds set forth in the Plaintiffs Response to Interim Receivers Report of February 1, 2008 which Plaintiffs incorporate as if fully set forth herein. Additionally, Plaintiffs rely on the garnishment served upon counsel for Tandy and Plaintiffs' Petition to Attach Judgment Debtors' Assets in Possession of Attorneys.

Plaintiffs note that while the Interim Receiver is now fulfilling the service of bill review, there are a myriad of questions related to the management of assets that are unanswered, including whether or not Curlin is properly licensed to be raced by Tandy d/b/a Midnight Cry in the upcoming races in Dubai or whether Tandy is even required to obtain such a license in order to share in any purse winnings.

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Respectfully submitted,

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Chevy Chase Plaza
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859-268-2923
amford@alltel.net

COUNSEL FOR PLAINTIFFS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served by U.S. Mail this the 25th day of February, 2008, to the following:

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Jeffrey J. Harmon, Esq.
Cors & Bassett, LLC
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Lexington, Kentucky 40507

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C. Alex Rose, Esq.
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J. Stephen Smith
Graydon Head & Ritchey, LLP
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Suite 300
Ft. Mitchell, KY41017

COUNSEL FOR PLAINTIFFS

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY
By: D.C.

ENTERED
BOONE CIRCUIT/DISTRICT COURT
OCT 10 2008
DIANNE MURRAY, CLERK
BY BS DC

COMMONWEALTH OF KENTUCKY
BOONE COUNTY CIRCUIT COURT
CASE NO. 05-CI-00436

MILDRED ABBOTT, ET AL. **PLAINTIFF**

V.

STAN M. CHESLEY, ET AL. **DEFENDANT**

ORDER

Pursuant to good cause shown, the Court hereby **Orders** as follows:

1. Matthew L. Garretson of The Garretson Law Firm withdraw $32,762.30 from the Kentucky Fen Phen Qualified Settlement Fund to pay The Garretson Law Firm's outstanding fees for settlement/disbursement administrations incurred through August, 2008, for services rendered in this matter as more particularly described in the attached invoice.

Signed this 9th day of October, 2008.

Hon. Roger L. Crittenden, Judge

CERTIFICATE
I, DIANNE MURRAY, clerk of the Boone District/Circuit Court, thereby certify that I have mailed a copy of the foregoing order and notice to all parties hereto at their last known addresses or their counsel of record.
This 10th day of October, 2008
DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT
Budgette Brace D.C.

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY
By: Pamela Kelley D.C.

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FILED
BOONE CIRCUIT DISTRICT COURT
SEP 14 2009
DIANNE MURRAY, CLERK
BY ____ DC

COMMONWEALTH OF KENTUCKY
BOONE COUNTY CIRCUIT COURT
54th JUDICIAL DISTRICT
CASE NO. 05-CI-00436

MILDRED ABBOT, et al **PLAINTIFF**

V.

STANLEY M. CHESLEY, et al **DEFENDANT**

TENTH INTERIM RECEIVER'S REPORT

Interim Receiver ("IR") of the KYFP Receivership, Matthew L. Garretson, and Sylvius H. von Saucken, received this Court's Order entered on April 13, 2009, asking IR to oversee all future payments made and income received by Tandy, LLC ("Tandy"). IR has received the following deposits listed in Chart 1 below.

Chart 1

Name	Amount	Date Notice Filed	Reason
Ellis Park Race Course	$5,121.10	8/11/2009	Race earnings from Golden Thief and Others
Horsemens Bookkeeper	$6,848.71	7/15/2009	Race earnings from Glit Out A Baghdad and Others
Louisiana Horsemen's	$2,000.00	7/15/2009	Race earnings from English Teacher
Horseman's Guarantee	$29,100.00	9/3/2009	Race earnings from Einstein and Golden Thief
Ellis Park Race Course	$555.00	9/3/2009	Race earnings from Golden Thief and Others
Total	**$43,624.81**		

Since the filing of the Ninth Interim Receiver's Report, and its Supplement, this Court's August 7, 2009 Order, instructed its IR to directly pay for any subsequent

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invoices relating to Tandy's horses identified by IR as ordinary and necessary to maintain, protect and preserve Tandy's assets without further order from this Court, thereby precluding the necessity for Tandy's Operations Manager, Patricia Cunningham, to make any such payments from Tandy accounts and permitting prompt payment by IR. Following that Order, IR prepared letters to each such vendor, identifying a list of horses known by IR to be Tandy horses and requesting each vendor to directly bill IR for services authorized by Tandy horse trainers and/or stable manager, Mr. Terrazas. Accordingly, IR has reviewed invoices sent to IR by the vendors. IR used an objective ordinary and necessary business expense test; duly taking into account this Court's restriction of use of funds held by IR to preclude reimbursement for expenses that would personally benefit Tandy's owners or their family members, and to preclude application of receivership funds to pay for private aircraft use. Accordingly, IR reports as follows with respect to the modified ninth set of expenses, per the August 7, 2009, Order (Chart 2) and the tenth set of expenses received by IR (Chart 3), copies of which are attached to this Report.

FUND BALANCE

As of September 11, 2009, the KYFP Receivership's fund balance is $400,667.79, including accrued interest (since the filing of IR's Ninth Report) of $4.12. This balance includes all of the approved expenses paid in charts 2, 3 and 4.

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APPROVED EXPENSES PAID

IR approved the wire transfer of funds from the KYFP Receivership to the Tandy, LLC account to pay the following expenses listed in Chart 2 below totaling $14,957.66. These expenses are related to corporate assets shown to be owned by Tandy through documents submitted to IR and are necessary to preserve and protect Tandy's assets, including but not limited to its interests in the stallion Curlin, the thoroughbred Einstein, and Tandy's twenty-six other horses.

Chart 2

Expenses	Amount	Purpose
Trainer Total	**$7,200.00**	Reimbursement of Ackerman Invoice to P. Cunningham
Employee Expense	**$7,757.66**	Salary for employees
Grand Total:	**$14,957.66**	

APPROVED EXPENSES PAID (Modified Ninth)

IR approved and directly paid the expenses listed in Chart 3 below totaling $161,218.68, a breakdown for and copies of which are attached as Exhibit A. These expenses are related to corporate assets shown to be owned by Tandy through documents submitted to IR.

Chart 3

Expense Description	Amount	Reason for Payment
Trainer Total	**$116,705.19**	Equine training
Veterinarian Total	**$19,175.70**	Equine vets
Transportation Total	**$5,414.07**	Transportation of horses and jockeys
Receiver's Fee Total	**$11,402.50**	Payment per Court order for services rendered (from 12-1-08 to 5-31-09)
Hillcrest Farm	**$1,792.72**	Feed for horses

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Miscellaneous Expense	**$6,728.50**	Accountant expense and Horse consulting expense
Total	**$161,218.68**	

APPROVED EXPENSES PAID (Tenth Report)

IR has also approved and directly paid the expenses listed in Chart 4 below totaling $95,163.91, a breakdown for and copies of which are attached as Exhibit B. These expenses are related to corporate assets shown to be owned by Tandy through documents submitted to IR.

Chart 4

Expense Description	**Amount**	**Reason for Payment**
Trainer Total	**$18,965.50**	Equine training
Transportation Total	**$12,386.50**	Transportation of horses and jockeys
Veterinarian Total	**$7,225.23**	Equine vets
Breeding Total	**$15,520.00**	Horse breeding
Farrier Service	**$660.00**	Farrier service to horses
Receiver Fees	**$10,510.00**	Court Approved Receiver fees (June and July, 2009)
Attorney Fees	**$15,284.90**	Approved Attorney Fees, A. Regard, per 8-7-2009 Court Order
Stallion Expense	**$10,959.07**	Stallion expenses
Horse Sales Expenses	**$1,800.00**	Mare/foal entry fees for Oct. and Nov. breed stock sales
Real Estate	**$757.87**	Expense for 1332 Strawberry Lane property
Racing Fees	**$100.00**	Entry Fees (Churchill Downs)
Hillcrest Farm	**$994.84**	Feed for the horses
Total	**$95,163.91**	

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Under this Court's April 13th and August 7th (2009) Orders, IR has developed a streamlined process with which to pay third party vendors. IR has also sold three horses, per this Court's orders, creating a sub-account held in the KYFP Receivership to hold sale proceeds. In subsequent Reports, IR will report the account balances for the general and newly created "Equine Sales" account. IR intends to use the Equine Sales sub-account to pay for applicable sales and income taxes, but otherwise, to treat this account as a payment account of last resort.

IR has also entered Tandy's broodmares, along with their foals and any 2008 or 2009 foals in either the Fasig-Tipton Select sale, or the Keeneland Breedstock sale, to take place in October and November, 2009, respectively. To the extent Tandy's Tier III horses remain who have shown any ability to race, IR is actively seeking private purchasers, including having its expert contact the trainers to identify options to sell. To the extent IR cannot sell a Tier III horse before year's end, and with the knowledge and consent of counsel, this Court and following its expert's recommendations, IR may be left with little choice but to give those horses away if suitable homes can be found for those horses.

Given the current proceedings in this Court, and in the United States District Court, E.D. Kentucky, N. Division, Covington (Criminal Case No. 07-39-DCR)(the "Federal Court"), IR has also been working with counsel, as well as the United States Attorneys and United States Marshals Service to ensure that an integrated approach to protecting and preserving assets under the supervision of IR is developed, and subject to further Court order, IR continues to proceed in an orderly fashion to sell off Tandy assets in a manner which best protects Tandy beneficiaries, taking into account the Forfeiture Order issued by the Federal Court .

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To that end, IR continues to address matters relating to the forfeiture of the private aircraft that this Court identified as lacking any valid business purpose, and as such, rejected payment by IR of expenses associated with that airplane (2003 Cirrus). On August 13, 2009, the Fayette County Circuit Court issued a Default Judgment against Tandy based on a failure to file an Answer to a Complaint filed by First National Bank Midwest ("First National") in an action to recover funds which IR understands arises from Tandy's failure to pay an outstanding balance due on the airplane based on a mortgage note executed and personally guaranteed by the Defendants Mr. Gallion and Mr. Cunningham. As this Court is well aware, IR was precluded from paying the monthly mortgage amount due for the airplane based on this Court's finding that no business purpose existed. Accordingly, the mortgage became in default, the Defendants did not make further payments, and the Default Judgment ensued. On August 17, 2009, the Fayette County Circuit Court issued an Order of Garnishment, received by IR on August 19, 2009. On September 8, 2009, IR filed an Answer with that Court and counsel for First National Bank Midwest. Following its Answer, IR also discussed this matter with such counsel. IR understands efforts will be taken to sell the airplane, at which point in time, counsel will communicate with IR about the next steps to take.

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In addition to the airplane issue, IR continues to communicate with counsel and the United States Attorneys office concerning the Kenneth McPeek matter, which may be removed to the Federal Court.

Respectfully submitted,

Matthew L. Garretson, Int. Receiver
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Submitted:
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STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY
By: _____ D.C.

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CERTIFICATE OF SERVICE

A copy of the foregoing Report was e-mailed and/or mailed, postage prepaid, on this the 11 day of Sept. 2009, to the following:

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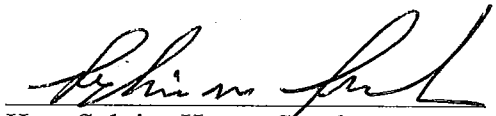

Hon. Sylvius H. von Saucken
for Matthew L. Garretson,
Int. Receiver, KYFP Receivership

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FILED
BOONE CIRCUIT/DISTRICT COURT
AUG 01 2014
DIANNE MURRAY, CLERK
BY: D.C.

COMMONWEALTH OF KENTUCKY
BOONE CIRCUIT COURT
DIVISION III
CASE NO. 05-CI-00436

MILDRED ABBOTT, et al. **PLAINTIFFS**

V.

STANLEY M. CHESLEY, et al. **DEFENDANTS**

ORDER

This Court conducted a hearing in this matter on July 15, 2014 on Plaintiffs' Motion for Partial Summary Judgment as to Defendant Stanley M. Chesley ("Chesley"). The Plaintiffs were represented by Hon. Angela Ford. The Defendants were represented by Hon. Sheryl G. Snyder and Hon. Frank V. Benton, IV. The Court having reviewed Plaintiffs' Motion, Chesley's Response, Plaintiffs' Reply, having heard argument from counsel, and being in all ways sufficiently advised, finds as follows:

This Court, by the March 8, 2006 Order of Senior Status Judge William Wehr, previously granted summary judgment against Defendants William J. Gallion, Shirley Allen Cunningham, Jr. and Melbourne Mills, Jr. on Plaintiffs' breach of fiduciary duty claims in their representation of Plaintiffs in the *Darla Guard, et al. v. A.H. Robbins Company, et al.* lawsuit which involved injuries Plaintiffs suffered as a result of ingesting the "fen-phen" diet drug. The Court awarded damages in the amount of $42 million (by Order of August 1, 2007) and ruled the Defendants were jointly and severally liable to the Plaintiffs. The Supreme Court of Kentucky affirmed the partial summary judgment against Gallion, Cunningham and Mills, including that each was jointly and severally liable for the amounts owed. Plaintiffs now ask this Court to order summary judgment on their breach of fiduciary claims against Chesley, that Chesley be jointly and

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severally liable with Gallion, Cunningham and Mills for the amounts owed to Plaintiffs, and that Chesley disgorge all fees he collected in the *Guard* matter.

The Kentucky Bar Association instituted disciplinary proceedings relating to Chesley's actions in the *Guard* matter in *Kentucky Bar Association v. Chesley,* KBA File 13785. The Trial Commissioner conducted a hearing and found that Chesley had violated eight (8) different ethics rules. The Trial Commissioner recommended that Chesley be permanently disbarred from the practice of law in Kentucky, and that he pay $7,555,000.00 in restitution to the *Guard* case clients. The Board of Governors of Kentucky adopted the Trial Commissioner's Report. The Supreme Court of Kentucky found Chesley guilty of violations of eight provisions of SCR 3.130 and followed the Board's recommendation that Chesley be permanently disbarred. The Supreme Court did not order that Chesley pay restitution. *Kentucky Bar Ass'n v. Chesley,* 393 S.W.3d 584 (Ky. 2013).

Plaintiffs argue that summary judgment is appropriate as to their breach of fiduciary duty claims through the doctrine of issue preclusion or collateral estoppel. Issue preclusion would bind Chesley to the factual and legal determinations made in the disciplinary proceedings before the Trial Commissioner, the Board of Governors, and the Supreme Court of Kentucky regarding the settlement of the *Guard* matter that resulted in his disbarment. Chesley disagrees.

The Trial Commissioner found, and the Supreme Court ratified, that Chesley violated the following specific provisions of SCR 3.130:

SCR 3.130-1.5(a) by accepting over $20 million in attorney's fees, which exceeded the amount established by client contracts and contracts with co-counsel, and which were otherwise unreasonable.

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SCR 3.130-1.5(c) by failing to provide clients with a written statement of the outcome of the matter, as well as the remittance to the client and the method of its determination. The contractual contingency fee contracts for the clients were either for 30% or 33 1/3% plus expenses of up to 3%. A 49% contingency fee was actually charged to the clients. Chesley's contractual agreement with class counsel was for 21% of fees upon successful settlement of the case, which should have been $12,941,638.46 and not the $20 million plus he received. He was paid $7,555,000 in excess of his proper fee.

SCR 3.130-1.5(e)(2) by dividing fees without consent of clients.

SCR 3.130-5.1(c)(1) by knowingly ratifying specific misconduct of other lawyers.

SCR 3.130-1.8(g) by representing two or more clients in making an aggregate settlement of the claims without consent of the clients or disclosure to them of the existence and nature of all claims. Chesley was class counsel pursuant to his agreement with Gallion, Cunningham and Mills and therefore had the same duties as them with regarding the requirements of SCR 3.130-1.8(g).

SCR 3.130-3.3(a) by making a false statement of material fact to the tribunal.

SCR 3.130-8.1(a) by making a false statement of material fact in connection with a disciplinary matter.

SCR 3.130-8.3(c) (now SCR 3.130-8.4(c)) by engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.

Issue preclusion, also known as collateral estoppel, "allows the use of an earlier judgment by one not a party to the original action to preclude relitigation of matters litigated in the earlier action." *Miller v. Admin. Office of Courts,* 361 S.W.3d 867 (Ky. 2011). A non-party in the former action may assert res judicata, a close cousin to issue preclusion, against a party to the former

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action as long as the party against whom res judicata is pleaded had a realistically full and fair opportunity to present his case. *Id.* (quoting *Moore v. Commonwealth,* 94 S.W.2d 317 (Ky. 1997). Additionally, the Supreme Court has addressed whether administrative agencies acting in a judicial capacity are entitled to the same res judicata effect as judgments of a court, finding that they do. *Ky. Bar Ass'n v. Harris,* 269 S.W.3d 414 (Ky. 2008).

Chesley's hearing before the Trial Commissioner was held November 5-6 and 12-13, 2009 before Judge Rod Messer and continued to September 13-15 and 20-24, 2010 before Judge William L. Graham. Chesley was represented at various times by Kent Westberry, Esq., James Gary, Esq., Frank Benton, IV, Esq., Scott Cox, Esq., Mark Miller, Esq., Sheryl Snyder, Esq. and Hon. Susan Dlott. Prior to the hearing, the testimony of five out of state witnesses was provided by video depositions, including 44 exhibits. During the several days the hearing was held, a total of 43 witnesses gave testimony either in person or by deposition, with the Trial Commissioner considering 124 exhibits. Additionally, the Trial Commissioner allowed time for the parties to submit briefs at the conclusion of the Hearing. The Court finds Chesley had a realistically full and fair opportunity to present his case before the Trial Commissioner.

Certain elements must be met for issue preclusion to operate as a bar to further litigation: "(1) at least one party to be bound in the second case must have been a party in the first case; (2) the issue in the second case must be the same issue as the first case; (3) the issue must have been actually litigated; (4) the issue was actually decided in that action; and (5) the decision on the issue in the prior action must have been necessary to the court's judgment and adverse to the party to be bound." *Id.* quoting *Yeoman v. Commonwealth Health Policy Bd.* 983 S.W.2d 459 (Ky. 1998).

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The Court finds these elements have been met with regard to Plaintiffs' Motion in this matter and the findings in *KBA v. Chesley*. Chesley was a party bound by the KBA matter. The facts and circumstances at issue in the instant Motion were those at issue in the KBA matter. The facts and circumstances were litigated in the KBA matter before the Trial Commissioner at a hearing held November 5-6 and 12-13, 2009 and September 13-15 and 20-24, 2010, and reviewed by the Board of Governors and the Supreme Court of Kentucky. The Trial Commissioner made factual findings and legal conclusions, which were adverse to Chesley, and which were affirmed by the Board of Governors and the Supreme Court of Kentucky, said facts being those at issue in the instant Motion. The factual findings and legal conclusions by the Trial Commissioner, the Board of Governors and the Supreme Court of Kentucky were necessary for the outcome of the KBA matter.

This Court finds Chesley is bound by the factual findings and legal conclusions in the KBA matter. The Supreme Court found that by entering into an agreement with Gallion, Cunningham and Mills, Chesley signed on as co-counsel and was one of the attorneys representing the Plaintiffs in the *Guard* matter. He, therefore, assumed the same ethical responsibilities as Gallion, Cunningham and Mills, and the same responsibilities he would have with any other client. *Kentucky Bar Ass'n v. Chesley*. Chesley had the duty to know his fee responsibilities to his clients, specifically that he was to receive no more than 21% of one-third of the $200,450,000.00 settlement, $14,031,500.00. *Id.* Chesley received $20,497,121.81. *Id.* The Supreme Court found that Chesley knowingly participated in a scheme to skim millions of dollars in excess attorney's fees from unknowing clients, and that he received and retained fees that he knew were improperly taken. *Id.* The Supreme Court further found that he purposefully attempted to avoid conversation and correspondence that would expose his knowledge of the

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nefarious schemes of his co-counsel. *Id.* This Court finds that no genuine issues of material fact exist, and summary judgment is appropriate on Plaintiffs' Breach of Fiduciary claims. Chesley entered into an attorney-client relationship with the Plaintiffs in *Guard.* He breached his duty by accepting excess fees in the amount of $6,465,621.81. Chesley's conduct caused Plaintiffs to receive only a portion of the settlement monies they were entitled to.

Plaintiffs also asks the Court to order that Chesley is jointly and severally liable with Gallion, Cunnigham and Mills for the monies owed to Plaintiffs. The Supreme Court of Kentucky affirmed Judge Wehr's finding in this matter that Gallion, Cunningham and Mills were jointly and severally liable to Plaintiffs. The Supreme Court found that Gallion, Cunningham and Mills breached attorney-client contracts and therefore joint and several liability is not precluded by KRS 411.182. The Supreme also found that by the manner in which Gallion, Cunnungham and Mills combined their efforts in the Fen-Phen litigation, they engaged in a joint enterprise, or joint adventure, an informal partnership existing for a limited purpose and duration, for which joint and several liability is properly assessed under KRS 362.220. *Abbott v. Chesley,* 413 S.W.3d 589 (Ky. 2013).

The Supreme Court enumerated the essential elements of a joint enterprise: (1) an agreement, express or implied, among the members of the group; (2) a common purpose to be carried out by the group; (3) a community of pecuniary interest in that purpose among the members; and (4) an equal right to a voice in the direction of the enterprise. *Id.* citing *Huff v. Rosenberg,* Ky., 496 S.W.2d 352 (1973). The Supreme Court adopted the findings of the Trial Commissioner in *KBA v. Chesley,* and this Court found above that issue preclusion bars the further litigation of Plaintiffs' breach of fiduciary duty claims against Chesley.

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This Court now finds that no genuine issues of material fact exists, and as a matter of law Chesley is jointly and severally liable with Gallion, Cunningham and Mills for the $42 million in damages awarded the Plaintiffs against Gallion, Cunningham and Mills by this Court's Order of August 7, 2007. Chesley signed on as co-counsel representing the Plaintiffs in the *Guard* matter when he entered into his fee-division contract with Gallion, Cunningham and Mills. Chesley shared the common purpose to be carried with Gallion, Cunningham and Mills. They agreed on how they would share the work and how they would share the profits. Chesley maintained a voice in the managerial control of the enterprise. The Court therefore finds that pursuant to KRS 362.220, Chesley is jointly and severally with Gallion, Cunningham and Mills for the damages the Plaintiffs suffered.

THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED that Plaintiffs' Motion for Partial Summary Judgment is **GRANTED** as to Plaintiffs' Breach of Fiduciary claims against Stanley M. Chesley.

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that Stanley M. Chesley is jointly and severally liable with Defendants William J. Gallion, Shirley Allen Cunningham, Jr. and Melbourne Mills, Jr. for the existing judgment amount of $42 million owed to Plaintiffs.

IT IS HEREBY ORDERED AND ADJUDGED that Plaintiffs' Motion for Partial Summary Judgment as to disgorgement is **DENIED.**

DATED this 29th day of JULY, 2014.

JAMES R. SCHRAND, JUDGE
BOONE CIRCUIT COURT

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COPIES TO:

ALL ATTORNEYS OF RECORD

I, DIANNE MURRAY, [illegible]
Court, thereby certify that I have [illegible]
foregoing order and notice to all parties [illegible]
their last known addresses or their counsel of record.
This 1 day of August, 2014
DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT
[signature] D.C.

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August 2015
DIANNE MURRAY
By: [signature] D.C.

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FILED
BOONE CIRCUIT/DISTRICT COURT
JAN 15 2015
DIANNE MURRAY, CLERK
BY: _____ D.C.

BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

PLAINTIFFS' MOTION FOR ORDER COMPELLING DEFENDANT CHESLEY AND HIS COUNSEL TO WITHDRAW ALL EFFORTS TO STAY THE JUDGMENT AGAINST DEFEDNANT CHESLEY THAT DOES NOT COMPLY WITH CR 62, 73.04 AND 73.06

Plaintiffs, pursuant to CR 62, 73.04 and 73.06 and the inherent powers of this Court to administer justice in this case, respectfully request that this Court enter an Order compelling Defendant Chesley and his counsel ("Defendants") to withdraw all efforts to stay this Court's judgment against Defendant Chesley that do not comply with CR 62, 73.04 and 73.06. As grounds for this Motion, Plaintiffs would show that Defendant Chesley, an Ohio resident, filed a Verified Petition for Declaratory Judgment and Injunctive Relief in the Court of Common Pleas for Hamilton County, Ohio and a Motion for an Order Restraining Registration and Enforcement of this Court's Judgment against him ("the Ohio Action"). Defendants obtained an Ex Parte Temporary Restraining Order in the Ohio Action, which the Ohio Court then extended until a hearing set for March 4, 2015. Defendant Chesley's purported grounds for that Petition and Motion are that he disagrees with this Court's rulings and believes this Court will be reversed on appeal. Defendants conduct is nothing more than a collateral attack on this Court's judgment in violation of the Full Faith and Credit Clause of the Constitution of the United States, Art. IV § 1, and an effort to stay execution of this Court's Judgment without giving a supersedeas bond as required under CR 62 and 73.04 to stay enforcement of the judgment on appeal.

Plaintiffs therefore respectfully request that this Court enter an Order compelling Defendants to withdraw their Motion requesting a restraining order and dismiss the Ohio Action within five (5) days of this Court's entry of such an Order or show cause why they should not be held in contempt of this Court if they do not comply. A Memorandum of Law in support of this Motion is filed herewith, along with a Supplemental Index containing the pleadings filed in the Ohio Action.

WHEREFORE, Plaintiffs respectfully request that this Court enter an Order compelling Defendants to withdraw their Motion requesting a restraining order and dismiss the Ohio Action within five (5) days of this Court's entry of such an Order or show cause why they should not be held in contempt of this Court if they do not comply.

NOTICE OF HEARING

PLEASE TAKE NOTICE THAT THIS MATTER SHALL COME ON FOR HEARING ON JANUARY 20, 2015 AT 9:00 A.M. IN THE BOONE CIRCUIT COURT, OR AS SOON THEREAFTER AS COUNSEL MAY BE HEARD.

Respectfully submitted,

Angela M. Ford by

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BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' MOTION FOR ORDER COMPELLING DEFENDANT CHESLEY AND HIS COUNSEL TO WITHDRAW ALL EFFORTS TO STAY THE JUDGMENT AGAINST DEFENDANT CHESLEY THAT DOES NOT COMPLY WITH CR 62, 73.04 AND 73.06

Plaintiffs, in support of their Motion for Order Compelling Defendant Chesley and his counsel to Withdraw all Efforts to Stay the Judgment Against Defendant Chesley that Do Not Comply with CR 62, 73.04 and 73.06, state as follows:

STATEMENT OF THE CASE

This Court entered judgment against Defendant Chesley on August 1, 2014 on Plaintiffs' breach of fiduciary duty claims, holding him jointly and severally liable as a matter of law for the $42 million in damages previously awarded to Plaintiffs against Defendants Gallion, Cunningham and Mills. See Order (Aug. 1, 2014). This Court then ruled on multiple post-judgment motions which resulted in this Court making the Judgment final pursuant to CR 54.02 and awarding prejudgment and post-judgment interest against Defendant Chesley. See Order (Sept. 19, 2014); Amended Order (Sept. 19, 2014); Order (Oct. 22, 2014); Second Amended Judgment (Oct. 22, 2014).

After entry of the Second Amended Judgment on October 22, 2014, the Court heard Defendant Chesley's Motion to Clarify Judgment with Respect to Identification of Plaintiffs and Amount Awarded to Each Plaintiff and his Motion to Vacate Judgment Pursuant to CR 60.02.

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As part of those Motions, Defendant Chesley argued that this Court's Judgment against him was void because it does not specifically name each individual Plaintiff and the amount he or she is owed. See Mot. Clarify Judgment (filed by Def. Chesley) and Motion to Vacate Judgment Pursuant to CR 60.02. This Court considered those arguments and denied both motions. See Order (Nov. 24, 2014).

Defendant Chesley appealed this Court's rulings to the Court of Appeals and those appeals remain pending. See Court of Appeals of Kentucky, Case Nos. 2014-CA-001725, 2014-CA-001900 and 2014-CA-001984. Defendant Chesley did not stay enforcement of the Judgment by giving a supersedeas bond pursuant to CR 62.03 and 73.04.

Rather than staying enforcement of the Judgment in accordance with the Kentucky Rules of Civil Procedure, on January 6, 2015, Defendant Chesley filed a Verified Petition for Declaratory Judgment and Injunctive Relief in the Court of Common Pleas for Hamilton County, Ohio against the undersigned counsel for Plaintiffs and Unknown Respondents, *i.e.*, Plaintiffs who are his judgment creditors in this Court (hereinafter referred to as "the Ohio Action"). A copy of Defendant Chesley's Petition is included in the Supplemental Index filed with this Motion and Memorandum. At the same time, Defendant Chesley and his counsel filed a Motion for an Order Restraining Registration and Enforcement of Kentucky Judgment and Document Destruction in the Ohio Action. Copies of that Motion and its supporting Memorandum are included in the Supplemental Index.

As a result of his motion in the Ohio Action, Defendant Chesley and his counsel obtained an *ex parte* Temporary Restraining Order on January 7, 2015 (the day after he filed the Ohio Action) that purports to prohibit Plaintiffs' undersigned counsel from taking any action to enforce this Court's Judgment in Ohio. A copy of the *Ex Parte* Temporary Restraining Order is

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included in the Supplemental Index. It is clear from a review of Defendants filings in the Ohio Action that Defendant Chesley is trying to relitigate this Court's Judgment and its Orders in the Ohio Action despite the fact that this Court, which has personal jurisdiction over Defendant Chesley and subject matter jurisdiction over this action, is entitled to have its Judgment given full faith and credit in Ohio and all other states pursuant to the Full Faith and Credit Clause of the Constitution of the United States, Art. IV § 1.

Defendants actions in filing the Ohio Action are in complete defiance of this Court, its Judgment and its Orders regarding its Judgment. They are merely making a collateral attack on this Court's judgment and its Orders, which the Full Faith and Credit Clause prohibits.

Additionally, Defendants are attempting to get a stay of enforcement of the Judgment without having to comply with Kentucky law, which requires a supersedeas bond so as to stay enforcement of the Judgment on appeal. Defendant Chesley has not given a supersedeas bond and claims that he is unable to do so. See Verified Petition at ¶ 27. He is trying to obtain a stay through the Ohio Action without complying with Kentucky's requirements to obtain a stay on appeal.[1]

Plaintiffs request that the Court prohibit Defendants blatant circumvention of this Court's Judgment against Defendant Chesley, its Orders and the requirements of Kentucky law by issuing an Order compelling Defendant Chesley and his counsel to withdraw their efforts to stay this Court's Judgment against Defendant Chesley and to dismiss the Ohio Action.

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[1] Defendant Chesley is likewise trying to avoid Ohio law, which requires security for satisfaction of the foreign judgment to stay execution while the appeal is taken from the foreign judgment. See O.R.C. § 2329.024.

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ARGUMENT

I. THIS COURT HAS THE AUTHORITY TO COMPEL DEFENDANT CHESLEY TO REFRAIN FROM INTERFERING WITH THE ENFORCEMENT OF THE JUDGMENT AGAINST HIM.

Once the Judgment against Defendant Chesley became final and the statutory period provided in KRS 426.030 passed, Plaintiffs were free to begin execution on the judgment. Defendant Chesley's appeal of the Judgment does not stay its enforcement unless he gives a supersedeas bond to secure the Judgment. See CR 62.03, 73.04. This Court retains jurisdiction during the appeal for purposes of determining all matters related to the right to file a supersedeas bond, its amount and sufficiency and the surety upon it. CR 73.06.

In addition to this Court's powers under the Rules of Civil Procedure, once this Court obtains jurisdiction of a cause of action, it also has the "inherent power to do all things reasonably necessary to the administration of justice in the case before it." Smothers v. Lewis, 672 S.W.2d 62, 64 (Ky. 1984); see also Beshear v. Haydon Bridge Co., 416 S.W.3d 280, 297 (Ky. 2013).

II. In this case, rather than following Kentucky law and procedure by staying enforcement of the Judgment by giving a supersedeas bond, Defendant Chesley and his counsel blatantly circumvented this Court's jurisdiction over enforcement of its Judgment and is attempting to obtain a stay of the Judgment pending appeal without complying with the Kentucky Rules of Civil Procedure. This Court has the authority to make orders reasonably necessary to the administration of justice in this case. That authority includes the authority to order Defendant Chesley, who is properly before this Court and over whom this Court has personal jurisdiction, to cease his attempts to circumvent this Court's authority over its valid judgment against him by dismissing the Ohio Action. That authority also includes the authority to order Defendant Chesley's counsel to respect and honor the judgment of this Court. The administration of justice in this case dictates that this Court should exercise its inherent authority to prevent Defendant Chesley and his counsel's improper attempts to interfere with Plaintiffs' enforcement of the Judgment against him. **THE OHIO ACTION IS AN IMPROPER COLLATERAL ATTACK ON THIS COURT'S JUDGMENT.**

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The Full Faith and Credit Clause of the Constitution of the United States provides that each State must give full faith and credit to the judicial proceedings of every other State. U.S. Const., Art. IV § 1. If the state rendering a judgment has jurisdiction over the defendant and the subject matter of the controversy, then the Full Faith and Credit Clause "precludes an inquiry into the merits of the cause of action, the logic or consistency of the decision, or the validity of the legal principles on which the judgment is based." Milliken v. Meyer, 311 U.S. 457, 462 (1940).

In this case, this Court unquestionably has personal jurisdiction over Defendant Chesley and the subject matter of this case and Defendant Chesley has not claimed otherwise. Accordingly, the Ohio state court in the Ohio Action is without authority to consider the merits of the Judgment or the validity of the legal principles on which it is based, as Defendant Chesley has asked it to do. This Court's Judgment is entitled to full faith and credit in the State of Ohio. Defendant Chesley's purported basis for the Ohio Action is nothing more than an attempt to relitigate the merits of the judgment and obtain a stay of enforcement of the judgment without complying with CR 62.03 and 73.04. His complaints in the Ohio Action about the form of the Judgment were already addressed by this Court in his Motion to Clarify Judgment with Respect to Identification of Plaintiffs and Amount Awarded to Each Plaintiff. As this Court ruled when it denied that Motion, the Judgment complies with Kentucky law in this regard. See Bell v. Twyford, 284 Ky. 481, 145 S.W.2d 55, 55 (1940); Oglesby v. Prudential Ins. Co. of Am., 259 Ky. 620, 82 S.W.2d 824, 826 (1935). The Full Faith and Credit Clause prohibits Defendant Chesley from relitigating that issue in the Ohio Action.

Given Defendant Chesley and his counsel's improper attempt to circumvent this Court's Judgment and Kentucky law regarding obtaining a stay of enforcement of the Judgment, this

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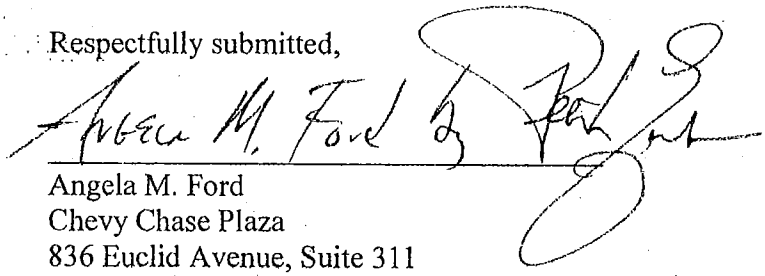
Court should enter an Order compelling Defendants to withdraw their efforts to interfere with enforcement of this Court's Judgment and to dismiss the Ohio Action within five days of the entry of such an Order. Such an Order is reasonably necessary for the administration of justice in this case given Defendants attempts to circumvent this Court's authority and to interfere with a judgment that is entitled to full faith and credit in every other state in the country. If Defendants do not comply with such an Order, then this Court should find them in civil contempt. See Meyers v. Petrie, 233 S.W.3d 212, 215-16 (Ky. Ct. App. 2007) (holding that an individual who refused to abide by a court's order has committed civil contempt).[2]

CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that this Court enter an Order compelling Defendant Chesley and his counsel to refrain from interfering with enforcement of this Court's Judgment against him and to dismiss the Ohio Action within five days of the entry of such an Order. If they fail to comply with such an Order, Plaintiffs request that this Court sanction them by holding them in contempt.

Respectfully submitted,



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[2] Defendant Chesley's conduct arguably constitutes criminal contempt by demonstrating disrespect for this Court and degrading its authority. Meyers, 233 S.W.3d at 216.

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STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY
By: Pat McKinley D.C.

Andrew M. Ford by [illegible]
COUNSEL FOR PLAINTIFFS

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BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

SUPPLEMENTAL INDEX TO PLAINTIFFS MOTION AND MEMORANDUM OF LAW COMPELLING DEFENDANT CHESLEY AND HIS COUNSEL TO WITHDRAW ALL EFFORTS TO STAY JUDGMENT AGAINST HIM THAT DOES NOT COMPLY WITH CR 62, 73.04 AND 73.06

1. Verified Petition for Declaratory Judgment and Injunctive Relief;
2. Motion for an Order Restraining Registration and Enforcement of Kentucky Judgment and Document Destruction;
3. Verified Memorandum in Support of Motion for Injunctive Relief;
4. *Ex Parte* Temporary Restraining Order Against Certain Actions by Respondents and Order Setting Hearing; and,
5. Email regarding extension of TRO (Order has not yet been received).

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BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

FILED
BOONE CIRCUIT/DISTRICT COURT
JAN 29 2015
DIANNE MURRAY, CLERK
BY: _____ D.C.

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

PLAINTIFFS' REPLY IN SUPPORT OF THEIR MOTION FOR ORDER COMPELLING DEFENDANT CHESLEY AND HIS COUNSEL TO WITHDRAW ALL EFFORTS TO STAY THE JUDGMENT AGAINST DEFENDANT CHESLEY THAT DO NOT COMPLY WITH CR 62, 73.04 AND 73.06

While Plaintiffs would certainly agree that there is a distinction between re-examining the merits of a foreign judgment and applying a state's procedures for execution of a foreign judgment upon property in that state, that distinction is clearly lost upon Defendant Chesley despite his lip service to it. Ohio courts are obligated pursuant to the Full Faith and Credit Clause to enforce this Court's Judgment. Ohio does not get to determine whether the Judgment is enforceable; rather, it only gets to determine how it is enforced as to property in Ohio. Defendant Chesley's entire briefing in the Ohio Action consists of nothing but a rehash of the arguments he made to this Court in his motions after this Court entered judgment against him. See Verified Mem. in Ohio Action (attached to previously filed Supplemental Index at Tab 3). Defendant Chesley is trying to block execution of this Court's Judgment in Ohio by collaterally attacking the Judgment. It is clear that he is doing so to obtain a stay of enforcement of the Judgment without providing for the security required both by Kentucky law and by Ohio law. See CR 62, 73.04; O.R.C. § 2329.024.

As Plaintiffs noted in their initial supporting Memorandum and at the hearing on this Motion, time is of the essence, as Defendant Chesley obtained an *ex parte* restraining order that

purports to prohibit Plaintiffs, their undersigned counsel and any other attorney from even filing to domesticate this Court's Judgment in Ohio. The court in Ohio has set a hearing on March 4, 2015. See Restraining Order Against Certain Actions by Respondents and Setting Hearing (Jan. 14, 2015) at ¶ 1 (copy attached).[1]

I. This Court has the authority to take action to protect its Judgment.

Defendant Chesley's suggestion that this Court has no power to take action to protect and enforce its Judgment against him is without merit. He bases his argument on the fact that the cases cited by Plaintiffs are not factually identical to this case. That, of course, is not the way the application of precedent works and the legal principles set forth in those cases remain: this Court has the "inherent power to do all things reasonably necessary to the administration of justice in the case before it." Smothers v. Lewis, 672 S.W.2d 62, 64 (Ky. 1984).

The Ohio Action is not, as Defendant Chesley terms it, merely a "parallel proceeding." It is a direct affront to this Court's Judgment and its authority and a collateral attack on the Judgment. Defendant Chesley's argument in the Ohio Action is completely premised on his expressed belief that the Judgment will be reversed. See Mem. in Ohio Action (Supplemental Index at Tab 3). He boldly states that his "appeal in Kentucky will be successful," that "imposition of liability on Chesley via the Chesley judgment will be reversed" and that the judgment amount is "incorrect as to Chesley." Id. at 11-13. None of those issues is for an Ohio court to decide. This Court has personal jurisdiction over Defendant Chesley, which both makes the Judgment subject to full faith and credit in Ohio and gives this Court the authority to compel Defendant Chesley to act so as to protect its Judgment.

---

[1] When Plaintiffs filed this Motion, their undersigned counsel had received an electronic mail about the Ohio court's subsequent restraining order, but had not yet obtained a copy of the order. See Email regarding extension of TRO (attached to previously filed Supplemental Index at Tab 5). Counsel for Plaintiffs subsequently received the order extending the TRO and attach it to this Reply.

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II. Defendant Chesley is the one ignoring the distinction between the Judgment's validity and its enforcement.

Defendant Chesley really makes Plaintiffs' point for them by citing the distinction between re-examining the merits of a judgment (which the Full Faith and Credit Clause prohibits) and proscribing the procedure for executing on that judgment. However, Defendant Chesley ignores the fact that all he does in the Ohio Action is to ask that court to re-examine the merits of this Court's Judgment. He is not attacking the procedure by which Plaintiffs executed on the Judgment in Ohio. Plaintiffs did not file too late in Ohio, as in Rion v. Mom and Dad's Equipment Sales and Rentals, Inc., 687 N.E.2d 311 (Ohio Ct. App. 1996), cited by Defendant Chesley. They did not fail to comply with an applicable Ohio statute to create a lien on real property, as in Dressler v. Bowling, 492 N.E. 2d 446 (Ohio 1986). Indeed, Plaintiffs had not done anything in Ohio to execute on the Judgment when Defendant Chesley filed the Ohio Action. Any suggestion that Plaintiffs or their attorneys would act in violation of Ohio procedural law regarding enforcement of foreign judgments is pure speculation.

Defendant Chesley's complaints about the form of the Judgment were addressed by this Court when it denied his Motion to Clarify Judgment with Respect to Identification of Plaintiffs and Amount Awarded to Each Plaintiff. Order (Nov. 24, 2014). All he is trying to do in the Ohio Action is to get an Ohio court to tell this Court it is wrong about the application of Kentucky law on an issue it unequivocally decided. There is no indication that Defendant Chesley even told the Ohio court that this Court already decided that issue against him. See Mem. in Ohio Action (Supplemental Index at Tab 3) at 14-19. In any event, the Full Faith and Credit Clause bars an Ohio court from re-examining this Court's decisions regarding the validity of its Judgment. See Milliken v. Meyer, 311 U.S. 457, 462 (1940).

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III. Defendant Chesley's claim that the Ohio TRO only "preserves the status quo" is false.

Defendant Chesley's claim that the temporary restraining order in the Ohio Action has no impact on this Court and that it merely "preserve[s] the status quo ante" is false. The TRO in the Ohio Action purports to prohibit Plaintiffs from taking any action to enforce the Judgment against Defendant Chesley in Ohio, even if that action is otherwise permitted under Ohio procedural law. That most decidedly changes the status quo, under which Plaintiffs would have every right to take appropriate action to enforce their judgment. Prohibiting a party from doing something that he or she would normally have a legal right to do is not "preserving the status quo."

Moreover, Defendant Chesley is not required to maintain the status quo, as the TRO does not prohibit him from doing anything at all. During this time when Plaintiffs are purportedly prohibited from taking any action, he is free to dissipate and conceal assets that would otherwise be available to satisfy the Judgment. Even assuming that an Ohio court will at some point give appropriate full faith and credit to this Court's Judgment, Defendant Chesley will have had additional time to make assets unreachable or at least much harder to locate and obtain.

IV. No rule of comity prevents this Court from acting to protect its Judgment.

Defendant Chesley's claim that Plaintiffs are requesting an improper "anti-suit injunction" actually supports this Court taking the action requested by Plaintiffs. It is difficult to imagine a more "extreme and extraordinary" circumstance than the one presented here – where a judgment debtor files a complaint for declaratory judgment and injunctive relief seeking to invalidate a judgment from another state where that state had personal jurisdiction over the defendant and subject matter jurisdiction over the case. As the Court recognized in Keisker v. Bush, 210 Ky. 718, 276 S.W. 815, 816 (1925), such action is warranted when the other

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proceeding "was instituted for the purpose of securing to the plaintiff therein some unfair or unconscionable advantage."

That is exactly what Defendant Chesley is trying to do. This Court's Judgment is entitled to full faith and credit in all other states, including Ohio, and its validity cannot be questioned by those courts. As part of the post-Judgment motions filed by Defendant Chesley, this Court ruled on his claim that the Judgment was somehow deficient under Kentucky law because it did not specifically list the exact amount due to each individual Plaintiff. That ruling is correct under Kentucky law. See Bell v. Twyford, 284, Ky. 481, 145 S.W.2d 55, 55 (1940); Oglesby v. Prudential Ins. Co. of Am., 259 Ky. 620, 82 S.W.2d 824, 826 (1935).

Even if that ruling were wrong, the Full Faith and Credit Clause prohibits Defendant Chesley from relitigating the question in Ohio. But, that is exactly what he is attempting to do. Moreover, in the process of doing so, he has obtained a stay on enforcement of the Judgment without providing the security required under both Kentucky and Ohio law. CR 62.03, 73.04; O.R.C. § 2329.024. He is seeking an unconscionable advantage by doing so and Kentucky law permits this Court to compel him to dismiss the Ohio Action.

V. Plaintiffs have not requested a temporary injunction.

Contrary to Defendant Chesley's claims, Plaintiffs have not requested a temporary injunction. They have merely requested that this Court act within its inherent powers as is reasonably necessary to the administration of justice in this case. A temporary injunction is granted pending a final judgment. Plaintiffs already have a final judgment.

However, even if this request were properly considered a request for a temporary injunction, the request clearly meets the requirements of CR 65.04. Plaintiffs' right to enforce a judgment in their favor is unquestionably violated by Defendant Chesley filing the Ohio Action

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and obtaining a temporary restraining order and an extension of that order until at least March 4, 2015. Moreover, they have already suffered and will continue to suffer irreparable injury by being prohibited from enforcing their judgment in the state in which Defendant Chesley admits his assets are located for months if the Ohio trial court enters an injunction. Meanwhile, Defendant Chesley is not restraining from dissipating or concealing assets and making them unreachable or considerably more difficult to reach by Plaintiffs to satisfy the Judgment. The irreparable harm to Plaintiffs is evident.

If Defendant Chesley is unwilling or unable to give a supersedeas bond to secure the Judgment, then Plaintiffs are entitled to take action to enforce the Judgment. Defendant Chesley's filing of the Ohio Action unquestionably interferes with that right and deprives Plaintiffs of assets to satisfy the Judgment.[2]

CONCLUSION

For the foregoing reasons and the reasons set forth in Plaintiffs' initial memorandum of law and at the hearing on this Motion, Plaintiffs respectfully request that this Court enter an Order compelling Defendant Chesley and his counsel to refrain from interfering with enforcement of this Court's Judgment against him and to dismiss the Ohio Action within five days of the entry of such an Order. If they fail to comply with such an Order, Plaintiffs request that this Court sanction them by holding them in contempt.

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[2] Plaintiffs recognize that if this Court were to treat their request as one for a temporary injunction, the Court would be required to set forth findings of fact and conclusions of law constituting the grounds for the injunction. CR 65.04(5). The facts and law necessary for such findings are contained in Plaintiffs' filings on this Motion and the filings from the Ohio Action filed with this Motion. The filings from the Ohio Action also constitute "other evidence" clearly showing the violation of Plaintiffs' rights. CR 65.04(1).

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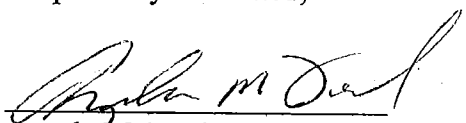
Respectfully submitted,



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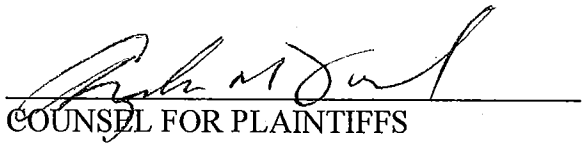

COUNSEL FOR PLAINTIFFS

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COPY OF ENTRY MAILED
JAN 14 2015

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

JUDGE ROBERT P. RUEHLMAN
Court of Common Pleas
Hamilton County, Ohio

Stanley M. Chesley,	:	Case No. A1500067
	:	
Petitioner	:	Judge Ruehlman
v.	:	
	:	**RESTRAINING ORDER AGAINST**
Angela M. Ford, Esq. *et al.*	:	**CERTAIN ACTIONS BY**
	:	**RESPONDENTS AND**
Respondents.	:	**SETTING HEARING**

This matter first came before the Court on January 7, 2015 at an *ex parte* conference. Thereafter, the Court entered its *EX PARTE* TEMPORARY RESTRAINING ORDER AGAINST CERTAIN ACTIONS BY RESPONDENTS AND ORDER SETTING HEARING (the "Temporary Restraining Order"). The Temporary Restraining Order set a January 14, 2015 hearing on the pending Petitioner's Motion for Order Restraining Registration and Enforcement of Kentucky Judgment and Document Destruction (the "Motion").[1]

Respondent Angela M. Ford was given actual notice of the hearing on January 14, 2015, see Affidavit of Vincent E. Mauer filed in this matter. Respondent Angela M. Ford ("Ford") did not present any evidence on or before January 14, 2015. The Court's preliminary Findings of Fact and Conclusions of Law set forth in the Temporary Restraining Order continue to be the Court's preliminary findings and conclusions and are incorporated herein by reference.

Until further Court order to the contrary or agreement of the Parties approved by the Court:

1. Respondent Ford, any co-counsel acting with her and any other Ohio lawyer representing any of the Unknown Respondents are enjoined from (i) taking any action in the

[1] Capitalized terms in this Order that are not defined herein have the meaning set forth in the Verified Petition For Declaratory Judgment And Injunctive Relief (the "Petition") and Petitioner's Motion For Order Restraining Registration and Enforcement of Kentucky Judgment and Document Destruction (the "Motion"). The Motion was supported by Petitioner's Verified Memorandum in Support of Motion for Injunctive Relief (the "Supporting Memo").

State of Ohio to enforce the Chesley Judgment or (ii) serving any Chesley asset related discovery on any Ohio resident, citizen or domiciliary, except that discovery may be served on Chesley in any non-Ohio jurisdiction if permitted by the rules applicable to that jurisdiction;

2. Respondent Ford, any co-counsel acting with her and any other Ohio lawyer representing any of the Unknown Respondents are enjoined from making any filing in any Ohio court that would be or could be part of an effort to domesticate or register the Chesley Judgment in Ohio;

3. Ford, the Unknown Respondents and any other person acting on behalf of the Unknown Respondents are enjoined from taking any action to collect the Chesley Judgment in the State of Ohio from any Ohio resident, Ohio citizen or Ohio domiciled entity;

4. Ford, the Unknown Respondents and any other person acting on behalf of Ford and the Unknown Respondents are enjoined from issuing any subpoena seeking documents or testimony to any Ohio resident, Ohio citizen or Ohio domiciled entity (other than Chesley) if the purpose of the requested documents or testimony would be to obtain information related to any effort to enforce the Chesley Judgment; and

5. Ford, the Unknown Respondents and any other person acting on behalf of Ford or the Unknown Respondents are enjoined and prohibited from destroying, damaging or secreting any documents or electronically stored information relevant to any of the issues described in this Petition, the Motion or the Supporting Memo including but not limited to any document or electronic information that reflects any (i) collection of funds collected and/or credited against the Criminal Defendants Judgment, (ii) restitution obligations of the Criminals, (iii) forfeiture of any assets in the Criminal Case, (iv) funds Ford or any affiliated entity transferred to or from Johnston, (v) funds transferred to or for the benefit of any Criminal Case victims who are not

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Abbott Case plaintiffs; (vi) amounts distributed to the Abbott Case plaintiffs; (vi) operation of the Tandy LLC receivership; (vii) funds transferred to or subsequently by the United States Marshall's Service related to the Criminal Case or the Abbott Case, and (viii) the legal fees and expenses of Ford and her co-counsel in the Abbott Case.

This matter will come on for a hearing on the Motion's request for a preliminary injunction on ~~February~~ March 4, 2015 at 9:00 AM o'clock. At that hearing, the Court may consider, any or all of the issues discussed in the Petition, the Temporary Restraining Order or this Order including, but not limited to:

(a) All evidence, testimony, and exhibits to be offered by Petitioner and Respondents at this preliminary stage of this matter relevant to any continuation of the prohibitions set forth in the Temporary Restraining Order or this Order;

(b) Whether to convert the existing Temporary Restraining Order and this Order into a Preliminary Injunction;

(c) At the next hearing, the Court expects specifically to address whether the Court should grant the relief outlined on pages 7-9 of its Temporary Restraining Order, including without limitation, whether the Unknown Respondents should be made parties to this proceeding and whether or not the Court should order Respondent Ford to identify by name and address each of the current Unknown Respondents; and

(d) Ordering Respondent to disclose the amount alleged to be owed to each of the Unknown Respondents, and directing Respondent to provide a complete accounting of all funds received by the Unknown Respondents in the Abbott Case, all funds received by the Unknown Respondents from Respondent Ford, all fees and expenses received by Respondent Ford or paid by Respondent Ford to third parties on account

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of the Abbott Case matter, and all accounting records Respondent Ford has prepared for the Unknown Respondents all as may be needed to permit Chesley to confirm any calculation of the current total amount of the Chesley Judgment that the Court may order be provided to Chesley.

Petitioner did not request and the Court does not currently intend to combine this hearing with the hearing on the merits of the Motion as permitted by Ohio Civ. R. 65(C).

After considering Petitioner's request for continuation of the relief granted in the Temporary Restraining Order and this Order, the Court will address the status of the Unknown Respondents as that issue is described in the Temporary Restraining Order.

Chesley is not required to post any security for this Order to be effective.

Chesley's counsel will transmit a courtesy copy of this Order to Respondent Ford both electronically and by first class United States mail, postage prepaid.

Entered this 14th day of January, 2015

JUDGE ROBERT P. RUEHLMAN
Court of Common Pleas
Hamilton County, Ohio

Robert P. Ruehlman, Judge
Hamilton County Court of Common Pleas

Copies to:

Vincent E. Mauer, Esq.
FROST BROWN TODD LLC
3300 Great American Tower
301 E. Fourth Street
Cincinnati, Ohio

Angela M. Ford, Esq.
Chevy Chase Plaza
836 Euclid Avenue, Suite 311
Suite 311
Lexington, KY 40502

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY

By: _____ D.C.

ELECTRONICALLY FILED 08/18/2015 12:36 / NOTC / A 1500067 / CONFIRMATION NUMBER 432952

FILED
BOONE CIRCUIT DISTRICT COURT
APR 23 2015
DIANNE BURDAY, CLERK
BY: D.C.

BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

PLAINTIFFS' MOTION TO AMEND AGREED PROTECTIVE ORDER

Plaintiffs, by and through counsel, respectfully request that the Court amend the Agreed Protective Order (Jan. 30. 2015) in this case to reflect that only the information contained in CR 7.03(1) shall be redacted from documents produced prior to them being filed, with no other information or documents being confidential or filed under seal without further agreement of the parties or Order of the Court. As grounds for this Motion, Plaintiffs would show that since Defendant Chesley is the party seeking to designate documents as confidential and to have them filed under seal, he bears the burden of showing at a hearing that there is good cause for the designation and to have the documents sealed. There is a strong presumption of public access to court records and Defendant Chesley has not shown an interest that outweighs that presumption of disclosure. A Memorandum of Law in support of this Motion is filed herewith.

WHEREFORE, Plaintiffs respectfully request that the Court amend the Agreed Protective Order (Jan. 30. 2015) in this case to reflect that only the information contained in CR 7.03(1) shall be redacted from documents produced prior to them being filed, with no other information or documents being confidential or filed under seal without further agreement of the parties or Order of the Court.

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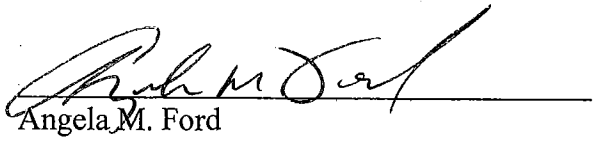
NOTICE OF HEARING

THIS MATTER SHALL COME ON FOR HEARING ON APRIL 28, 2015 AT 9:00 A.M. IN THE BOONE CIRCUIT COURT, OR AS SOON THEREAFTER AS COUNSEL MAY BE HEARD.

Respectfully submitted,



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COUNSEL FOR PLAINTIFFS

ELECTRONICALLY FILED 08/18/2015 12:36 / NOTC / A 1500067 / CONFIRMATION NUMBER 432952

CERTIFICATE OF SERVICE

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COUNSEL FOR PLAINTIFFS

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BY: D.C.

BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' MOTION TO AMEND AGREED PROTECTIVE ORDER

Plaintiffs, in support of their Motion to Amend Agreed Protective Order, state as follows:

STATEMENT OF THE CASE

This Court entered judgment against Defendant Chesley on August 1, 2014. See Order (Aug. 1, 2014). Subsequent Orders of this Court made the Judgment final and awarded pre-judgment and post-judgment interest against him. See Order (Sept. 19, 2014); Amended Order (Sept. 19, 2014); Order (Oct. 22, 2014); Second Amended Judgment (Oct. 22, 2014). Defendant Chesley has appealed this Court's rulings to the Court of Appeals. See Court of Appeals of Kentucky, Case Nos. 2014-CA-001725, 2014-CA-001900 and 2014-CA-001984. Defendant Chesley did not stay enforcement of the Judgment by giving a supersedeas bond pursuant to CR 62.03 and 73.04.

Plaintiffs served interrogatories and requests for production of documents regarding Defendant Chesley's assets that may be available for satisfaction of the Judgment. Prior to producing any asset information or documents, counsel for Defendant Chesley insisted on a protective order maintaining the confidentiality of documents the producing party designated as "confidential" and requiring any pleadings with confidential information or attaching confidential documents to be filed under seal. Counsel for Plaintiffs agreed to a protective order

in good faith, as discussed in a hearing before this Court, to avoid further delay on the production of documents and to avoid a hearing on a protective order for documents not yet produced and confidentiality claims not yet made. Plaintiffs specifically reserved the right to request the modification of the order. This Court entered the Agreed Protective Order on January 30, 2015. See Agreed Protective Order (Jan. 30, 2015).

As this Court is aware, Defendant Chesley's discovery responses and production of documents have already been the subject of a motion to compel and a motion for contempt. See Order (Feb. 13, 2015); Order (Mar. 27, 2015). As Defendant Chesley has begun to trickle out document production over the last few months, his confidentiality designations have not been made in good faith. He has designated **all** discovery documents as "Confidential," without regard as to whether redaction of a portion of a document would be more appropriate than the wholesale designation of documents as "confidential."

This Court has already seen the procedural difficulty in allowing Defendant Chesley to unilaterally designate any document he wishes as "Confidential." In filings before this Court on the motions to compel and for contempt, it was necessary to file items under seal, which creates an additional administrative burden upon the Court, the Clerk's office and Plaintiffs. If Defendant Chesley and other witnesses are deposed, under the existing Protective Order, Defendant Chesley will designate some or all of the depositions as "Confidential," creating another procedural burden based upon the many anticipated exhibits to the depositions.

Moreover, Plaintiffs' initial tracking of Defendant Chesley's disposition and transfer of his assets since this action was filed has already established the likely need to file fraudulent conveyance actions to recover assets. Once again, documents remaining confidential and required to be filed under seal in courts in other states in actions against third parties will present

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procedural burdens and obvious problems. The other court may view the alleged confidential nature of the documents differently and may conflict with the existing protective order. The defendant or defendants in the fraudulent conveyance actions would obviously have to receive the documents and those persons may not be subject to this Court's Orders.

If the all-encompassing protective order that is currently in place remains in place, Plaintiffs will be forced to bring a motion before this Court every time they have a document that needs to have its confidential designation removed. Each such motion will be contested, as shown by Defendant Chesley's steadfast failure to pay the judgment against him and his affirmative conduct in attempting to block enforcement of the judgment by filing a declaratory judgment action in Ohio seeking a declaration that this Court's Judgment does not comply with Ohio law.

CR 7.03 Sets Forth the Information Generally Considered To Be Confidential

Without a specific showing that a document or portion of a document contains confidential information, CR 7.03 already provides appropriate privacy protection for filings made with the Court. That rule requires that in this case, any party filing a document with the Court must redact portions of social security and taxpayer identification numbers, the month and date of a person's birth and financial account numbers. CR 7.03(1). Any additional redaction or limitation on access requires a showing of good cause. CR 7.03(4).[1]

Counsel for Plaintiffs has already redacted the items listed in CR 7.03(1). Defendant Chesley bears the burden of showing a right to confidentiality that exceeds CR 7.03(1) and the

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[1] The Supreme Court of Kentucky enacted CR 7.03 in 2009. See Supreme Court of Kentucky Order 2009-01 (entered Feb. 11, 2009, effective Apr. 1, 2009). There have been minor amendments to the rule that are not relevant to this matter. See Order 2010-09 (amending rule to exempt domestic violence matters from subsection (1)); Order 2013-12 (amending rule to redact all but last four digits of social security and taxpayer identification numbers instead of the entire number).

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public's presumptive right of access. No other portion of the documents he has produced or may produce in the future should be considered confidential or be required to be filed under seal.

Chesley's designation of all asset discovery documents and many of his written discovery answers as confidential is nothing more than an attempt to shield from public view the actions he took to shield his assets from his creditors and avoid payment of the judgment entered by this Court. Chesley's refusal to pay the judgment of this Court is his decision, his desire to circumvent the Kentucky Rules of Civil Procedure, delay these proceedings and his creditors' execution efforts are not.

ARGUMENT

I. This Court May Amend the Agreed Protective Order.

This Court, of course, has the authority to revise or reconsider an interlocutory order. JPMorgan Chase Bank, N.A. v. Bluegrass Powerboats, 424 S.W.3d 902, 909 (Ky. 2014). In this case, the need to revise the existing order was discussed prior to the entry of the order. Indeed, the Agreed Protective Order itself recognizes this Court's ability to modify its terms, the only provision of the Order insisted upon by Plaintiffs' counsel. See Agreed Protective Order (Jan. 30, 2015) at ¶ 15. Plaintiff's counsel agreed to the order in good faith to avoid the need to litigate the language in the order prior to documents being produced and claims of confidentiality asserted. Chesley did not demonstrate good faith in his claims of confidentiality. The Agreed Protective Order is an interlocutory order because, although there is a final judgment against Defendant Chesley, this Court has authority to enter orders to enforce its judgment. Akers v. Stephenson, 469 S.W.2d 704, 706 (Ky. 1970).

II. Defendant Chesley Cannot Show an Interest in Non-Disclosure that Outweighs the Presumptive Right of Access to Court Records.

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Although a trial court has a right to control access to its own records and files, that right "is constrained by a general, common-law right to 'inspect and copy public records and documents, including judicial records and documents.'" Roman Catholic Diocese of Lexington v. Noble, 92 S.W.3d 724, 730, 731 (Ky. 2002) (quoting Nixon v. Warner Communications, Inc., 435 U.S. 589, 597 (1978)). Indeed, judicial documents are presumptively available to the public. Id. at 731; see also Maclean v. Middleton, 419 S.W.3d 755, 761 (Ky. Ct. App. 2014) (stating that "there is a strong presumption in favor of public access to court records"). As the Court of Appeals stated in Maclean, "court records should not be sealed as a matter of routine practice simply at the request of the parties." 419 S.W.3d at 761. That directive is encompassed in CR 7.03(4)'s requirement of good cause for redaction or sealing beyond the privacy information delineated in subsection (1). The party seeking to seal any part of a trial court record bears the burden of proving that sealing the record is necessary at a hearing before the trial court. Cline v. Spectrum Care Academy, Inc., 316 S.W.3d 320, 325 (Ky. Ct. App. 2010); see also Courier-Journal and Louisville Times Co. v. Peers, 747 S.W.2d 125, 129 (Ky. 1988) (holding that a hearing must be held prior to ordering a hearing closed or the record sealed); Lexington Herald-Leader Co. v. Meigs, 660 S.W.2d 658, 663 (Ky. 1983) (same). The trial court must also consider less restrictive alternatives to sealing the record. See Meigs, 660 S.W.2d at 663. The party seeking to seal the record must identify less onerous alternatives and show that the interest he seeks to protect cannot be protected by less restrictive means. Id. at 664; Cline, 316 S.W.3d at 325.

The Supreme Court of Kentucky holds that trial courts must apply a balancing test between the court's right to control access and the public's presumptive right of access. Noble, 92 S.W.3d at 731. That balancing test adopted by the Court utilizes a "sliding scale," which

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gives great weight to records "that play an important role in determining the litigants' substantive rights." Id. at 732. Such records can only be sealed for "'the most compelling reasons.'" Id. (quoting United States v. Beckham, 789 F.2d 401, 413 (6th Cir. 1986)). Conversely, "documents and records that play only a minor or negligible role in adjudicating the rights of the litigants are afforded little weight." Id. For records that fall between these two extremes, the trial court is to exercise its judgment and discretion in determining which documents, if any, should be sealed. Id.

In this case, to the extent asset discovery materials are filed with this Court (or other courts in fraudulent conveyance actions or other actions to enforce this Court's Judgment), they are relevant to and play a role in determining Plaintiffs' ability to collect on their judgment against Defendant Chesley. These are important substantive rights and Defendant Chesley must provide compelling reasons to justify excluding from public review the documents and testimony that will decide them. It is not enough that he wants to keep the information private and his transactions secret. He bears the burden of showing that particular documents should be sealed. Moreover, the Court should consider whether some less onerous alternatives, such as redaction, would satisfy whatever interest Defendant Chesley can show in the privacy of documents he wishes to keep confidential. Cline, 316 S.W.3d at 325. Aside from the information required to be redacted under CR 7.03(1), Defendant Chesley has made no such showing.

CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that this Court amend the Agreed Protective Order (Jan. 30, 2015) to provide that the information set forth in CR 7.03(1) shall be redacted from documents produced prior to them being filed, with no other information

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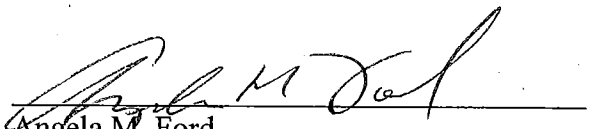
or documents being confidential or filed under seal without further agreement of the parties or order of the Court.

Respectfully submitted,



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COUNSEL FOR PLAINTIFFS

ELECTRONICALLY FILED 08/18/2015 12:36 / NOTC / A 1500067 / CONFIRMATION NUMBER 432952

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served via electronic and U.S. Mail this the 21 day of April, 2015, to the following:

Frank Benton, IV, Esq.
P.O. Box 72218
Newport, KY 41072

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Michael R. Dowling, Esq.
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Ashland, KY 41105-1689

COUNSEL FOR PLAINTIFFS

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY

By: _____ D.C.

ELECTRONICALLY FILED 08/18/2015 12:36 / NOTC / A 1500067 / CONFIRMATION NUMBER 432952

5-21-2015

FILED
BOONE CIRCUIT/DISTRICT COURT
MAY 21 2015
DIANNE MURRAY, CLERK
BY: JN D.C.

BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

PLAINTIFFS' MOTION TO TRANSFER
BENEFICIAL INTEREST IN PROPERTY HELD IN TRUST

Plaintiffs, pursuant to KRS 426.384 and in enforcement of their Judgment against Defendant Chesley, respectfully request that this Court order that [redacted]

REDACTED PURSUANT TO PROTECTIVE ORDER
ORIGINAL FILED UNDER SEAL

[redacted] As grounds for this Motion, Plaintiffs state that Defendant Chesley is before this Court and this Court has the authority to enforce its judgments, including the authority to compel the surrender of the property of Defendant Chesley. A Memorandum of Law in support of this Motion is filed herewith.

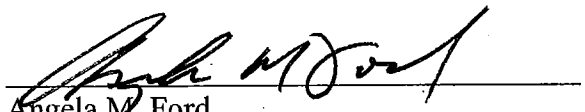
WHEREFORE, Plaintiffs respectfully request that this Court order that [redacted]

REDACTED PURSUANT TO PROTECTIVE ORDER
ORIGINAL FILED UNDER SEAL

NOTICE OF HEARING

PLEASE TAKE NOTICE THAT THIS MATTER SHALL COME ON FOR HEARING ON MAY 26, 2015 AT 9:00 A.M. IN THE BOONE CIRCUIT COURT, OR AS SOON THEREAFTER AS COUNSEL MAY BE HEARD.

Respectfully submitted,



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COUNSEL FOR PLAINTIFFS

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COUNTY OF BOONE
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ANGELA M. FORD, PSC

Chevy Chase Plaza
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6/24/15

Filed Under Seal

Exhibit A
to Π's Memorandum in Support of
Motion to Transfer Beneficial
Interest...

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REDACTED PURSUANT TO PROTECTIVE ORDER
ORIGINAL FILED UNDER SEAL

FILED
BOONE CIRCUIT/DISTRICT COURT
MAY 21 2015
DIANNE MURRAY, CLERK
BY: JN

BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' MOTION TO TRANSFER BENEFICIAL INTEREST IN PROPERTY HELD IN TRUST

Plaintiffs, pursuant to KRS 426.384 and in support of their Motion to Transfer Beneficial Interest in Property Held in Trust, state as follows:

STATEMENT OF THE FACTS

This Court entered judgment against Defendant Chesley on August 1, 2014 on Plaintiffs' breach of fiduciary duty claims, holding him jointly and severally liable as a matter of law for the $42 million in damages previously awarded to Plaintiffs against Defendants Gallion, Cunningham and Mills. See Order (Aug. 1, 2014). This Court then ruled on multiple post-judgment motions which resulted in this Court making the Judgment final pursuant to CR 54.02 and awarding prejudgment and post-judgment interest against Defendant Chesley. See Order (Sept. 19, 2014); Amended Order (Sept. 19, 2014); Order (Oct. 22, 2014); Second Amended Judgment (Oct. 22, 2014). Defendant Chesley did not post a supersedeas bond to secure a stay of enforcement of the Judgment and Plaintiffs are free to execute on his assets.

During post-judgment asset discovery, Defendant Chesley produced [redacted] for his former law firm, Waite, Schneider, Bayless & Chesley Co., L.P.A. ("WSBC"). See [redacted] (copy attached hereto as Exhibit A, filed under seal). The Supreme Court of Kentucky permanently disbarred Defendant Chesley on March 21, 2013 for

his conduct that forms the basis for this lawsuit. Kentucky Bar Ass'n v. Chesley, 393 S.W.3d 584 (Ky. 2013). Shortly thereafter, Defendant Chesley retired from the practice of law in Ohio to avoid also being disbarred in Ohio. Prior to his disbarment and retirement, Defendant Chesley was the sole shareholder of WSBC. See Ex. A at 1; S. Chesley Dep. Vol. I at 15:1-10 (part of this Court's record). Since Defendant Chesley was no longer going to have a valid license to practice law, he obviously could not continue to own a law firm. See Ex. A at 1. Consequently, he entered [redacted]

REDACTED PURSUANT TO PROTECTIVE ORDER
ORIGINAL FILED UNDER SEAL

Both prior to and after Defendant Chesley's Kentucky disbarment and his retirement of his Ohio bar license, [redacted] See [redacted] (copy attached as Exhibit B, filed under seal). [redacted] Id.

Even though Defendant Chesley can no longer own a law firm, [redacted] That [redacted] are subject to execution to satisfy Plaintiffs' judgment. Accordingly, this Court should order that [redacted]

ELECTRONICALLY FILED 08/18/2015 12:36 / NOTC / A 1500067 / CONFIRMATION NUMBER 432952

[redacted]

[redacted] As part of that Order, this Court should also order Defendant Chesley and his counsel [redacted]

ARGUMENT

This Court "has the authority 'to enforce its own judgments and to remove any obstructions to such judgment.'" Shelby Petroleum Corp. v. Croucher, 814 S.W.2d 930, 933 (Ky. Ct. App. 1991) (quoting Akers v. Stephenson, 469 S.W.2d 704, 706 (Ky. 1970)). This Court may also compel the surrender of property in the execution of a judgment pursuant to KRS 426.384, which provides as follows:

> The court shall enforce the surrender of the money or securities therefor, or of any other property of the defendant in the execution, which may be discovered in the action; and the court may use its contempt power in enforcing surrender of the property.

KRS 426.384.

Defendant Chesley is unquestionably before this Court and is the [redacted] This Court has the authority to enforce its Judgment against him and to compel surrender of Defendant Chesley's property. Accordingly, Plaintiffs request that this Court order that [redacted]

REDACTED PURSUANT TO PROTECTIVE ORDER
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[redacted]

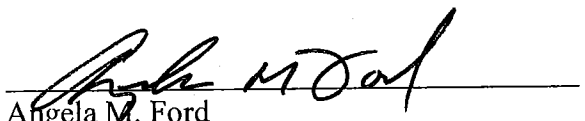
ELECTRONICALLY FILED 08/18/2015 12:36 / NOTC / A 1500067 / CONFIRMATION NUMBER 432952

CONCLUSION

For the foregoing reasons, Plaintiffs respectfully request that this Court order that

REDACTED PURSUANT TO PROTECTIVE ORDER
ORIGINAL FILED UNDER SEAL

Respectfully submitted,



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COUNSEL FOR PLAINTIFFS

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COUNSEL FOR PLAINTIFFS

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COUNTY OF BOONE
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This 13 day of August, 2015
DIANNE MURRAY

By: _____ D.C.

ELECTRONICALLY FILED 08/18/2015 12:36 / NOTC / A 1500067 / CONFIRMATION NUMBER 432952

Filed Under Seal

Exhibit A

Filed Under Seal

Exhibit B

FILED
BOONE CIRCUIT DISTRICT COURT
JUN 08 2015
DIANNE MURRAY, CLERK
BY: SN D.C.

BOONE CIRCUIT COURT
54TH JUDICIAL DISTRICT
Case No. 05-CI-436

MILDRED ABBOTT, *et al.*, **PLAINTIFFS**

v.

STANLEY M. CHESLEY, *et al.*, **DEFENDANTS**

PLAINTIFFS' REPLY IN SUPPORT OF PLAINTIFFS' MOTION TO TRANSFER BENEFICIAL INTEREST IN PROPERTY HELD IN TRUST

Plaintiffs, in reply to Defendant Chesley's response and in further support of their Motion to Transfer Beneficial Interest in Property Held in Trust, state as follows:

INTRODUCTION

Defendant Chesley's reliance upon WSBC's formation and location in Ohio does not prevent this Court from acting upon Defendant Chesley himself. Contrary to the cases cited by Defendant Chesley, significant authority and the more persuasive analysis relies upon the ordering court's personal jurisdiction over the judgment debtor to whom the order pertains. There is no question that this Court has personal jurisdiction over Defendant Chesley and that he is subject to this Court's Orders in this action. The fact that an Order directing him to do something may have an effect upon property connected to or even located in another state does not matter.

Moreover, Defendant Chesley brought this motion upon himself by seeking to block Plaintiffs from taking completely legal and proper enforcement actions in Ohio. As this Court is aware, Defendant Chesley filed an action against Plaintiffs' counsel in Ohio and obtained a restraining order that purports to prohibit her from taking any action to enforce, domesticate or register this Court's Judgment against Defendant Chesley. The Ohio order even prohibits her

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from conducting any discovery of any Ohio resident except for Chesley, even if she first obtains a commission from this Court and follows Ohio procedure to issue a subpoena in Ohio. For Defendant Chesley to suggest in response to this Motion that Plaintiffs should proceed in Ohio when he has deliberately and completely blocked Plaintiffs from taking otherwise legal action is extremely disingenuous. As this Court stated in its February 13, 2015 Order, Defendant Chesley is "attempting to impede the plaintiffs from executing on the Judgment." See Order (Feb. 13, 2015). The need for this Motion and Defendant Chesley's response to it is a prime example of why Plaintiffs brought their motion requesting that this Court compel Defendant Chesley to withdraw the Ohio action in January 2015. Now, it is five months later and Defendant Chesley continues to claim that Plaintiffs must come to Ohio while simultaneously getting an Ohio court to prohibit them from taking any action in Ohio.

ARGUMENT

I. THIS COURT HAS AUTHORITY TO ORDER DEFENDANT CHESLEY TO TAKE ACTION.

While Defendant Chesley cites a couple of cases that focus on the location of property outside the state, the greater and more persuasive weight of authority holds that when the Judgment state has personal jurisdiction over the judgment debtor, that state may exercise that jurisdiction to take action. See Koehler v. Bank of Bermuda Ltd., 544 F.3d 78, 85 (2nd Cir. 2008); Estates of Ungar ex rel. Strachman v. Palestinian Authority, 715 F. Supp. 2d 253, 262-64 (D.R.I. 2010); Dalton v. Meister, 239 N.W.2d 9, 14 (Wis. 1976). The Restatement provides that "[a] state has power to exercise judicial jurisdiction to order a person, who is subject to its judicial jurisdiction, to do, or not to do, an act in the state, although the carrying out of the decree may affect a thing in another state." Restatement (Second) of Conflict of Laws § 55 (1971).

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There is no question that this Court has personal jurisdiction over Defendant Chesley. Accordingly, this Court has the power to compel Defendant Chesley to act with respect to his [redacted] See TWE Retirement Fund Trust v. Ream, 8 P.3d 1182, 1186 (Ariz. Ct. App. 2000) (quoting Fall v. Eastin, 215 U.S. 1, 9-10 (1909)). Plaintiffs are not asking this Court to order the individual [redacted] to do anything.

II. DUE TO DEFENDANT CHESLEY'S ACTIONS, [redacted] IS NOT REACHABLE BY PLAINTIFFS EXCEPT THROUGH THIS COURT.

Defendant Chesley's argument that Plaintiffs must go through an Ohio court to reach [redacted] is remarkable given that it is his actions that prevent Plaintiffs from executing on this Court's Judgment in Ohio. As this Court is aware, on January 6, 2015, Defendant Chesley filed an action in Ohio state court seeking to prohibit the undersigned counsel from taking any action to enforce this Court's Judgment against him. See Pls' Mot. for Order Compelling Defendant Chesley to Withdraw; Mem. Law in Support; Pls' Reply in Support; Supplemental Index. This Court expressed serious concerns about the Ohio action and its consideration of issues this Court already addressed. Order (Feb. 4, 2015 at 3). Nevertheless, this Court exercised restraint in stating that it was "not able to find that Chesley filed the action in Hamilton County for the purpose of securing an unfair or unconscionable advantage nor that the Ohio action will subject Plaintiffs to such great and unnecessary inconvenience and expense as to make it appear that the foreign forum was selected for the purpose of vexatiously harassing the defendant [sic]." Id. at 4.

Defendant Chesley's response to this motion demonstrates that he did, in fact, file the Ohio action for the purpose of securing an unfair or unconscionable advantage. He is using the

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Ohio action to effectively obtain a stay of execution on this Court's Judgment while it is on appeal without following Kentucky or Ohio law providing security for Plaintiffs for collection of the Judgment. See CR 62, 73.04, 73.06; O.R.C. § 2329.024.

The Ohio court has said that the restraining order it entered on January 14, 2015 remains in effect, even though Ohio law limits the time period for temporary restraining orders. Ohio R. Civ. P. 65(A). Even though the Ohio court said in its restraining order (previously filed as an exhibit with this Court) that it was going to hold a hearing to determine whether to enter a preliminary injunction, no hearing has been held and the earliest any hearing will occur is July (if then).[1]

To the extent that KRS 426.384 requires Plaintiffs to "exhaust" other remedies such as execution and garnishment, CR 69.03 allows this Court to direct enforcement of a judgment other than by writ of execution. Moreover, Defendant Chesley himself has engineered to make any remedies in Ohio unreachable for Plaintiffs. See *Ex Parte* Temporary Restraining (Jan. 7, 2015); Restraining Order (Jan. 14, 2015) (both previously filed with this Court). The Ohio court's order prohibits Plaintiffs' counsel from doing any of the following on behalf of Plaintiffs, even though each activity is provided by Ohio law and even if she complies with Ohio law:

(1) Taking any action in Ohio to enforce this Court's Judgment against Defendant Chesley. Restraining Order (Jan. 14, 2015) at ¶ 1. Ohio provides for enforcement of foreign judgments, see O.R.C. §§ 2329.01 to 2329.027, but the Restraining Order prohibits undersigned

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[1] Defendant Chesley will no doubt try to lay blame on undersigned counsel for there not being a hearing yet because she removed the Ohio case on diversity grounds. First, the case was properly removable and only remanded because the U.S. District Court permitted Defendant Chesley to add as defendants several persons he alleged were Plaintiffs in this case residing in Ohio, individuals who were added for the purpose of destroying diversity jurisdiction. See Chesley v. Ford, Case No. 1:15-cv-00083, United States District Court for the Southern District of Ohio at D.E. 30. The case was remanded on April 6, 2015 (more than two months ago) and there is still no preliminary injunction and no hearing.

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counsel from utilizing that enforcement mechanism, even if she complies with every procedural requirement in the statute.

(2) Serving any discovery regarding Defendant Chesley's assets on any Ohio resident, citizen or domiciliary, except Defendant Chesley. Restraining Order (Jan. 14, 2015) ¶ 1. Ohio law provides for depositions to be taken upon commission issued out of courts from other states. See O.R.C. § 2319.09. However, according to the terms of the Restraining Order, a valid commission from this Court cannot be used in Ohio to compel a witness with relevant evidence regarding Defendant Chesley's assets to testify or produce relevant documents.

(3) Making any filing that would be or could be part of an effort to domesticate or register this Court's Judgment in Ohio. Restraining Order (Jan. 14, 2105) at ¶ 2. Ohio law provides for Plaintiffs to file this Court's Judgment in Ohio, but the Restraining Order prohibits it. See O.R.C. §§ 2329.021 to 2329.027.

(4) Taking any action to collect this Court's Judgment in Ohio. Restraining Order (Jan. 14, 2105) at ¶ 3. Ohio law provides that Plaintiff may file this Court's Judgment in Ohio and it then may be enforced or satisfied in the same manner as an Ohio judgment. See O.R.C. § 2329.022.

(5) Issuing any subpoena to an Ohio resident, citizen or domiciled entity other than Chesley to obtain information related to enforcement of this Court's Judgment. Restraining Order (Jan. 14, 2105) at ¶ 4. Again, Ohio law provides the mechanism for Plaintiffs to obtain discovery from Ohio residents upon obtaining a commission from this Court. See O.R.C. § 2319.09.

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It is evident that Defendant Chesley is using the Ohio court to block any discovery of any person or entity other than himself[2] and to block any enforcement of this Court's Judgment against him, even if that enforcement action is taken in complete compliance with Ohio law. This Court should not credit Defendant Chesley's suggestion that Plaintiffs are required to go to an Ohio court when he has effectively obtained a bar to all Ohio legal procedures. Defendant Chesley's conduct has left Plaintiffs without a remedy. They have a substantial judgment they cannot otherwise enforce because Defendant Chesley is "attempting to impede the plaintiffs from executing on the Judgment."

CONCLUSION

For the foregoing reasons and the reasons set forth in Plaintiffs' Memorandum of Law, Plaintiffs respectfully request that this Court order that [redacted]

[2] No doubt the only reason Defendant Chesley excepted himself from the discovery ban is the fact that Plaintiffs do not need to go through Ohio courts to obtain discovery from him.

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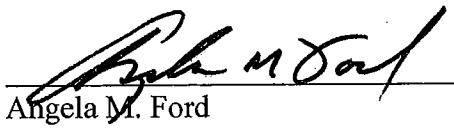
Respectfully submitted,



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COUNSEL FOR PLAINTIFFS

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served via electronic and U.S. Mail this the 8 day of June, 2015, to the following:

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COUNSEL FOR PLAINTIFFS

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August, 2015
DIANNE MURRAY
By: Pam McKinley D.C.

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ENTERED
BOONE CIRCUIT/DISTRICT COURT
JUN 23 2015
DIANNE MURRAY, CLERK
BY: _____ D.C.

COMMONWEALTH OF KENTUCKY
BOONE CIRCUIT COURT
DIVISION III
CASE NO. 05-CI-00436

MILDRED ABBOTT, et al. **PLAINTIFFS**

V.

STANLEY M. CHESLEY, et al. **DEFENDANTS**

ORDER

This matter comes before the Court on the Plaintiff's Motion to Transfer Beneficial Interest in Property Held in Trust. The Court having read the memorandums filed by the parties, reviewed the file, and being in all ways sufficiently advised, hereby finds as follows:

This Court entered judgment against Defendant Chesley on August 1, 2014, finding him jointly and severally liable as a matter of law for the $42 million in damages previously awarded to Plaintiffs against Defendant's Gallion, Cunningham, and Mills. Said Judgment was made final pursuant to CR 54.02 and Defendant Chesley did not post a supersedeas bond to secure a stay of enforcement pending appeal.

As part of post-judgment discovery, Defendant Chesley disclosed the Wind-Up Agreement for his former law firm, Waite, Schneider, Bayless & Chesley, Co., L.P.A. ("WSBC"). The Wind-Up Agreement provides that Defendant Chesley would transfer his shares in WSBC to Thomas F. Rehme to hold in trust for the exclusive purposes of winding up WSBC for the benefit of its employees, creditors, and Chesley. Per the Agreement, Mr. Rehme is authorized to liquidate corporate assets and distribute proceeds to creditors as required and the pay out the remainder to Defendant Chesley as long as Defendant Chesley does not receive any legal fees other than for services performed prior to the effective date of his retirement.

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Both prior to and after Defendant Chesley was disbarred in Kentucky and his retirement of his Ohio bar license, he transferred more than $59 million dollars from his personal accounts to WSBC. $1,322,000 of that amount was transferred on or after the date of the Wind-Up Agreement.

Defendant Chesley still owns a beneficial interest in WSBC. Plaintiffs argue that this interest is subject to execution for the purpose of satisfying Plaintiff's Judgment against Defendant Chesley. To this end, Plaintiff requests that the Court order that Defendant Chesley's beneficial interest in WSBC be transferred to Plaintiffs and that any distributions that would be made to Defendant Chesley be made to the Plaintiffs through their counsel.

Defendant Chesley objects, arguing that WSBC is an Ohio legal professional association formed and maintained under Chapter 1785 of the Ohio Revised Code and, therefore, an Order such as the Plaintiff is requesting exceeds this Court's jurisdiction. The Court disagrees.

There is no dispute that this Court has personal jurisdiction over Defendant Chesley. He is a party to the case at hand and a valid judgment has been entered against him, a judgment which the Plaintiffs are within their rights to seek the Court's assistance to collect.

The law is clear that when the Judgment state has personal jurisdiction over the judgment debtor, that state may exercise that jurisdiction to take action on that judgment. *See Estates of Ungar ex rel. Strachman v. Palestinian Authority*, 715 F.Supp.2d 253, 262-64 (D.R.I. 2010). The Restatement (Second) Conflict of Laws § 55 (1971) states that, " a state has power to exercise judicial jurisdiction to order a person, who is subject to its judicial jurisdiction, to do, or not do, an act in the state, although the carrying out of the decree may affect a thing in another state." Furthermore, K.R.S. § 426.384 gives the Court the authority to enforce the surrender of money,

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securities, or any other property of the defendant in the execution and enforcement of a judgment.

IT IS HEREBY ORDERED AND ADJUDGED as follows:

1. Defendant Chesley shall direct that his beneficial interest in the shares of WSBC be transferred to Plaintiffs within fourteen (14) days of the date of this Order and all distributions pursuant to said interest are to be made to Plaintiffs through their counsel;
2. Defendant Chesley is hereby Ordered to direct Thomas F. Rehme to make all payments derived from Chesley's interest in the shares of WSBC payable to the Plaintiffs through their counsel, Hon. Angela Ford;
3. If for any reason, including but not limited to any action by another court in any other jurisdiction, monetary payment(s) is/are made to Chesley from his interest in WSBC, Chesley and his attorney shall immediately turn over said payment(s) to Plaintiffs' counsel, Angela Ford;
4. Defendant Chesley and his counsel are to provide a copy of this Order to Thomas F. Rehme.

DATED this 23rd day of June, 2015.

JAMES R. SCHRAND, JUDGE
BOONE CIRCUIT COURT

COPIES TO: ALL ATTORNEYS OF RECORD

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 13 day of August 2015
DIANNE MURRAY
By: _____ D.C.

CERTIFICATE
I, DIANNE MURRAY, clerk of the Boone District/Circuit Court, thereby certify that I have mailed a copy of the foregoing order and notice to all parties hereto at their last known addresses or their counsel of record
This 23 day of June, 2015
DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT
_____ D.C.

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TRACY WINKLER
HAMILTON COUNTY CLERK OF COURTS

COMMON PLEAS DIVISION

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August 21, 2015 11:40 AM
TRACY WINKLER
Clerk of Courts
Hamilton County, Ohio
CONFIRMATION 433835

STANLEY M CHESLEY

vs.

ANGELA M FORD

A 1500067

JUDGE
ROBERT P RUEHLMAN

FILING TYPE: MOTION

PAGES FILED: 112

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EXHIBIT

14

exhibitsticker.com

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

STANLEY M. CHESLEY	:	Case No. A1500067
	:	
Petitioner,	:	Judge Ruehlman
	:	
v.	:	**MOTION FOR LEAVE TO FILE VERIFIED STATEMENT OF SUPPLEMENTAL FACTS IN SUPPORT OF PETITION FOR PERMANENT INJUNCTION**
ANGELA M. FORD, ESQ., et al.	:	
Respondents.	:	

Pursuant to Ohio Rule of Civil Procedure 15(E), Petitioner Stanley M. Chesley ("Chesley") respectfully moves this Court for leave to file his Statement of Supplemental Facts in Support of Petition for Permanent Injunction (the "Supplement", attached hereto as Exhibit A) to address the facts and circumstances related to three pending enforcement actions recently filed by Respondent Angela M. Ford ("Ford") in Colorado, Nevada, and Louisiana. Chesley endeavors to alert this Court to Ford's continued disregard for the formalities required under the Uniform Enforcement of Foreign Judgments Act ("UEFJA"), and therefore demonstrate Chesley's continued need for a permanent injunction.

The reasons for this Motion are more fully set forth in the attached Memorandum in Support. For the Court's convenience, a proposed Order is attached as Exhibit B.

Respectfully submitted,

/s/ Vincent E. Mauer

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MEMORANDUM IN SUPPORT

This action commenced upon Chesley's Verified Petition for an injunction, which sought to enjoin Ford from enforcing a judgment against Chesley (the "Chesley Judgment") without providing Chesley with certain information required under Ohio law. *See* RC 2329.023. Pursuant to Chesley's petition, on January 14, 2015, this court entered a preliminary injunction.

Months after the initial pleadings were filed in this case, Ford embarked on a crusade across the country, seeking to execute the Chesley Judgment in Colorado, Nevada, and Louisiana. Each of those states has enacted a version of the UEFJA, and Ford has purported to file each of the Chesley Judgments in the various state courts in accordance with the UEFJA. Yet, despite the relative uniformity of the applicable law in each state, each of Ford's filings has varied. The Supplement outlines these variations, identifies the relevant subsections of each state's law, and provides examples of how Ford's filings continue to disregard the express language of the statute.

The Rules of Civil Procedure permit "a supplemental pleading setting forth transactions or occurrences or events which have happened since the date of the pleading sought to be supplemented" when notice is "reasonable" and when the terms of such are "just." Civ.R. 15(E). Leave to file a Supplemental Complaint "shall be freely given." *Westfield Ins. Co. v. O.K.L. Can Line*, 155 Ohio App.3d 747, 762 (2003). While the Supplement is styled as a "Statement of Supplemental Facts," rather than a "Supplemental Petition," it serves exactly the same purpose—apprising the Court of certain events that have arisen since the initial filing.

To start, allowing the proposed Supplement advances several goals, including highlighting Ford's continued efforts to enforce the judgment against Chesley without following the procedures outlined in the UEFJA, and, most importantly, illustrating the ongoing need for a

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permanent injunction. Simply put, the facts included in the Supplement confirm that there is a concrete, imminent risk that Ford will domesticate the Chesley judgment in Ohio without heed to the provisions of RC 2329.021, *et seq.*

Further, there is no reason not to allow Chesley to supplement the original Petition. While the action has been pending for some time, the permanent injunction hearing has not yet been held, and Ford, of course, already knows what she did in Louisiana, Nevada and Colorado.

Accordingly, Petitioner Stanley M. Chesley requests that this Court grant him leave to file his Statement of Supplemental Facts in Support of Petition for Permanent Injunction.

Respectfully submitted,

/s/ Vincent E. Mauer

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CERTIFICATE OF SERVICE

I hereby certify that a on this 21st day of August, 2015, a copy of the foregoing was served by first class U.S. Mail, postage prepaid, upon:

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Donald J. Rafferty, Esq.
Cohen Todd Kite & Sanford, LLC
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Cincinnati, Ohio 45202

/s/ Vincent E. Mauer

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EXHIBIT A

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

STANLEY M. CHESLEY	:	Case No. A1500067
	:	
Petitioner,	:	Judge Ruehlman
	:	
v.	:	**STATEMENT OF SUPPLEMENTAL FACTS IN SUPPORT OF PETITION FOR PERMANENT INJUNCTION**
ANGELA M. FORD, ESQ., et al.	:	
Respondents.	:	

Petitioner Stanley M. Chesley ("Chesley") files with the Court this Statement of Supplemental Facts In Support of Petition For Permanent Injunction. This document does not add additional parties or change the nature of the relief sought by Chesley. The following facts all occurred after Chesley filed his initial petition in this matter:

FACTS RELATED TO NEVADA

1. Nevada has enacted a version of the Uniform Enforcement of Foreign Judgment Act, Nevada Revised Statutes 17.330 to 17.400 ("UEFJA"). For all relevant purposes, the Nevada version of the UEFJA is the same as Ohio's version of that statue, Ohio Rev. Code Section 2329.021, *et seq*. The UEFJA requires that when domesticating a foreign judgment, the filing include (a) the name of each judgment creditor; (b) the address of each judgment creditor; (c) the amount owed to each; and (d) the total amount owed must also be disclosed.

2. Acting through Nevada counsel and allegedly on behalf of Chesley's Judgment Creditors, on May 26, 2015 Ford filed a Notice of Filing Application of Foreign Judgment and Affidavit of Judgment Creditor's Attorney (Ford's "Nevada Filing"). A copy of the Nevada Filing is attached hereto as Exhibit A.

3. Ford's Nevada filing under the UEFJA has the exact same deficiencies that Chesley identified to this Court. Among those deficiencies are the following:

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A. Ford attached the Boone Circuit Court's September 19, 2014 Amended Order (the "Kentucky Amended Order") that purports to award a judgment against Chesley to the "Plaintiffs." Ford is representing to the Nevada court that the Kentucky Amended Order is the operative judgment that she seeks to enforce.

B. The Nevada Filing has a list of 382 names that Ford alleges are Chesley's "judgment creditors." Despite the fact that the Kentucky Amended Order states that the "Plaintiffs" are the judgment creditors, Ford's list includes names that have never been identified as "plaintiffs" in the Boone Circuit Court case and omits other entities that are named "plaintiffs" in that case. It is impossible for the court in Nevada to determine that persons entitled to collect the Chesley Judgment are the parties who in fact are enforcing the judgment in Nevada.

C. Ford's Nevada Filing asserts that the "last known address [in the singular, sic] for the Judgment Creditors" is "PF Judgment Creditors c/o Angela M. Ford, PSC." Ford has never asserted that "PF Judgment Creditors" is anything other than a pseudonym for Ford and, in fact, there is no entity named "PF Judgment Creditors" that actually exists and holds a judgment against Chesley. It is untrue that any of the Judgment Creditors reside in Ford's law office.

D. The Kentucky Amended Order purports to award a judgment against Chesley to the "Plaintiffs" in the amount of $42,000,000. Ford does not state the amount owed to any particular judgment creditor. Ford's Nevada filing does not assert the total amount now owed either to any particular judgment creditor or in total. Ford admits that she has collected $17,868,298[1] against the $42,000,000 judgment amount. Ford's Nevada filing contends that interest has been accruing, but she does not state the interest start date. The total owed on the Chesley Judgment cannot be known without an accurate calculation of the amount of interest owed. Therefore, the Nevada court cannot act to insure that Ford does not collect more than is owed on the Chesley Judgment.

4. Despite these deficiencies, Ford was able to take collection action using the Nevada judgment created by her flawed domestication. Ford issued four legally inappropriate

[1] Ignoring Chesley's multiple requests, Ford has refused to demonstrate the accuracy of this figure or disclose the dates when collections occurred despite the fact that the accrual of interest must be adjusted downward as collections occur and the outstanding balance owed is reduced. Chesley has reason to believe that Ford's collections in this matter are, in fact, more than double the admitted amount.

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writs of garnishment and sets of collection related interrogatories. Each of (i) the Castano Directed Distribution Trust ("Castano Trust") and (ii) the Castano Trust's bank, Wells Fargo, were targeted by one of Ford's Nevada writ of garnishment. A copy of the Writ of Execution issued in Nevada is attached as Exhibit B. Those two writs were illegal in many respects including the following:

A. Ford tried to garnish money that might be Chesley's share of money owed to the "Waite Schneider Bayless & Chesley Deferred Compensation Trust" (the "Compensation Trust"). Amounts owed to Chesley under the Compensation Trust, if any, are likely exempt under Ohio Rev. Code 2329.66(10).[2]

B. The Compensation Trust is not a judgment debtor and so cannot be garnished.

C. The Compensation Trust has no presence in Nevada and no connection to the Castagno Trust.

D. The Compensation Trust is an Ohio entity and protected from Ford's attack by the Court's January 14, 2015 Restraining Order.

E. Ford provided no way for a judge in Nevada or the Nevada garnishees to determine what portion, if any, of monies subject to garnishment in Nevada and payable to the Compensation Trust are distributable to Chesley.

F. Ford sought to seize all amounts in the bank account of the Castano Trust at Wells Fargo. Ford took this action despite her actual knowledge that (i) the Castano Trust is not a judgment debtor under the Chesley Judgment, (ii) the Castano Trust has over 100 separate beneficiaries, (iii) one of which is WSBC[3] and (iv) the judgment debtor in this matter, Chesley, is not a beneficiary of the Castano Trust. Of course, Ford did not disclose any of this information to the Nevada court.

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[2] Section 2329.66(10)(b) exempts from collection, in part, Chesley's "rights to receive or interests in receiving a payment or other benefits under any pension, annuity, or similar plan or contract, not including a payment or benefit from a stock bonus or profit-sharing plan or a payment included in division (A)(6)(b) or (10)(a) of this section, on account of illness, disability, death, age, or length of service . . .."

[3] WSBC is also not a judgment debtor and amounts owed to it cannot be garnished by Ford.

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G. Ford's garnishment to Wells Fargo prevented the timely distribution of over $10,000,000 to over 130 beneficiaries of the Castano Trust. None of these persons are judgment debtors.

5. Ford also used the illegally obtained Nevada judgment to issue writs of garnishment and collection related interrogatories to Chesley's Kentucky counsel, Frost Brown Todd LLC and Benton Benton & Luedeke. Neither of those firms have offices in Nevada. The writs of garnishment were not served in Nevada or as required by Nevada law. A copy of the Writ of Garnishment served on Frost Brown Todd is attached hereto as Exhibit C.

6. Ford's four garnishment writs included poorly constructed nonsensical interrogatories addressed to the garnishees. *Inter alia*, Ford referred to "Abbott" as the "defendant" and she caused the Las Vegas Township Constable to direct Chesley's two Kentucky counsel to "under oath" violate Chesley's attorney client privilege and disclose information to Ford.

FACTS RELATED TO LOUISIANA

7. Louisiana has enacted a version of the Uniform Enforcement of Foreign Judgment Act, Louisiana Revised Statute 13:4241. *et seq.* ("UEFJA"). For all relevant purposes, the Louisiana version of the UEFJA is the same as Ohio's version of that statue, Ohio Rev. Code Section 2329.021, *et seq*. The UEFJA requires that when domesticating a foreign judgment, the filing include (a) the name of each judgment creditor, (b) the address of each judgment creditor and (c) the amount owed to each; also, (d) the total amount owed must also be disclosed.

8. Acting through Louisiana counsel and allegedly on behalf of Chesley's Judgment Creditors, on June 1, 2015 Ford filed her Ex Parte Petition To Make Foreign Judgment Executory (Ford's "Louisiana Filing"). A copy of the Louisiana Filing is attached hereto as Exhibit D.

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9. Ford's Louisiana Filing included as an attachment the Boone Circuit Court's October 22, 2014 Second Amended Judgment. Ford is representing to the Louisiana court that the "Second Amended Judgment" is the operative judgment that Ford seeks to enforce.

10. The document Ford asserts is operative in Nevada (the Kentucky Amended Order) is not the document she says is operative and is enforcing in Louisiana, the Second Amended Order. Ford is lying to the court in Nevada or Louisiana or both.

11. Ford's filing under the UEFJA in Louisiana is better than her filing in Nevada, but it still has errors and omissions:

A. The Second Amended Judgment purports to award a judgment against Chesley to the "Plaintiffs." The Louisiana Filing has a list of 382 names that Ford alleges are Chesley's "judgment creditors." That list includes names that have never been identified as "plaintiffs" in the Boone Circuit Court and omits other entities that are named "plaintiffs" in that case. It is impossible for the court in Louisiana to determine that persons entitled to collect the Chesley Judgment are the parties in Louisiana.

B. Ford's Louisiana Filing asserts that the "last known address [in the singular, sic] for the Judgment Creditors" is "PF Judgment Creditors c/o Angela M. Ford, PSC." Ford has never asserted that PF Judgment Creditors is anything other than a pseudonym for Ford and, in fact, there is no entity named "PF Judgment Creditors" that actually exists and holds a judgment against Chesley. It is actually untrue that any of the Judgment Creditors reside in Ford's law office.[4]

C. Ford's Louisiana Filing does not assert either (i) the total amount now owed or (ii) the debt owed to each particular judgment creditor. Ford admits that she has collected $17,868,298[5] against the $42,000,000 judgment amount. Ford's Louisiana Filing contends that interest has been accruing, but she does not state

[4] Ford's Nevada filing provides no further indication of the actual address of the judgment creditors. Ford's Louisiana and Colorado filings, however, provides the town/city and state where each of the 382 putative judgment creditors resides but does not disclose a street address or zip code.

[5] Despite Chesley's requests, Ford has refused to demonstrate the accuracy of this figure or disclose the dates when collections occurred despite the fact that the accrual of interest must be adjusted downward as collections occur and the outstanding balance owed is reduced.

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the interest accrued to date. The total owed on the Chesley Judgment cannot be known without an accurate calculation of the amount of interest owed. Therefore, the Louisiana court cannot act to insure that Ford does not collect more than is owed on the Chesley Judgment.

D. Effectively admitting one of her mistakes in Nevada, the Louisiana Filing tries to describe "PF Judgment Creditors" by including a footnote that states "PF Judgment Creditors are a group of 382 judgment creditors, a list of those creditors is attached in Exhibit B-1. 'Their respective domiciles are listed in Exhibit C.'" In fact, of course, the actual "domiciles" are not listed since only the city/state is provided. Apparently PF Judgment Creditors is an unincorporated association controlled by Ford since not all of its members are "plaintiffs" and not all "plaintiffs" in the Kentucky case are members of PF Judgment Creditors.

12. On June 2, 2015, one day after Ford filed her deficient domestication papers, Ford was issued a "Judgment" in Louisiana against Chesley in favor of the "PF Judgment Creditors." (the "Louisiana Judgment"). This "one day" judgment[6] that Ford received *ex-parte* is exactly the irreparable harm that Chesley feared and the Court foresaw when the Restraining Order was issued. Ford ignored requirements of the UEFJA and Ford got a judgment in one day. The same might have happened in Ohio but for the Restraining Order.

13. There are several problems with the "one day" *ex parte* Louisiana Judgment:

A. There is no entity or formal group of persons known as "PF Judgment Creditors" that holds a judgment against Chesley;

B. Since it was granted *ex parte*, there was no opportunity for Chesley to challenge the finding that Ford "satisfied" the above-described requirements of Louisiana's UEFJA; and

C. The Louisiana Judgment was made "EXECUTORY" (emphasis original) on that date, thus denying Chesley the opportunity to assert his belief that Ford has overstated the amount owed.

[6] A copy of Ford's "one day" judgment is attached as Exhibit E.

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FACTS RELEVANT TO COLORADO

14. Colorado has enacted a version of the Uniform Enforcement of Foreign Judgment Act, Section 13-53-101, *et seq*. Colorado Revised Statutes ("UEFJA"). For all relevant purposes, the Colorado version of the UEFJA is the same as Ohio's version of that statue, Ohio Rev. Code Section 2329.021, *et seq*. The UEFJA requires that when domesticating a foreign judgment, the filing include (a) the name of each judgment creditor, (b) the address of each judgment creditor and (c) the amount owed to each; also, (d) the total amount owed must also be disclosed.

15. Acting through Colorado counsel and allegedly on behalf of Chesley's Judgment Creditors, on July 31, 2015 Ford filed in Colorado a Notice of Filing Application of Foreign Judgment (the "Colorado Filing"). A copy of the Colorado Filing is attached as Exhibit F.

16. Ford's Colorado Filing included as an attachment the Boone Circuit Court's October 22, 2014 "Second Amended Judgment." Ford is representing to the Colorado court that the "Second Amended Judgment" is the operative judgment that Ford seeks to enforce. This is not the same document that Ford's Nevada filing asserts is operative.[7]

17. The Colorado Filing states "see attached Exhibit A for a list of each plaintiff / judgment creditor and their corresponding address." In fact, the Colorado Filing mirrors the Louisiana Filing by providing names and cities / towns – but not actual addresses for any judgment creditor.

18. In the Colorado Filing, Ford abandons the pretense of "PF Judgment Creditors." No reference to that phony organization can be found in the Colorado Filings. Instead, Ford reverts to use of "Mildred Abbott, et al. c/o Angela M. Ford, Esq." Ironically, the list of putative "Plaintiffs / Judgment Creditors" shown on Exhibit A does not include Mildred Abbott, instead,

[7] Given that Ford used the Second Amended Judgment in both Louisiana and Colorado, it seems clear that Ford misled the Nevada court when she used the Kentucky Amended Order.

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the reference is to the "Abbott Estate." A probate or bankruptcy estate is, of course, a separate legal entity. No filing in the Kentucky case ever replaced Plaintiff Mildred Abbott with the separate legal entity, an estate.

WHEREFORE, Petitioner Chesley prays for the relief requested in the Second Amended Verified and Supplemental Petition for Declaratory Judgment and Injunctive Relief filed in this matter.

Respectfully submitted,

/s/ Vincent E. Mauer

Vincent E. Mauer (0038997)
FROST BROWN TODD LLC
3300 Great American Tower
301 East Fourth Street
Cincinnati, Ohio 45202
513-651-6785
Fax 513-651-6981
vmauer@fbtlaw.com

CERTIFICATE OF SERVICE

I hereby certify that a on this __ day of August, 2015, a copy of the foregoing was served by first class U.S. Mail, postage prepaid, upon:

Brian Sullivan, Esq.
Christen M. Steimle, Esq.
Dinsmore & Shohl, LLP
255 East Fifth Street, Suite 1900
Cincinnati, Ohio 45202

Donald J. Rafferty, Esq.
Cohen Todd Kite & Sanford, LLC
250 E. Fifth Street, Suite 2350
Cincinnati, Ohio 45202

/s/ Vincent E. Mauer

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EXHIBIT A

NOFA
ELEISSA C. LAVELLE, ESQ.
Nevada State Bar No. 293
FABIAN & CLENDENIN, P.C.
601 South Tenth Street, Suite 204
Las Vegas, NV 89101
Telephone: (801) 323-2207
Facsimile: (877) 898-1168
E-Mail: elavelle@fabianlaw.com
Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

MILDRED ABBOTT, et al. Plaintiffs, vs. STANLEY M. CHESLEY, et al. Defendants.	**CASE NO.** **A-15-718827-F** **DEPT. NO.** **XXX** **NOTICE OF FILING APPLICATION OF FOREIGN JUDGMENT AND AFFIDAVIT OF JUDGMENT CREDITOR'S ATTORNEY**

TO: STANLEY M. CHESLEY, Defendant; and

TO: SHERYL G. SNYDER, ESQ. and FRANK BENTON, IV, ESQ., Attorneys for Defendant

PLEASE TAKE NOTICE that an Application for Filing of Foreign Judgment was filed in the District Court, Clark County, Nevada on May 21, 2015, and is attached hereto, which Application includes:

1. A copy of the Exemplified Copy of the of the Amended Order of the Boone Circuit Court, Division III, Commonwealth of Kentucky, entered on September 19, 2014 in Case No. 05-CI 436; and
2. A copy of the Affidavit of Judgment Creditor's Attorney Pursuant to NRS 17.360.

The post office address of the Judgment Creditors, all of whom are identified in the

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5-29-15
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attachment to the Affidavit of Judgment Creditor's Attorney Pursuant to NRS 17.360, is:

Mildred Abbot, et al
c/o Angela Ford, Esq.
836 Euclid Ave, Suite 311
Lexingon, KY 40502

The name and post office address of the Judgment Creditors' attorney in Nevada are:

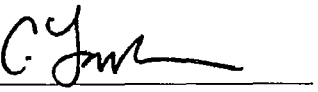
Eleissa C. Lavelle, Esq.
Fabian & Clendenin, P.C.
601 South Tenth Street, Suite 204
Las Vegas, NV 89101

The name and post office address of the Judgment Creditors' attorney in Kentucky are:

Angela Ford, Esq.
836 Euclid Ave, Suite 311
Lexingon, KY 40502

Dated this 26th day of May, 2015.

FABIAN & CLENDENIN, P.C.



ELEISSA C. LAVELLE, ESQ.
Nevada State Bar No. 293
FABIAN & CLENDENIN, P.C.
601 South Tenth Street, Suite 204
Las Vegas, Nevada 89101
Attorneys for Plaintiffs

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 26th day of May, 2015, she served a copy of a Notice of Filing Application of Foreign Judgment and Affidavit of Judgment Creditor's Attorney by personally depositing a copy of the same in a mail box of the United States Post Office, enclosed in a sealed envelope, postage prepaid, certified mail, return receipt requested, addressed to the following at their last known addresses:

Stanley M. Chesley
9005 Carmargo Road
Cincinnati, Ohio 45243

Sheryl G. Snyder, Esq.
Griffin Terry Sumner, Esq.
Frost Brown Todd, LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 41072

Frank Benton IV, Esq.
P.O. Box 72218
Newport, Kentucky 41072

Sara M. Cameron
An Employee of FABIAN & CLENDENIN, P.C.

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DISTRICT COURT CIVIL COVER SHEET

A-15-718827-F

XXX

CLARK County, Nevada

Case No. .....
(Assigned by Clerk's Office)

I. Party Information *(provide both home and mailing addresses if different)*

Plaintiff(s) (name/address/phone):	Defendant(s) (name/address/phone):
Mildred Abbott, et al.	Stanley M. Chesley, et al.
c/o Angela Ford, PSC	9005 Camargo Road
836 Euclid Avenue, Suite 311	Cincinnatti, OH 45243
Lexington, KY 40502	
Attorney (name/address/phone):	Attorney (name/address/phone):
Elelssa C. Lavelle - Fabian & Clendenin, P.C.	Sheryl G. Snyder and Griffin Terry Sumner - Frost Brown Todd LLC
601 South Tenth Street, Suite 204	400 West Market St., 32nd Floor, Louisville, KY 40202
Las Vegas, NV 89101	Frank Benton IV
Phone: (801) 323-2207 Email: elavelle@fabianlaw.com	P.O. Box 72218, Newport, KY 41072

II. Nature of Controversy *(please select the one most applicable filing type below)*

Civil Case Filing Types

Real Property	Torts	
Landlord/Tenant	**Negligence**	**Other Torts**
☐ Unlawful Detainer	☐ Auto	☐ Product Liability
☐ Other Landlord/Tenant	☐ Premises Liability	☐ Intentional Misconduct
Title to Property	☐ Other Negligence	☐ Employment Tort
☐ Judicial Foreclosure	**Malpractice**	☐ Insurance Tort
☐ Other Title to Property	☐ Medical/Dental	☐ Other Tort
Other Real Property	☐ Legal	
☐ Condemnation/Eminent Domain	☐ Accounting	
☐ Other Real Property	☐ Other Malpractice	

Probate	Construction Defect & Contract	Judicial Review/Appeal
Probate *(select case type and estate value)*	**Construction Defect**	**Judicial Review**
☐ Summary Administration	☐ Chapter 40	☐ Foreclosure Mediation Case
☐ General Administration	☐ Other Construction Defect	☐ Petition to Seal Records
☐ Special Administration	**Contract Case**	☐ Mental Competency
☐ Set Aside	☐ Uniform Commercial Code	**Nevada State Agency Appeal**
☐ Trust/Conservatorship	☐ Building and Construction	☐ Department of Motor Vehicle
☐ Other Probate	☐ Insurance Carrier	☐ Worker's Compensation
Estate Value	☐ Commercial Instrument	☐ Other Nevada State Agency
☐ Over $200,000	☐ Collection of Accounts	**Appeal Other**
☐ Between $100,000 and $200,000	☐ Employment Contract	☐ Appeal from Lower Court
☐ Under $100,000 or Unknown	☐ Other Contract	☐ Other Judicial Review/Appeal
☐ Under $2,500		

Civil Writ		Other Civil Filing
Civil Writ		**Other Civil Filing**
☐ Writ of Habeas Corpus	☐ Writ of Prohibition	☐ Compromise of Minor's Claim
☐ Writ of Mandamus	☐ Other Civil Writ	☒ Foreign Judgment
☐ Writ of Quo Warrant		☐ Other Civil Matters

Business Court filings should be filed using the Business Court civil coversheet.

May 21, 2015
Date

Signature of initiating party or representative

See other side for family-related case filings.

Nevada AOC - Research Statistics Unit
Pursuant to NRS 3.275

Form PA 201
Rev 3.1

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CLERK OF THE COURT

AFJ
ELEISSA C. LAVELLE, ESQ.
Nevada State Bar No. 293
FABIAN & CLENDENIN, P.C.
601 South Tenth Street, Suite 204
Las Vegas, NV 89101
Telephone: (801) 323-2207
Facsimile: (877) 898-1168
E-Mail: elavelle@fabianlaw.com
Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

MILDRED ABBOTT, et al. Plaintiffs, vs. STANLEY M. CHESLEY, et al. Defendants.	**CASE NO.** A-15-718827-F **DEPT. NO.** XXX **APPLICATION FOR FILING OF FOREIGN JUDGMENT PURSUANT TO NRS 17.330, et. seq.**

COMES NOW, Eleissa C. Lavelle, Esq., of the law firm of Fabian & Clendenin, P.C. and files herewith the following documents constituting an Application for Filing of Foreign Judgment pursuant to NRS 17.330, et. seq.:

1. Exemplified Copy of the Amended Order of the Boone Circuit Court, Division III, Commonwealth of Kentucky, entered on September 19, 2014 in Case No. 05-CI 436 (Attachment 1); and
2. Affidavit of Judgment Creditor's Attorney Pursuant to NRS 17.360 (Attachment 2).

Dated this 21st day of May, 2015.

FABIAN & CLENDENIN, P.C.

ELEISSA C. LAVELLE, ESQ.
Nevada State Bar No. 293
FABIAN & CLENDENIN, P.C.
601 South Tenth Street, Suite 204
Attorneys for Plaintiffs

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ATTACHMENT 1

COMMONWEALTH OF KENTUCKY

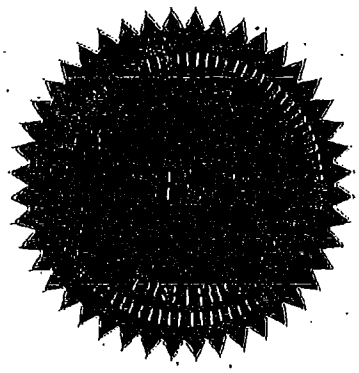
COUNTY OF BOONE

* * *

CERTIFICATION

ACT OF

CONGRESS



AOC-065 Rev. 12-04 Page 1 of 1 Commonwealth of Kentucky Court of Justice *www.kycourts.net* 28 U.S.C. Sec.1738; FRCP Rule 44	**CERTIFICATION ACT OF CONGRESS**	(FOR OUT OF STATE USE) County BOONE

UNITED STATES OF AMERICA

STATE OF KENTUCKY,
BOONE County SS.

I, DIANNE MURRAY, Clerk of CIRCUIT Court, in and for the State and County aforesaid, do hereby certify that the foregoing is a full, true and correct copy of CASE # 05-CI-00436 AMENDED ORDER

in the above-styled case, as appears of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Court aforesaid, at the city of BURLINGTON, this 21st day of APRIL, 2015.

Clerk

STATE OF KENTUCKY,
BOONE County SS.

I, J.R SCHRAND, Judge of the CIRCUIT Court in the state and county aforesaid, do certify that DIANNE MURRAY, who has signed the foregoing certificate, is, and was at the time of same, Clerk of said Court, duly elected and qualified; that all his/her official acts as such are entitled to full faith and credit, and that his/her foregoing attestation is in due form of law.

GIVEN UNDER MY HAND, at the City of BURLINGTON, this 21st day of APRIL, 2015.

Judge

STATE OF KENTUCKY,
BOONE County SS.

I, DIANNE MURRAY, Clerk of the CIRCIUT Court in the State and county aforesaid, do certify that J.R SCHRAND who signed the foregoing certificate, is and was at the time of signing same, Judge of said Court, duly elected and qualified; that all of his/her official acts as such are entitled to full faith and credit, and that his/her foregoing attestation is in due form of law.

GIVEN UNDER MY HAND, at the City of BURLINGTON, this 21st day of APRIL, 2015.

Clerk

FILED
BOONE CIRCUIT DISTRICT COURT
SEP 19 2014
DIANE MURRAY, CLERK
BY: D.C.

COMMONWEALTH OF KENTUCKY
BOONE CIRCUIT COURT
DIVISION III
CASE NO. 05-CI-00436

MILDRED ABBOTT, et al. **PLAINTIFFS**

V.

STANLEY M. CHESLEY, et al. **DEFENDANTS**

AMENDED ORDER

This Court conducted a hearing in this matter on July 15, 2014 on Plaintiffs' Motion for Partial Summary Judgment as to Defendant Stanley M. Chesley ("Chesley"). The Plaintiffs were represented by Hon. Angela Ford. The Defendants were represented by Hon. Sheryl G. Snyder and Hon. Frank V. Benton, IV. The Court having reviewed Plaintiffs' Motion, Chesley's Response, Plaintiffs' Reply, having heard argument from counsel, and being in all ways sufficiently advised, finds as follows:

This Court, by the March 8, 2006 Order of Senior Status Judge William Wehr, previously granted summary judgment against Defendants William J. Gallion, Shirley Allen Cunningham, Jr. and Melbourne Mills, Jr. on Plaintiffs' breach of fiduciary duty claims in their representation of Plaintiffs in the *Darla Guard, et al. v. A.H. Robbins Company, et al.* lawsuit which involved injuries Plaintiffs suffered as a result of ingesting the "fen-phen" diet drug. The Court awarded damages in the amount of $42 million (by Order of August 1, 2007) and ruled the Defendants were jointly and severally liable to the Plaintiffs. The Supreme Court of Kentucky affirmed the partial summary judgment against Gallion, Cunningham and Mills, including that each was jointly and severally liable for the amounts owed. Plaintiffs now ask this Court to order summary judgment on their breach of fiduciary claims against Chesley, that Chesley be jointly and

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severally liable with Gallion, Cunningham and Mills for the amounts owed to Plaintiffs, and that Chesley disgorge all fees he collected in the *Guard* matter.

The Kentucky Bar Association instituted disciplinary proceedings relating to Chesley's actions in the *Guard* matter in *Kentucky Bar Association v. Chesley,* KBA File 13785. The Trial Commissioner conducted a hearing and found that Chesley had violated eight (8) different ethics rules. The Trial Commissioner recommended that Chesley be permanently disbarred from the practice of law in Kentucky, and that he pay $7,555,000.00 in restitution to the *Guard* case clients. The Board of Governors of Kentucky adopted the Trial Commissioner's Report. The Supreme Court of Kentucky found Chesley guilty of violations of eight provisions of SCR 3.130 and followed the Board's recommendation that Chesley be permanently disbarred. The Supreme Court did not order that Chesley pay restitution. *Kentucky Bar Ass'n v. Chesley,* 393 S.W.3d 584 (Ky. 2013).

Plaintiffs argue that summary judgment is appropriate as to their breach of fiduciary duty claims through the doctrine of issue preclusion or collateral estoppel. Issue preclusion would bind Chesley to the factual and legal determinations made in the disciplinary proceedings before the Trial Commissioner, the Board of Governors, and the Supreme Court of Kentucky regarding the settlement of the *Guard* matter that resulted in his disbarment. Chesley disagrees.

The Trial Commissioner found, and the Supreme Court ratified, that Chesley violated the following specific provisions of SCR 3.130:

SCR 3.130-1.5(a) by accepting over $20 million in attorney's fees, which exceeded the amount established by client contracts and contracts with co-counsel, and which were otherwise unreasonable.

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SCR 3.130-1.5(c) by failing to provide clients with a written statement of the outcome of the matter, as well as the remittance to the client and the method of its determination. The contractual contingency fee contracts for the clients were either for 30% or 33 1/3% plus expenses of up to 3%. A 49% contingency fee was actually charged to the clients. Chesley's contractual agreement with class counsel was for 21% of fees upon successful settlement of the case, which should have been $12,941,638.46 and not the $20 million plus he received. He was paid $7,555,000 in excess of his proper fee.

SCR 3.130-1.5(e)(2) by dividing fees without consent of clients.

SCR 3.130-5.1(c)(1) by knowingly ratifying specific misconduct of other lawyers.

SCR 3.130-1.8(g) by representing two or more clients in making an aggregate settlement of the claims without consent of the clients or disclosure to them of the existence and nature of all claims. Chesley was class counsel pursuant to his agreement with Gallion, Cunningham and Mills and therefore had the same duties as them with regarding the requirements of SCR 3.130-1.8(g).

SCR 3.130-3.3(a) by making a false statement of material fact to the tribunal.

SCR 3.130-8.1(a) by making a false statement of material fact in connection with a disciplinary matter.

SCR 3.130-8.3(c) (now SCR 3.130-8.4(c)) by engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.

Issue preclusion, also known as collateral estoppel, "allows the use of an earlier judgment by one not a party to the original action to preclude relitigation of matters litigated in the earlier action." *Miller v. Admin. Office of Courts,* 361 S.W.3d 867 (Ky. 2011). A non-party in the former action may assert res judicata, a close cousin to issue preclusion, against a party to the former

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action as long as the party against whom res judicata is pleaded had a realistically full and fair opportunity to present his case. *Id.* (quoting *Moore v. Commonwealth,* 94 S.W.2d 317 (Ky. 1997). Additionally, the Supreme Court has addressed whether administrative agencies acting in a judicial capacity are entitled to the same res judicata effect as judgments of a court, finding that they do. *Ky. Bar Ass'n v. Harris,* 269 S.W.3d 414 (Ky. 2008).

Chesley's hearing before the Trial Commissioner was held November 5-6 and 12-13, 2009 before Judge Rod Messer and continued to September 13-15 and 20-24, 2010 before Judge William L. Graham. Chesley was represented at various times by Kent Westberry, Esq., James Gary, Esq., Frank Benton, IV, Esq., Scott Cox, Esq., Mark Miller, Esq., Sheryl Snyder, Esq. and Hon. Susan Dlott. Prior to the hearing, the testimony of five out of state witnesses was provided by video depositions, including 44 exhibits. During the several days the hearing was held, a total of 43 witnesses gave testimony either in person or by deposition, with the Trial Commissioner considering 124 exhibits. Additionally, the Trial Commissioner allowed time for the parties to submit briefs at the conclusion of the Hearing. The Court finds Chesley had a realistically full and fair opportunity to present his case before the Trial Commissioner.

Certain elements must be met for issue preclusion to operate as a bar to further litigation: "(1) at least one party to be bound in the second case must have been a party in the first case; (2) the issue in the second case must be the same issue as the first case; (3) the issue must have been actually litigated; (4) the issue was actually decided in that action; and (5) the decision on the issue in the prior action must have been necessary to the court's judgment and adverse to the party to be bound." *Id.* quoting *Yeoman v. Commonwealth Health Policy Bd.* 983 S.W.2d 459 (Ky. 1998).

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The Court finds these elements have been met with regard to Plaintiffs' Motion in this matter and the findings in *KBA v. Chesley*. Chesley was a party bound by the KBA matter. The facts and circumstances at issue in the instant Motion were those at issue in the KBA matter. The facts and circumstances were litigated in the KBA matter before the Trial Commissioner at a hearing held November 5-6 and 12-13, 2009 and September 13-15 and 20-24, 2010, and reviewed by the Board of Governors and the Supreme Court of Kentucky. The Trial Commissioner made factual findings and legal conclusions, which were adverse to Chesley, and which were affirmed by the Board of Governors and the Supreme Court of Kentucky, said facts being those at issue in the instant Motion. The factual findings and legal conclusions by the Trial Commissioner, the Board of Governors and the Supreme Court of Kentucky were necessary for the outcome of the KBA matter.

This Court finds Chesley is bound by the factual findings and legal conclusions in the KBA matter. The Supreme Court found that by entering into an agreement with Gallion, Cunningham and Mills, Chesley signed on as co-counsel and was one of the attorneys representing the Plaintiffs in the *Guard* matter. He, therefore, assumed the same ethical responsibilities as Gallion, Cunningham and Mills, and the same responsibilities he would have with any other client. *Kentucky Bar Ass'n v. Chesley*. Chesley had the duty to know his fee responsibilities to his clients, specifically that he was to receive no more than 21% of one-third of the $200,450,000.00 settlement, $14,031,500.00. *Id.* Chesley received $20,497,121.81. *Id.* The Supreme Court found that Chesley knowingly participated in a scheme to skim millions of dollars in excess attorney's fees from unknowing clients, and that he received and retained fees that he knew were improperly taken. *Id.* The Supreme Court further found that he purposefully attempted to avoid conversation and correspondence that would expose his knowledge of the

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nefarious schemes of his co-counsel. *Id.* This Court finds that no genuine issues of material fact exist, and summary judgment is appropriate on Plaintiffs' Breach of Fiduciary claims. Chesley entered into an attorney-client relationship with the Plaintiffs in *Guard.* He breached his duty by accepting excess fees in the amount of $6,465,621.81. Chesley's conduct caused Plaintiffs to receive only a portion of the settlement monies they were entitled to.

Plaintiffs also asks the Court to order that Chesley is jointly and severally liable with Gallion, Cunnigham and Mills for the monies owed to Plaintiffs. The Supreme Court of Kentucky affirmed Judge Wehr's finding in this matter that Gallion, Cunningham and Mills were jointly and severally liable to Plaintiffs. The Supreme Court found that Gallion, Cunningham and Mills breached attorney-client contracts and therefore joint and several liability is not precluded by KRS 411.182. The Supreme also found that by the manner in which Gallion, Cunnungham and Mills combined their efforts in the Fen-Phen litigation, they engaged in a joint enterprise, or joint adventure, an informal partnership existing for a limited purpose and duration, for which joint and several liability is properly assessed under KRS 362.220. *Abbott v. Chesley,* 413 S.W.3d 589 (Ky. 2013).

The Supreme Court enumerated the essential elements of a joint enterprise: (1) an agreement, express or implied, among the members of the group; (2) a common purpose to be carried out by the group; (3) a community of pecuniary interest in that purpose among the members; and (4) an equal right to a voice in the direction of the enterprise. *Id.* citing *Huff v. Rosenberg,* Ky., 496 S.W.2d 352 (1973). The Supreme Court adopted the findings of the Trial Commissioner in *KBA v. Chesley,* and this Court found above that issue preclusion bars the further litigation of Plaintiffs' breach of fiduciary duty claims against Chesley.

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This Court now finds that no genuine issues of material fact exists, and as a matter of law Chesley is jointly and severally liable with Gallion, Cunningham and Mills for the $42 million in damages awarded the Plaintiffs against Gallion, Cunningham and Mills by this Court's Order of August 7, 2007. Chesley signed on as co-counsel representing the Plaintiffs in the *Guard* matter when he entered into his fee-division contract with Gallion, Cunningham and Mills. Chesley shared the common purpose to be carried with Gallion, Cunningham and Mills. They agreed on how they would share the work and how they would share the profits. Chesley maintained a voice in the managerial control of the enterprise. The Court therefore finds that pursuant to KRS 362.220, Chesley is jointly and severally with Gallion, Cunningham and Mills for the damages the Plaintiffs suffered.

THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED that Plaintiffs' Motion for Partial Summary Judgment is **GRANTED** as to Plaintiffs' Breach of Fiduciary claims against Stanley M. Chesley.

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that Stanley M. Chesley is jointly and severally liable with Defendants William J. Gallion, Shirley Allen Cunningham, Jr. and Melbourne Mills, Jr. for the existing judgment amount of $42 million owed to Plaintiffs, along with pre-judgment interest at a rate of 8% per annum and post-judgment interest at the rate of 12% per annum thereon from the date of this Judgment.

IT IS HEREBY ORDERED AND ADJUDGED that Plaintiffs' Motion for Partial Summary Judgment as to disgorgement is **DENIED.**

This Order is Final and Appealable. There is no just cause for delay.

DATED this 17th day of September, 2014.

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

JAMES R. SCHRAND, JUDGE
BOONE CIRCUIT COURT

COPIES TO:

ALL ATTORNEYS OF RECORD

CERTIFICATE

I, DIANNE MURRAY, clerk of the Boone District/Circuit Court, thereby certify that I have mailed the foregoing order and notice to all parties at their last known addresses or their counsel of record.

This 19 day of September, 2014

DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT

KDelton D.C.

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 21 day of April, 2015

DIANNE MURRAY

By: Amanda Breeden D.C.

STATE OF KENTUCKY
COUNTY OF BOONE
I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 30 day of December, 2014

DIANNE MURRAY

By: KDelton D.C.

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

ATTACHMENT 2

AFFT
ELEISSA C. LAVELLE, ESQ.
Nevada State Bar No. 293
FABIAN & CLENDENIN, P.C.
601 South Tenth Street, Suite 204
Las Vegas, NV 89101
Telephone: (801) 323-2207
Facsimile: (877) 898-1168
E-Mail: elavelle@fabianlaw.com

Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

MILDRED ABBOTT, et al. Plaintiffs, vs. STANLEY M. CHESLEY, et al. Defendants.	**AFFIDAVIT OF JUDGMENT CREDITOR'S ATTORNEY PURSUANT TO NRS 17.360**

COMMONWEALTH OF KENTUCKY)
) ss:
COUNTY OF FAYETTE)

Angela M. Ford, being first duly sworn, deposes and says:

1. That I am counsel of record for Plaintiffs in the matter described in this Affidavit.

2. The name and last known address of the Judgment Debtor is:

Stanley M. Chesley
9005 Camargo Road
Cincinnati, OH 45243

The name and last known address for the Judgment Creditors is:

PF Judgment Creditors
c/o Angela M. Ford, PSC
836 Euclid Ave., Suite 311
Lexington, KY 40502

3. There are 382 judgment creditors in the matter of Abbott et al. and Chesley, et al., referenced herein. Attached is a list of those creditors.

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4. The Amended Order of the Boone Circuit Court, Division III, Commonwealth of Kentucky, signed by the Honorable James R. Schrand, Boone Circuit Judge, on September 17, 2014 and filed with the Boone Circuit Court on September 19, 2014 in Case No. 05-CI-436 (the "Judgment") is, upon information and belief, valid and enforceable.

5. As of March 31, 2015, $17,868,298.00 of the Judgment has been satisfied and $24,131,702.00 remains due and owing together with pre-judgment interest at the statutory rate of 8% and post judgment from September 19, 2014 at the statutory rate of 12% per annum until paid.

I declare under penalty of perjury under the law of the State of Kentucky that the foregoing is true and correct.

Dated this 18 day of May, 2015.

Counsel for
Judgment Creditors

SUBSCRIBED and SWORN to before me this
18 day of May, 2015.

Notary Public in and for the
County of Fayette, Commonwealth of Kentucky

Peter L. Ecabert
Notary Public - State at Large
Kentucky - Notary ID # 475787
My Comission Expires: 10/17/2016

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

Mildred Abbott Estate, Danny Abney Estate, Lisa Abraham, Elizabeth Adams, Cathy (f/k/a Kathy) Adams, Phyliss Adams, Ruby Adams c/o Gloria Little, Ruby Adamson, Susan Adkins, Clantha Akers, Effie Elizabeth Alsip, Juanita Alton, JoAnn Alvey Estate, Phyliss Applegate Estate, Cindy Armstrong-Kemp, Susan Arvin, Clara Atkinson, Linda Back, Vickie Bailey, Mary Ann Bailey, Jamie Bailey, Charlotte Baker, Carla Baldwin, Marilyn Barnes, Lee Bartley, Jr., Teresa Baumgardner, Debra Bays-Plybon, Linda Beggs, Patricia Belcher, Leisa Belding, Eleanor Berry, Margie Berry, Margaret Bingham, Emma Black Estate, Sharon Blair, Janice Blair, Carol Boggs, Lori Boone, Joie Botkins, Kathy Bowling, Angie Lynn Bowman, Virginia Braden, LaDonna Brame, James Branham, Kathy Branham, Ruby Branham, Norma Brewer, Alma Brock Estate, Glenna Brock-Powell-Renner Estate, Joyce Brown, Barbara Brown, Sharon Brown, Edith Browning Estate, Wathalee Brumfield Estate, Linda Brumley, Billie Brumley-Bradford, Kimberly Brummett, Teresa Bruner, Patricia Bryant, Leslie Bullock-Pennington, Warren Burgess Estate, Janice Burton, Tina Bush, Sherrie Butler, Donna Campbell, Loretta Canada, Buel Cantrell, Debbie Carman-Staton, Tonya Carter, Wallace Carter, Charlotte Cason-Custard, Lisa Caudill-Trustly, Connie Centers, Tony Childress, Gloria Clark, William Clark, Rosemary Click, Pamela S. Clift, Allen Coker, Shirley Coleman, Tara Coleman, Debra Collier, Margaret Collier, Linda Colvin, Phyliss Combs, Ronnie Cook, Mark Cornn, Sanda Cotton-Giley, Nadine Couch, Joseph Cowley, Jo Ann Cox, Barbara Crain, Doris Creech, Deloris Criswell, Pamela Crowe, Tracy Curtis, Doris W. Dabney (now Christopherson), Mary Daughtery, Ginger Davidson-Gibson, Elizabeth Davis, Sandra Davis, Mae Biddle Dawson, Karen Dean, Jan Delaney, Regina DeSpain-Kliessendorff, Judy Dile, Al Doser, Belva Dotson, Teresa Duff, Linda Dunaway, Tami Edwards-Engle, Amanda Edwards-Wood, Martha Elliot, Saundra Erp, Charlotte Estepp, Sarah Estates, Susan Ezell, Melissa Faye-Beamon, Janet Fentress, Sheila Fitch Estate c/o Penny L. Hines, Esq., Vickie D. Flannery, Benita Flynn, Tara Foster-Gifford-McCutchen, Rhoda Franklin, Timothy Franklin, Freda Frizzell, Beulah Fugate, Clark Fulks Estate, Patricia Gaunce, Barbara Gay, Ken Gayheart, Joni Gibson, Jessie Gibson Estate, Gladys Gilbert, Stephanie Gist, Ruby Godbey, Rosemary Godby, Joyce Goff-Wells, Debra Goode-Miranda Estate, Joyce Gordon, Tammie Grant, Amy Gray, Sherry Green, Donna Green, Norma Hall, Allie Hall, Geraldine Hall, Barbara Hampton, Rhonda Hancock, Leona Gail Handley, Joyce Hanley, Rebecca Harris, Debra Harrison, Joy Hassler-Miller, Yolanda Hayden, Barbara Heizer, Barbara Hellmueller, Wanda Helton, Gary Hendrickson, Vickie Henry, Marcus Highley, Charlene Hill, Karen Hillard, Janice Hilton, Linda Hinkle, Jacqueline Hocker, Myra Hood, Vicky Hood, Lora Hoover, Evelyn Hopkins, Charlene

Horn, Mary Horning, Lisa Hoskins, Cloyd Hoskins, Marilyn Howard, Louisa Moss Howard, Donna Howser-Nakagawa, Charlotte Hughes, Marcia Hughes-Harness, Marjorie Hulse Estate, Sheila Humphreys, Margaret Hunt (n/k/a Mesaris), Wanda Hunter, Brenda Hutchcraft, Lorene Hutcherson, Katherine Hutchison, Emma Ison, Della Jackson, Mary Ann Jackson, Katina Jackson, Evelyn Jackson Estate, Linda James, Debbie Jeffrey, Garnet Johnson-Coleman, Ernestine Johnstone, Kathy Jones, Beulah Jones, Judy Jones, Linda Jones, Troy Jones, Gerry Jones, Betty Jordan, Betty Kelly Estate, April-Keltner-Nuxoll, Patricia Kennedy-Stutz, Gerald King, Katherine King, Patti Kitts, Betty Kluck, Lucille Krey, Linda Larkins, Emily Lewis, Milton Lewis Estate, Angela Lewis-Mullinix, Sandra Dee Littleton, Sherry Long, Linda Long Estate, Kathy Lovan-Day, Rebecca Lovell Estate, Charlotte Lush, Linda Malone-McGowan, Paula Mann, Pamela Marlowe, Malanei Marro, Mary Martin, Bobbie Marton, Linda Martin, Connie Mason, Joni McClanahan, Lavonna McDaniel, Connie McGirr, Roberta McGuire, Tammy McGuire-Robinson, Jacqueline McMurtry, Sheila Lynn Meece, Wanda Metzger, Linda L. Miller, Delores Miller, Marie Miller, Michael Miller Estate, Nellie Miller, Linda F. Miller, Leslie Minton, Kathy Miracle Estate, Beverly Mitchell, Eudora Montgomery, Rhonda Moore, Margaret Moore, April Morris, Donna Muddiman-Cornish, Mary Napier, Wanda Faye Neace, Elizabeth Neal, Linda Nevels, Diana Newlin-Riddle, Wilma Noe, Kathy Nolan-Dinsmore, Glenora Pace, Louverna Parks, Myrtle Parrish, Judith Peck, Lisa Peek, Recie Pennington, Jeff Perkins, Helen Perkins, JoAnn (Perkins) Spencer, Stacy Perkins, Doris Phelps, Sonja Pickett, Norma Pickett Estate, Brian Powel, Mary P'Pool-Holland, Trena Preson, Suzanna Price, Rita Profitt-Norman, Lynne Pursel, Sharon Rainwater, Billie Reese, Anthony Rentas Estate, Arlie Rhodes Estate, Evelyn Rhodes, Raymond Riley Estate, Levetta Rivera, Odena Roaden, Billie June Roberts, Patricia Roberts, Renee Roberts, Fetina Robinson, Patricia N. Robinson, Carol Rogers, Vina Rose, Cathy Rose, Larry Rosenberry Estate, Mary Sams, Kathy Sands, Thomas Sapp, Justus Scharold, Maxine Seals, Crystal Seals-Gibson, Lisa Sexton Estate, Monica Sexton-Napier, Margaret Sharon, Michelle Sharpe-Roberts, Janet Short-Roberts, Laureda Short Estate, Loretta Sidwell (now Dishman), Ada Sizemore Estate, April Slatten-Jones, Carole Slone, Elaine Smith, Barbara Smith, Freda Smith, Sharon Smith Estate, Darcy Snowden-Talbert, Peggy Spears, Cora Stapleton, Paul Stauffer Estate, Corina Stearns, Nancy Stephens, Connie Stephens Estate, Sharon Stevenson Estate, Marlene Stewart, Loretta Stidham Estate, Betty Stone, Lesta Irene Stout, Donna Stromowsky, Connie Sturgill, Marjorie Sudduth Estate, Lisa Swiger, Ella Tackett Estate, Priscilla Tafolla Estate, Charles Tapley, Ella Taylor, Linda Taylor, Mary Taylor, Jeanne Thomas, Nancy

Thompson, Karen Thompson-McClain, James G. Thurman, Roy Toler Estate, Linda Toler Estate, Elizabeth Trent, Jennifer Trimble, Joetta Tucker, Deborah Turner, Patricia Turner, Drucilla Turner, Valorie Turner, Linda Vance-Self, Linda Vannarsdall-Collins, Debbie Vogt-Schneider, Bobbie Walker, Lane Walker Estate, Loraine Wallen, Cindy Walters, Martin Ward Estate, Elizabeth Washburn, Wanda Watkins, Cheryl Watson, Judy Whitaker, Kim White, Patricia White, Mary White-Lynch, Catherine Whitlock, Joyce Whitt, Betty Jean Widner, Gloria Williams Estate, Bethany Willinger, Geneva Wilson, Melody Winer, Connie Wolfe, Bill Wombles, Artie Woods, Fern Wooten, Edwina Wright, Roger Dale Wright, Sandra Wright, Debora Wright-Mitsui, Tammy Wright, Sheila Yates, Karen Young-Coffield, Sandra Zeman Balentine.

EXHIBIT B

WRIT
ELEISSA C. LAVELLE, ESQ.
Nevada State Bar No. 293
FABIAN & CLENDENIN, P.C.
601 South Tenth Street, Suite 204
Las Vegas, NV 89101
Telephone: (801) 323-2207
Facsimile: (877) 898-1168
E-Mail: elavelle@fabianlaw.com
Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

MILDRED ABBOTT, et al. Plaintiffs, vs. STANLEY M. CHESLEY, et al. Defendants.	**CASE NO.** A-15-718827-F **DEPT. NO.** XXX **WRIT OF EXECUTION**

THE PEOPLE OF THE STATE OF NEVADA

TO THE SHERIFF OF CLARK COUNTY, GREETINGS:

On September 19, 2014 a judgment was entered in favor of Plaintiffs (all of whom are identified in Exhibit A attached hereto and incorporated herein by reference) as Judgment Creditors and against Defendant Stanley Chesley, as Judgment Debtor, as set forth in the Amended Order of the Boone Circuit Court, Division III, Commonwealth of Kentucky, entered on September 19, 2014 in Case No. 05-CI-436 (the "Foreign Judgment"), upon which there is due in United States Currency the principal sum and amount of Forty-two Million and no/100 Dollars ($42,000,000), together with pre-judgment interest at the rate of 8% per annum from August 1, 2015 through September 16, 2014 and post-judgment interest on said principal amount the rate of 12% per annum from September 17, 2014 upon the principal amount until satisfied. Interest accrues on the unpaid balance at the rate of $80,439.01 per day.

This fax was received by GFI FAXmaker fax server. For more information, visit: http://www.gfi.com

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

On May 21, 2015, Plaintiffs caused to be filed an "Application for Filing of Foreign Judgment Pursuant to NRS 17.330," which included an Exemplified Copy of the Foreign Judgment and the Affidavit of Judgment Creditor's Attorney pursuant to NRS 17.360 (collectively, the "Application"). Notice of the Filing of the Application, together with a copy of the Application, were served by Certified Mail, Return Receipt Requested upon the Judgment Debtor and his counsel on May 26, 2015. More than thirty (30) days plus additional time for mailing pursuant to statute have elapsed without challenge of any kind by Defendant as authorized by the NRS 17.360, rendering the Foreign Judgment valid and enforceable in the State of Nevada.

There has been no satisfaction of any portion of principal, pre-judgment interest, post-judgment interest. Interest will continue to run on the unpaid balance from issuance of this writ to date of levy and thereafter, to the extent any portion of the Foreign Judgment remains unsatisfied and to which sum must be added all commissions and costs of executing this Writ.

The amounts due on the Foreign Judgment as of July 7, 2015 are as follows:

JUDGMENT TOTAL	$42,000,000.00
Less Satisfaction	$17,868,298.00
Unpaid Principal Balance	$24,131,702.00
Plus post judgment Interest (calculated on the unpaid principal balance through July 7, 2015)	$2,493,529.23
NET BALANCE	**$26,625,231.23**
Levy Fee	18.00
Interest from Date of Issuance	
SUBTOTAL	26,625,260.23
Commission	133,178.81
TOTAL LEVY	26,758,439.04

Make Check Payable To:
Constable
302 E. Carson Ave., 5th floor
Las Vegas, NV. 89155
702-455-4099
Put Case # & Name on Check

This fax was received by GFI FAXmaker fax server. For more information, visit: http://www.gfi.com

NOW, THEREFORE, you are commanded to satisfy the judgment for the total amount due out of the following described personal property:

1. Defendant Stanley Chesley's share of all distributions to be made from the Castano Directed Distribution Trust, Suzanne Vandever Foulds, Trustee;
2. Defendant Stanley Chesley's share of all distributions to be made from the Waite Sohnelder Bayless & Chesley Deferred Compensation Trust, as beneficiary of the Castano Directed Distribution Trust;
3. Account at Wells Fargo Bank in the name of the Castano Directed Distribution Trust, Suzanne Vandever Foulds, Trustee and Christopher Guidroz, Co-Trustee, 3196 Topaz Street, Las Vegas, Nevada 89121.

NOW, THEREFORE, SHERIFF OF CLARK COUNTY, you are hereby commanded to satisfy this judgment with interest and costs as provided by law, out of the personal property of the judgment debtor, except that for any workweek, 75 percent of the disposable earnings of the debtor during that week or 50 times the minimum hourly wage prescribed by section 6(a)(1) of the federal Fair Labor Standards Act of 1938, 29 U.S.C. Sec. 206(a)(1), and in effect at the time the earnings are payable, whichever is greater, is exempt from any levy of execution pursuant to this writ, and if sufficient personal property cannot be found, then out of the real property belonging to the debtor in the aforesaid county, if any, and make return to this writ within not less than 10 days or more than 60 days endorsed thereon with what you have done.

STEVEN D. GRIERSON
CLERK OF COURT

JUL 10 2015

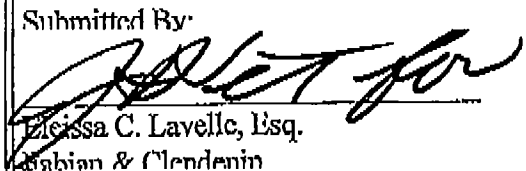
By: MICHELLE MCCARTHY
Deputy Clerk

DISTRICT COURT SEAL

//

//

Submitted By:



Eleissa C. Lavelle, Esq.
Gabian & Clendenin
601 South Tenth Street, Suite 204
Las Vegas, NV 89101

RETURN

- ☐ Not satisfied $_____
- ☐ Satisfied in sum of $_____
- ☐ Costs retained $_____
- ☐ Commission retained $_____
- ☐ Costs incurred $_____
- ☐ Commission incurred $_____
- ☐ Costs Received $_____

REMITTED TO JUDGMENT CREDITOR $_____

DOUG GILLESPIE, SHERIFF
CLARK COUNTY

By: _____
Deputy Date

This fax was received by GFI FAXmaker fax server. For more information, visit: http://www.gfi.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the ____ day of _____, 2015, he/she served a copy of the Writ of Execution and Notice of Execution pursuant to N.R.S. 21.075 and 21.076 by personally depositing a copy of the same in a mail box of the United States Post Office, enclosed in a sealed envelope, postage prepaid, regular U.S. Mail, addressed to the following at their last known addresses:

Stanley M. Chesley
9005 Carmargo Road
Cincinnati, Ohio 45243
Judgment Debtor

Sheryl G. Snyder, Esq.
Griffin Terry Sumner, Esq.
Frost Brown Todd, LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attorney for Judgment Debtor

Frank Benton IV, Esq.
P.O. Box 72218
Newport, Kentucky 41072
Attorney for Judgment Debtor

_____
Sheriff / Constable,
Clark County, Nevada

This fax was received by GFI FAXmaker fax server. For more information, visit: http://www.gfi.com

EXHIBIT C

CONSTABLE'S OFFICE
LAS VEGAS TOWNSHIP

July 15, 2015

SHERYL G SNYDER ESQ GRIFFIN TERRY SUMNER EST FROST
400 W MARKET ST 32ND FL
BROWN TODD LLC
LOUISVILLE, KY 40202

RE: Court Case Number A-15-718827-F **NAME: STANLEY M CHESLEY**

In accordance with the Court's order, we are sending you a copy of the *Writ of Execution,* and the *Writ of Garnishment* for the above case. Additionally, we are enclosing a $5.00 Notary Fee in order for the Writ of Garnishment to be notarized.

Please respond and return the notarized Writ of Garnishment to this office within twenty (20) working days. If you have any questions, please do not hesitate to call.

Sincerely,

JL

Las Vegas Township Constable Office

3 enclosures

302 E. Carson Ave 5th Floor • Box 552110
Las Vegas, NV 89155-2110
(702) 455-4099 • Fax: (702) 385-2436

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0007437 Office AU # | 11-24 / 1210(8)

CASHIER'S CHECK

0743701448

Remitter: BRENDA L ROUBIDOUX TAYLOR
Operator I.D.: reno1286

July 13, 2015

PAY TO THE ORDER OF ***FROST BROWN TODD, LLC***

Five dollars and no cents

$5.00

Payee Address:
Memo:

WELLS FARGO BANK, N.A.
1700 E CHARLESTON BLVD
LAS VEGAS, NV 89104
FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US $ 5.00

Richard Levy
CONTROLLER

⑈0743701448⑈ ⑆121000248⑆4861 511947⑈

WRIT
ELEISSA C. LAVELLE, ESQ.
Nevada State Bar No. 293
FABIAN & CLENDENIN, P.C.
601 South Tenth Street, Suite 204
Las Vegas, NV 89101
Telephone: (801) 323-2207
Facsimile: (877) 898-1168
E-Mail: elavelle@fabianlaw.com
Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

MILDRED ABBOTT, et al. Plaintiffs, vs. STANLEY M. CHESLEY, et al. Defendants.	**CASE NO.** **A-15-718827-F** **DEPT. NO.** **XXX** **WRIT OF EXECUTION**

THE PEOPLE OF THE STATE OF NEVADA

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ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

On May 21, 2015, Plaintiffs caused to be filed an "Application for Filing of Foreign Judgment Pursuant to NRS 17.330," which included an Exemplified Copy of the Foreign Judgment and the Affidavit of Judgment Creditor's Attorney pursuant to NRS 17.360 (collectively, the "Application"). Notice of the Filing of the Application, together with a copy of the Application, were served by Certified Mail, Return Receipt Requested upon the Judgment Debtor and his counsel on May 26, 2015. More than thirty (30) days plus additional time for mailing pursuant to statute have elapsed without challenge of any kind by Defendant as authorized by the NRS 17.360, rendering the Foreign Judgment valid and enforceable in the State of Nevada.

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Plus post judgment Interest (calculated on the unpaid principal balance through July 7, 2015)	$2,493,529.23
NET BALANCE	**$26,625,231.23**
Levy Fee	18.00
Interest from Date of Issuance	
SUBTOTAL	26,625,254.23
Commission	133,178.78
TOTAL LEVY	26,758,433.01

Make Check Payable To:
Constable
302 E. Carson Ave.- 5th floor
Las Vegas, NV. 89155
702-455-4099
Put Case # & Name on Check

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

NOW, THEREFORE, you are commanded to satisfy the judgment for the total amount due out of the following described personal property:

1. Defendant Stanley Chesley's share of all distributions to be made from the Castano Directed Distribution Trust, Suzanne Vandever Foulds, Trustee;
2. Defendant Stanley Chesley's share of all distributions to be made from the Waite Sohnelder Bayless & Chesley Deferred Compensation Trust, as beneficiary of the Castano Directed Distribution Trust;
3. Account at Wells Fargo Bank in the name of the Castano Directed Distribution Trust, Suzanne Vandever Foulds, Trustee and Christopher Guidroz, Co-Trustee, 3196 Topaz Street, Las Vegas, Nevada 89121.

NOW, THEREFORE, SHERIFF OF CLARK COUNTY, you are hereby commanded to satisfy this judgment with interest and costs as provided by law, out of the personal property of the judgment debtor, except that for any workweek, 75 percent of the disposable earnings of the debtor during that week or 50 times the minimum hourly wage prescribed by section 6(a)(1) of the federal Fair Labor Standards Act of 1938, 29 U.S.C. Sec. 206(a)(1), and in effect at the time the earnings are payable, whichever is greater, is exempt from any levy of execution pursuant to this writ, and if sufficient personal property cannot be found, then out of the real property belonging to the debtor in the aforesaid county, if any, and make return to this writ within not less than 10 days or more than 60 days endorsed thereon with what you have done.

STEVEN D. GRIERSON
CLERK OF COURT

By: MICHELLE MCCARTHY
Deputy Clerk

JUL 10 2015
Date

DISTRICT COURT SEAL

//

//

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

Submitted By:

Eleissa C. Lavelle, Esq.
Fabian & Clendenin
601 South Tenth Street, Suite 204
Las Vegas, NV 89101

RETURN

- ☐ Not satisfied $_____
- ☐ Satisfied in sum of $_____
- ☐ Costs retained $_____
- ☐ Commission retained $_____
- ☐ Costs incurred $_____
- ☐ Commission incurred $_____
- ☐ Costs Received $_____

REMITTED TO JUDGMENT CREDITOR $_____

DOUG GILLESPIE, SHERIFF
CLARK COUNTY

By: _____
Deputy Date

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the ____ day of _____, 2015, he/she served a copy of the Writ of Execution and Notice of Execution pursuant to N.R.S. 21.075 and 21.076 by personally depositing a copy of the same in a mail box of the United States Post Office, enclosed in a sealed envelope, postage prepaid, regular U.S. Mail, addressed to the following at their last known addresses:

Stanley M. Chesley
9005 Carmargo Road
Cincinnati, Ohio 45243
Judgment Debtor

Sheryl G. Snyder, Esq.
Griffin Terry Sumner, Esq.
Frost Brown Todd, LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attorney for Judgment Debtor

Frank Benton IV, Esq.
P.O. Box 72218
Newport, Kentucky 41072
Attorney for Judgment Debtor

_____
Sheriff / Constable,
Clark County, Nevada

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

WRIT
ELEISSA C. LAVELLE, ESQ.
Nevada State Bar No. 293
FABIAN & CLENDENIN, P.C.
601 South Tenth Street, Suite 204
Las Vegas, NV 89101
Telephone: (801) 323-2207
Facsimile: (877) 898-1168
E-Mail: elavelle@fabianlaw.com
Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

MILDRED ABBOTT, et al. Plaintiffs, vs. STANLEY M. CHESLEY, et al. Defendants.	**CASE NO.** A-15-718827-F **DEPT. NO.** XXX **WRIT OF GARNISHMENT** This WRIT must be answered, signed and returned to: Constable Las Vegas Township 302 E. Carson Ave., 5th Floor Las Vegas, NV 89155

THE STATE OF NEVADA TO:

~~WELLS FARGO BANK, N.A.~~ Frost, Brown, Todd

You are hereby notified that you are attached as garnishee in the above entitled action and you are commanded not to pay any debt from yourself to or for the benefit of the Defendant Stanley M. Chesley, through the Waite Sohnelder Bayless & Chesley Deferred Compensation Trust, as a beneficiary of the Castano Directed Distribution Trust, and that you must retain possession and control of all personal property, money, credits, debts, effects and choses in action of said Defendant in order that the same may be dealt with according to law. Where such property consists of wages, salaries, commissions or bonuses the amount you shall retain shall be in accordance with 15 U.S. Code 1673 and Nevada Revised Statutes 31.295. Plaintiff believes that you have property, money, credits, debts, effects and choses in action in your hands and under our custody and control belonging to said Defendant described as: quarterly

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distributions from the Castano Directed Distribution Trust to or for the benefit of Stanley M. Chesley, through the Wait Sohnelder Bayless & Chesley Deferred Compensation Trust.

YOU ARE REQUIRED within 20 days from the date of service of this Writ of Garnishment to answer the interrogatories set forth herein and to return your answers to the office of the Sheriff or Constable which issued the Writ of Garnishment. In case of your failure to answer the interrogatories within 20 days, a Judgment by Default in the amount due the Plaintiff may be entered against you.

IF YOUR ANSWERS TO the interrogatories indicate that you are the employer of the Defendant, this Writ of Garnishment shall be deemed to CONTINUE FOR 120 DAYS or until the amount demanded in the attached Writ of Execution is satisfied.

YOU ARE FURTHER DIRECTED to forward all funds due to the Defendant each payday or distribution date in the future, UP TO 120 DAYS, less any amount which is exempt and less $3.00 per pay period not to exceed $12.00 per month which you may retain as a fee for compliance. The $3.00 fee does not apply to the first pay period covered by this Writ.

YOU ARE FURTHER REQUIRED to serve a copy of your answers to the Writ of Garnishment on Plaintiff's attorney whose address appears below.

Sheriff / Constable – Clark County

By: _____
Title Date

Issued at direction of:

Eleissa C. Lavelle, Esq.
FABIAN & CLENDENIN
601 South Tenth Street, Suite 204
Las Vegas, NV 89101

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STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

The undersigned, being duly sworn, states that I received the within WRIT OF GARNISHMENT on the ____ day of _____, 2015 and personally served the same on the ____day of _____, 2015 by showing the original WRIT OF GARNISHMENT, informing of the contents and delivering and leaving a copy, along with the statutory fee of $5.00, with _____ at _____, County of Clark, State of Nevada.

By:_____
Title Date

INTERROGATORIES TO BE ANSWERED BY THE GARNISHEE UNDER OATH

1. Are you in any manner indebted to the Defendant Mildred Abbott, either in property or money, and is the debt now due? If not due, when is the debt to become due? State fully all particulars:

   ANSWER:_____

   _____

   _____

2. Are you an employee of the Defendant? If so, state the length of your pay period and the amount the Defendant presently earns during a pay period.

   ANSWER:_____

   _____

   _____

3. Did you have in your possession, in your charge or under your control, on the date the WRIT OF GARNISHMENT was served upon you any money, property, effects, goods, chattels, rights, credits or choses in the action of the Defendant, or in which Defendant is

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interested? If so, state its value and state fully all particulars.

ANSWER:_____

4. Do you know of any debts owing to the Defendant, whether due or not due, or any money, property, effects, goods, chattels, rights, credits or choses in action, belonging to the Defendant, or in which Defendant is interested, and now in possession or under the control of others? If so, state particulars:

ANSWER:_____

5. State your correct name and address, or the name and address of your attorney upon whom written notice of further proceedings in this action may be served.

ANSWER:_____

6. NOTE: If an employer, without legal justification, refuses to withhold the earnings of a Defendant demanded in a WRIT OF GARNISHMENT or knowingly misrepresents the earnings of the Defendant, the Court shall order the employer to pay the Plaintiff the amount of arrearages caused by the employer's refusal to withhold or his misrepresentation of the Defendant's earnings. In addition, the Court may order the employer to pay the Plaintiff punitive damages in an amount not to exceed $1,000 for each pay period in which the employer has, without legal justification, refused to withhold the Defendant's earnings or has misrepresented the earnings.

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STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

I declare under penalty of perjury under the law of the State of Nevada that the foregoing is true and correct.

EXECUTED this ____day of _____, 2015.

_____
Garnishee

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the ____ day of _____, 2015, he/she served a copy of the Writ of Garnishment in Aid of Execution pursuant to N.R.S. 21.076 by personally depositing a copy of the same in a mail box of the United States Post Office, enclosed in a sealed envelope, postage prepaid, regular U.S. Mail, addressed to the following at their last known addresses:

Stanley M. Chesley
9005 Carmargo Road
Cincinnati, Ohio 45243
Judgment Debtor

Sheryl G. Snyder, Esq.
Griffin Terry Sumner, Esq.
Frost Brown Todd, LLC
400 West Market Street, 32nd Floor
Louisville, Kentucky 40202
Attorney for Judgment Debtor

Frank Benton IV, Esq.
P.O. Box 72218
Newport, Kentucky 41072
Attorney for Judgment Debtor

_____
Sheriff/Constable, Clark County, Nevada

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EXHIBIT D

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

NO. 2015-5224 DIVISION "F-07"

MILDRED ABBOTT, ET AL.

VERSUS

STANLEY M. CHESLEY

FILED: _____ _____

DEPUTY CLERK

EX PARTE PETITION TO MAKE FOREIGN JUDGMENT EXECUTORY

NOW INTO COURT, through undersigned counsel, come plaintiffs the PF Judgment Creditors ("Judgment Creditors" or "Plaintiffs").[1] Plaintiffs present this *Ex Parte Petition to Make Foreign Judgment Executory* against defendant and judgment debtor Stanley M. Chesley ("Chesley" or "Defendant").[2] In accordance with the provisions of the Louisiana Enforcement of Foreign Judgments Act, R.S. 13:4241, *et seq.*, Plaintiffs state as follows:

1.

Plaintiffs obtained a money judgment, entitled "Second Amended Judgment," signed on October 20, 2014, and entered on October 22, 2014 (the "Judgment"), against Defendant in the Boone Circuit Court, Division III, Commonwealth of Kentucky, Docket No. 05-CI-436, in the amount of $42,000,000.00, with prejudgment interest at a rate of 8% per annum from April 1, 2002, to the date of Judgment, and postjudgment interest at the rate of 12% per annum from the date of Judgment until paid. A copy of the Judgment, authenticated in accordance with applicable law, is attached hereto as Exhibit "A."

2.

The Judgment is currently on appeal, but no bond was posted by Defendant and thus execution of the Judgment is not suspended under Kentucky law. *See* KY. R. CIV. P. 73.04 ("Whenever an appellant entitled thereto desires a stay on appeal, as provided in Rule 62.03, he

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[1] The PF Judgment Creditors are a group of 382 judgment creditors; a list of those creditors is attached as Exhibit "B-1." Their respective domiciles are listed in Exhibit "C."

[2] Chesley is domiciled in Cincinnati, Ohio.

{N3035641.1}

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may present to the clerk or the court for approval an executed supersedeas bond with good and sufficient surety."); *Elk Horn Coal Corp. v. Cheyenne Res., Inc.*, 163 S.W.3d 408, 420 (Ky. 2005) ("The failure to post a bond, however, leaves the party who obtained the judgment free to execute on it[.]").

3.

Since rendition, $17,868,298.00 of the $42 million Judgment has been satisfied. This leaves $24,131,702.00 due and owing on the Judgment.

4.

The last-known address for the Defendant is as follows:

Stanley M. Chesley
9005 Carmargo Road
Cincinnati, Ohio 45243

5.

The last-known address for the Plaintiffs is as follows:

PF Judgment Creditors
c/o Angela M. Ford, PSC
836 Euclid Avenue, Suite 311
Lexington, Kentucky 40502

6.

Pursuant to R.S. 13:4243(A), the above address information is supported by the affidavit of an authorized representative of Plaintiffs, attached hereto as Exhibit "B."

7.

In sum, Plaintiffs are entitled to have the Judgment made executory in Louisiana under the Louisiana Enforcement of Foreign Judgments Act. Nevertheless, in accordance with R.S. 13:4246, Plaintiffs reserve the right to bring an action to enforce the Judgment under La. Code Civ. Proc. art. 2541, if desired.

WHEREFORE, plaintiffs, the PF Judgment Creditors, pray:

(1) that their motion be granted and the Court enter a judgment making the foreign Judgment executory in the State of Louisiana and recognizing the award in favor of the PF Judgment Creditors and against Stanley M. Chesley for $24,131,702.00, with prejudgment interest at a rate of 8% per annum from April 1, 2002, to the

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date of Judgment, and postjudgment interest at the rate of 12% per annum from the date of Judgment, October 20, 2014, until paid;

(2) that the Clerk send notice of this *Ex Parte Petition to Make Foreign Judgment Executory* in accordance with the provisions of the Louisiana Enforcement of Foreign Judgments Act, R.S. 13:4241, *et seq.*, by certified mail to Chesley, at the address indicated above, and make a note of mailing in the record; and

(3) for such additional legal and equitable relief as the court may deem just and proper.

Respectfully submitted,

R. PATRICK VANCE (La. # 13008)
TYLER J. RENCH (La. # 34049)
Jones Walker LLP
201 St. Charles Avenue, Suite 5100
New Orleans, Louisiana 70170
Telephone: (504) 582-8336
Facsimile: (504) 589-8336
pvance@joneswalker.com
trench@joneswalker.com

Attorneys for plaintiffs, the PF Judgment Creditors

CERTIFICATE OF SERVICE

Pursuant to R.S. 13:4243(B), I hereby certify that a copy of the above *Ex Parte Petition to Make Foreign Judgment Executory* has been served on the judgment debtor by placing a copy of same in the U.S. Mail, postage prepaid, to the addresses listed above this 1st day of June 2015.

{N3035641.1}

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FILED
ENTERED
BOONE CIRCUIT/DISTRICT COURT
OCT 2 2 2014
DIANNE MURRAY, CLERK
BY: D.C.

COMMONWEALTH OF KENTUCKY
BOONE CIRCUIT COURT
DIVISION III
CASE NO. 05-CI-00436

MILDRED ABBOTT, et al. **PLAINTIFFS**

V.

STANLEY M. CHESLEY, et al. **DEFENDANTS**

SECOND AMENDED JUDGMENT

This Court conducted a hearing in this matter on July 15, 2014 on Plaintiffs' Motion for Partial Summary Judgment as to Defendant Stanley M. Chesley ("Chesley"). The Plaintiffs were represented by Hon. Angela Ford. The Defendants were represented by Hon. Sheryl G. Snyder and Hon. Frank V. Benton, IV. The Court having reviewed Plaintiffs' Motion, Chesley's Response, Plaintiffs' Reply, having heard argument from counsel, and being in all ways sufficiently advised, finds as follows:

This Court, by the March 8, 2006 Order of Senior Status Judge William Wehr, previously granted summary judgment against Defendants William J. Gallion, Shirley Allen Cunningham, Jr. and Melbourne Mills, Jr. on Plaintiffs' breach of fiduciary duty claims in their representation of Plaintiffs in the *Darla Guard, et al. v. A.H. Robbins Company, et al.* lawsuit which involved injuries Plaintiffs suffered as a result of ingesting the "fen-phen" diet drug. The Court awarded damages in the amount of $42 million (by Order of August 1, 2007) and ruled the Defendants were jointly and severally liable to the Plaintiffs. The Supreme Court of Kentucky affirmed the partial summary judgment against Gallion, Cunningham and Mills, including that each was jointly and severally liable for the amounts owed. Plaintiffs now ask this Court to order summary judgment on their breach of fiduciary claims against Chesley, that Chesley be jointly and

Exhibit A

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severally liable with Gallion, Cunningham and Mills for the amounts owed to Plaintiffs, and that Chesley disgorge all fees he collected in the *Guard* matter.

The Kentucky Bar Association instituted disciplinary proceedings relating to Chesley's actions in the *Guard* matter in *Kentucky Bar Association v. Chesley*, KBA File 13785. The Trial Commissioner conducted a hearing and found that Chesley had violated eight (8) different ethics rules. The Trial Commissioner recommended that Chesley be permanently disbarred from the practice of law in Kentucky, and that he pay $7,555,000.00 in restitution to the *Guard* case clients. The Board of Governors of Kentucky adopted the Trial Commissioner's Report. The Supreme Court of Kentucky found Chesley guilty of violations of eight provisions of SCR 3.130 and followed the Board's recommendation that Chesley be permanently disbarred. The Supreme Court did not order that Chesley pay restitution. *Kentucky Bar Ass'n v. Chesley*, 393 S.W.3d 584 (Ky. 2013).

Plaintiffs argue that summary judgment is appropriate as to their breach of fiduciary duty claims through the doctrine of issue preclusion or collateral estoppel. Issue preclusion would bind Chesley to the factual and legal determinations made in the disciplinary proceedings before the Trial Commissioner, the Board of Governors, and the Supreme Court of Kentucky regarding the settlement of the *Guard* matter that resulted in his disbarment. Chesley disagrees.

The Trial Commissioner found, and the Supreme Court ratified, that Chesley violated the following specific provisions of SCR 3.130:

SCR 3.130-1.5(a) by accepting over $20 million in attorney's fees, which exceeded the amount established by client contracts and contracts with co-counsel, and which were otherwise unreasonable.

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SCR 3.130-1.5(c) by failing to provide clients with a written statement of the outcome of the matter, as well as the remittance to the client and the method of its determination. The contractual contingency fee contracts for the clients were either for 30% or 33 1/3% plus expenses of up to 3%. A 49% contingency fee was actually charged to the clients. Chesley's contractual agreement with class counsel was for 21% of fees upon successful settlement of the case, which should have been $12,941,638.46 and not the $20 million plus he received. He was paid $7,555,000 in excess of his proper fee.

SCR 3.130-1.5(e)(2) by dividing fees without consent of clients.

SCR 3.130-5.1(c)(1) by knowingly ratifying specific misconduct of other lawyers.

SCR 3.130-1.8(g) by representing two or more clients in making an aggregate settlement of the claims without consent of the clients or disclosure to them of the existence and nature of all claims. Chesley was class counsel pursuant to his agreement with Gallion, Cunningham and Mills and therefore had the same duties as them with regarding the requirements of SCR 3.130-1.8(g).

SCR 3.130-3.3(a) by making a false statement of material fact to the tribunal.

SCR 3.130-8.1(a) by making a false statement of material fact in connection with a disciplinary matter.

SCR 3.130-8.3(c) (now SCR 3.130-8.4(c)) by engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.

Issue preclusion, also known as collateral estoppel, "allows the use of an earlier judgment by one not a party to the original action to preclude relitigation of matters litigated in the earlier action." *Miller v. Admin. Office of Courts*, 361 S.W.3d 867 (Ky. 2011). A non-party in the former action may assert res judicata, a close cousin to issue preclusion, against a party to the former

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action as long as the party against whom res judicata is pleaded had a realistically full and fair opportunity to present his case. *Id.* (quoting *Moore v. Commonwealth*, 94 S.W.2d 317 (Ky. 1997). Additionally, the Supreme Court has addressed whether administrative agencies acting in a judicial capacity are entitled to the same res judicata effect as judgments of a court, finding that they do. *Ky. Bar Ass'n v. Harris*, 269 S.W.3d 414 (Ky. 2008).

Chesley's hearing before the Trial Commissioner was held November 5-6 and 12-13, 2009 before Judge Rod Messer and continued to September 13-15 and 20-24, 2010 before Judge William L. Graham. Chesley was represented at various times by Kent Westberry, Esq., James Gary, Esq., Frank Benton, IV, Esq., Scott Cox, Esq., Mark Miller, Esq., Sheryl Snyder, Esq. and Hon. Susan Dlott. Prior to the hearing, the testimony of five out of state witnesses was provided by video depositions, including 44 exhibits. During the several days the hearing was held, a total of 43 witnesses gave testimony either in person or by deposition, with the Trial Commissioner considering 124 exhibits. Additionally, the Trial Commissioner allowed time for the parties to submit briefs at the conclusion of the Hearing. The Court finds Chesley had a realistically full and fair opportunity to present his case before the Trial Commissioner.

Certain elements must be met for issue preclusion to operate as a bar to further litigation: "(1) at least one party to be bound in the second case must have been a party in the first case; (2) the issue in the second case must be the same issue as the first case; (3) the issue must have been actually litigated; (4) the issue was actually decided in that action; and (5) the decision on the issue in the prior action must have been necessary to the court's judgment and adverse to the party to be bound." *Id.* quoting *Yeoman v. Commonwealth Health Policy Bd.* 983 S.W.2d 459 (Ky. 1998).

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The Court finds these elements have been met with regard to Plaintiffs' Motion in this matter and the findings in *KBA v. Chesley*. Chesley was a party bound by the KBA matter. The facts and circumstances at issue in the instant Motion were those at issue in the KBA matter. The facts and circumstances were litigated in the KBA matter before the Trial Commissioner at a hearing held November 5-6 and 12-13, 2009 and September 13-15 and 20-24, 2010, and reviewed by the Board of Governors and the Supreme Court of Kentucky. The Trial Commissioner made factual findings and legal conclusions, which were adverse to Chesley, and which were affirmed by the Board of Governors and the Supreme Court of Kentucky, said facts being those at issue in the instant Motion. The factual findings and legal conclusions by the Trial Commissioner, the Board of Governors and the Supreme Court of Kentucky were necessary for the outcome of the KBA matter.

This Court finds Chesley is bound by the factual findings and legal conclusions in the KBA matter. The Supreme Court found that by entering into an agreement with Gallion, Cunningham and Mills, Chesley signed on as co-counsel and was one of the attorneys representing the Plaintiffs in the *Guard* matter. He, therefore, assumed the same ethical responsibilities as Gallion, Cunningham and Mills, and the same responsibilities he would have with any other client. *Kentucky Bar Ass'n v. Chesley*. Chesley had the duty to know his fee responsibilities to his clients, specifically that he was to receive no more than 21% of one-third of the $200,450,000.00 settlement, $14,031,500.00. *Id.* Chesley received $20,497,121.81. *Id.* The Supreme Court found that Chesley knowingly participated in a scheme to skim millions of dollars in excess attorney's fees from unknowing clients, and that he received and retained fees that he knew were improperly taken. *Id.* The Supreme Court further found that he purposefully attempted to avoid conversation and correspondence that would expose his knowledge of the

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nefarious schemes of his co-counsel. *Id.* This Court finds that no genuine issues of material fact exist, and summary judgment is appropriate on Plaintiffs' Breach of Fiduciary claims. Chesley entered into an attorney-client relationship with the Plaintiffs in *Guard.* He breached his duty by accepting excess fees in the amount of $6,465,621.81. Chesley's conduct caused Plaintiffs to receive only a portion of the settlement monies they were entitled to.

Plaintiffs also asks the Court to order that Chesley is jointly and severally liable with Gallion, Cunnigham and Mills for the monies owed to Plaintiffs. The Supreme Court of Kentucky affirmed Judge Wehr's finding in this matter that Gallion, Cunningham and Mills were jointly and severally liable to Plaintiffs. The Supreme Court found that Gallion, Cunningham and Mills breached attorney-client contracts and therefore joint and several liability is not precluded by KRS 411.182. The Supreme also found that by the manner in which Gallion, Cunnungham and Mills combined their efforts in the Fen-Phen litigation, they engaged in a joint enterprise, or joint adventure, an informal partnership existing for a limited purpose and duration, for which joint and several liability is properly assessed under KRS 362.220. *Abbott v. Chesley,* 413 S.W.3d 589 (Ky. 2013).

The Supreme Court enumerated the essential elements of a joint enterprise: (1) an agreement, express or implied, among the members of the group; (2) a common purpose to be carried out by the group; (3) a community of pecuniary interest in that purpose among the members; and (4) an equal right to a voice in the direction of the enterprise. *Id.* citing *Huff v. Rosenberg,* Ky., 496 S.W.2d 352 (1973). The Supreme Court adopted the findings of the Trial Commissioner in *KBA v. Chesley,* and this Court found above that issue preclusion bars the further litigation of Plaintiffs' breach of fiduciary duty claims against Chesley.

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This Court now finds that no genuine issues of material fact exists, and as a matter of law Chesley is jointly and severally liable with Gallion, Cunningham and Mills for the $42 million in damages awarded the Plaintiffs against Gallion, Cunningham and Mills by this Court's Order of August 7, 2007. Chesley signed on as co-counsel representing the Plaintiffs in the *Guard* matter when he entered into his fee-division contract with Gallion, Cunningham and Mills. Chesley shared the common purpose to be carried with Gallion, Cunningham and Mills. They agreed on how they would share the work and how they would share the profits. Chesley maintained a voice in the managerial control of the enterprise. The Court therefore finds that pursuant to KRS 362.220, Chesley is jointly and severally with Gallion, Cunningham and Mills for the damages the Plaintiffs suffered.

THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED that Plaintiffs' Motion for Partial Summary Judgment is **GRANTED** as to Plaintiffs' Breach of Fiduciary claims against Stanley M. Chesley.

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that Stanley M. Chesley is jointly and severally liable with Defendants William J. Gallion, Shirley Allen Cunningham, Jr. and Melbourne Mills, Jr. for the existing judgment amount of $42 million owed to Plaintiffs, along with pre-judgment simple interest at a rate of 8% per annum from April 1, 2002, and post-judgment interest compounded annually at the rate of 12% per annum thereon from the date of this Judgment.

IT IS HEREBY ORDERED AND ADJUDGED that Plaintiffs' Motion for Partial Summary Judgment as to disgorgement is **DENIED.**

This Order is Final and Appealable. There is no just cause for delay.

DATED this 20th day of October, 2014.

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JAMES R. SCHRAND, JUDGE
BOONE CIRCUIT COURT

COPIES TO:

ALL ATTORNEYS OF RECORD

CERTIFICATE

I, DIANNE MURRAY, clerk of the Boone District/Circuit Court, thereby certify that I have mailed a copy of the foregoing order and notice to all parties hereto at their last known addresses or their counsel of record

This 22 day of October, 2014

DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT

KNelton D.C.

STATE OF KENTUCKY
COUNTY OF BOONE

I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 29 day of May 2015

DIANNE MURRAY

By: Jan Mez D.C.

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

NO. 2015-5224 DIVISION "E,09"

MILDRED ABBOTT, ET AL.

VERSUS

STANLEY M. CHESLEY

FILED: _____ _____
DEPUTY CLERK

AFFIDAVIT OF JUDGMENT CREDITORS

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

Comes the affiant, Angela M. Ford, after having been first duly cautioned and sworn and states as follows:

1. Affiant, Angela M. Ford, is an attorney licensed to practice law in the Commonwealth of Kentucky.

2. Affiant is counsel for Judgment Creditors and Plaintiffs in Civil Action 05-CI-00436, Mildred Abbott, *et al.* v. Stanley M. Chesley, *et al.*, Boone Circuit Court, Division III, Commonwealth of Kentucky.

3. Affiant's address is Angela M. Ford, PSC, Chevy Chase Plaza, 836 Euclid Avenue, Suite 311, Lexington, KY 40502, telephone: 859.268.2923.

4. The last known address for the Judgment Creditors is:

PF Judgment Creditors
c/o Angela M. Ford, PSC
836 Euclid Avenue, Suite 311,
Lexington, KY 40502

5. There are 382 Plaintiffs/Judgment Creditors in Abbott et al, v. Chesley, et al. Attached is a list of those creditors.

6. The last known address for Defendant in this action, Stanley M. Chesley, is 9005 Carmargo Road, Cincinnati, OH 45243.

7. The Second Amended Judgment of the Boone Circuit Court, Division III, Commonwealth of Kentucky, signed by the Honorable James R. Schrand, Boone Circuit Judge, on October 20, 2014, and filed with the Boone Circuit Court on October 22, 2014, in Case No. 05-CI-436 (the Judgment"), is valid and enforceable.

8. The Judgment is currently on appeal, but no bond was posted by Chesley and thus execution of the Judgment is not suspended under Kentucky law.

{N3036425.1}

Exhibit B

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9. As of March 31, 2015, $17,868,298.00 of the Judgment has been satisfied and $24,131,702.00 remains due and owing together with pre-judgment interest at the statutory rate of 8% per annum and post judgment interest from October 20, 2014, at the statutory rate of 12% per annum until paid.

I declare under penalty of perjury under the laws of the State of Louisiana that the foregoing is true and correct.

Comes the affiant and further sayeth naught.

Angela M. Ford, Affiant

Subscribed and sworn to before me by Angela M. Ford, who is personally known to me, on this the 29 day of May 2015.

Notary Public, Kentucky at Large

Peter L. Ecabert
Notary Public - State at Large
Kentucky - Notary ID # 475
My Commission Expires: 10/17/2 .6

My Commission Expires: _____

FILED
2015 JUL -1 P 2:08
CLERK
DISTRICT

LIST OF PLAINTIFFS

Mildred Abbott Estate, Danny Abney Estate, Lisa Abraham, Elizabeth Adams, Cathy (f/k/a Kathy) Adams, Phyliss Adams, Ruby Adams c/o Gloria Little, Ruby Adamson, Susan Adkins, Clantha Akers, Effie Elizabeth Alsip, Juanita Alton, JoAnn Alvey Estate, Phyliss Applegate Estate, Cindy Armstrong-Kemp, Susan Arvin, Clara Atkinson, Linda Back, Vickie Bailey, Mary Ann Bailey, Jamie Bailey, Charlotte Baker, Carla Baldwin, Marilyn Barnes, Lee Bartley, Jr., Teresa Baumgardner, Debra Bays-Plybon, Linda Beggs, Patricia Belcher, Leisa Belding, Eleanor Berry, Margie Berry, Margaret Bingham, Emma Black Estate, Sharon Blair, Janice Blair, Carol Boggs, Lori Boone, Joie Botkins, Kathy Bowling, Angie Lynn Bowman, Virginia Braden, LaDonna Brame, James Branham, Kathy Branham, Ruby Branham, Norma Brewer, Alma Brock Estate, Glenna Brock-Powell-Renner Estate, Joyce Brown, Barbara Brown, Sharon Brown, Edith Browning Estate, Wathalee Brumfield Estate, Linda Brumley, Billie Brumley-Bradford, Kimberly Brummett, Teresa Bruner, Patricia Bryant, Leslie Bullock-Pennington, Warren Burgess Estate, Janice Burton, Tina Bush, Sherrie Butler, Donna Campbell, Loretta Canada, Buel Cantrell, Debbie Carman-Staton, Tonya Carter, Wallace Carter, Charlotte Cason-Custard, Lisa Caudill-Trustly, Connie Centers, Tony Childress, Gloria Clark, William Clark, Rosemary Click, Pamela S. Clift, Allen Coker, Shirley Coleman, Tara Coleman, Debra Collier, Margaret Collier, Linda Colvin, Phyliss Combs, Ronnie Cook, Mark Cornn, Sanda Cotton-Giley, Nadine Couch, Joseph Cowley, Jo Ann Cox, Barbara Crain, Doris Creech, Deloris Criswell, Pamela Crowe, Tracy Curtis, Doris W. Dabney (now Christopherson), Mary Daughtery, Ginger Davidson-Gibson, Elizabeth Davis, Sandra Davis, Mae Biddle Dawson, Karen Dean, Jan Delaney, Regina DeSpain-Kliessendorff, Judy Dile, Al Doser, Belva Dotson, Teresa Duff, Linda Dunaway, Tami Edwards-Engle, Amanda Edwards-Wood, Martha Elliot, Saundra Erp, Charlotte Estepp, Sarah Estates, Susan Ezell, Melissa Faye-Beamon, Janet Fentress, Sheila Fitch Estate c/o Penny L. Hines, Esq., Vickie D. Flannery, Benita Flynn, Tara Foster-Gifford-McCutchen, Rhoda Franklin, Timothy Franklin, Freda Frizzell, Beulah Fugate, Clark Fulks Estate, Patricia Gaunce, Barbara Gay, Ken Gayheart, Joni Gibson, Jessie Gibson Estate, Gladys Gilbert, Stephanie Gist, Ruby Godbey, Rosemary Godby, Joyce Goff-Wells, Debra Goode-Miranda Estate, Joyce Gordon, Tammie Grant, Amy Gray, Sherry Green, Donna Green, Norma Hall, Allie Hall, Geraldine Hall, Barbara Hampton, Rhonda Hancock, Leona Gall Handley, Joyce Hanley, Rebecca Harris, Debra Harrison, Joy Hassler-Miller, Yolanda Hayden, Barbara Heizer, Barbara Hellmueller, Wanda Helton, Gary Hendrickson, Vickie Henry, Marcus Highley, Charlene Hill, Karen Hillard, Janice Hilton, Linda Hinkle, Jacqueline Hocker, Myra Hood, Vicky Hood, Lora Hoover, Evelyn Hopkins, Charlene

Exhibit B-1

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Horn, Mary Horning, Lisa Hoskins, Cloyd Hoskins, Marilyn Howard; Louisa Moss Howard, Donna Howser-Nakagawa, Charlotte Hughes, Marcia Hughes-Harness, Marjorie Hulse Estate, Sheila Humphreys, Margaret Hunt (n/k/a Mesaris), Wanda Hunter, Brenda Hutchcraft, Lorene Hutcherson, Katherine Hutchison, Emma Ison, Della Jackson, Mary Ann Jackson, Katina Jackson, Evelyn Jackson Estate, Linda James, Debbie Jeffrey, Garnet Johnson-Coleman, Ernestine Johnstone, Kathy Jones, Beulah Jones, Judy Jones, Linda Jones, Troy Jones, Gerry Jones, Betty Jordan, Betty Kelly Estate, April-Keltner-Nuxoll, Patricia Kennedy-Stutz, Gerald King, Katherine King, Patti Kitts, Betty Kluck, Lucille Krey, Linda Larkins, Emily Lewis, Milton Lewis Estate, Angela Lewis-Mullinix, Sandra Dee Littleton, Sherry Long, Linda Long Estate, Kathy Lovan-Day, Rebecca Lovell Estate, Charlotte Lush, Linda Malone-McGowan, Paula Mann, Pamela Marlowe, Malanei Marro, Mary Martin, Bobbie Marton, Linda Martin, Connie Mason, Joni McClanahan, Lavonna McDaniel, Connie McGirr, Roberta McGuire, Tammy McGuire-Robinson, Jacqueline McMurtry, Sheila Lynn Meece, Wanda Metzger, Linda L. Miller, Delores Miller, Marie Miller, Michael Miller Estate, Nellie Miller, Linda F. Miller, Leslie Minton, Kathy Miracle Estate, Beverly Mitchell, Eudora Montgomery, Rhonda Moore, Margaret Moore, April Morris, Donna Muddiman-Cornish, Mary Napier, Wanda Faye Neace, Elizabeth Neal, Linda Nevels, Diana Newlin-Riddle, Wilma Noe, Kathy Nolan-Dinsmore, Glenora Pace, Louverna Parks, Myrtle Parrish, Judith Peck, Lisa Peek, Recie Pennington, Jeff Perkins, Helen Perkins, JoAnn (Perkins) Spencer, Stacy Perkins, Doris Phelps, Sonja Pickett, Norma Pickett Estate, Brian Powel, Mary P'Pool-Holland, Trena Preson, Suzanna Price, Rita Profitt-Norman, Lynne Pursel, Sharon Rainwater, Billie Reese, Anthony Rentas Estate, Arlie Rhodes Estate, Evelyn Rhodes, Raymond Riley Estate, Levetta Rivera, Odena Roaden, Billie June Roberts, Patricia Roberts, Renee Roberts, Fetina Robinson, Patricia N. Robinson, Carol Rogers, Vina Rose, Cathy Rose, Larry Rosenberry Estate, Mary Sams, Kathy Sands, Thomas Sapp, Justus Scharold, Maxine Seals, Crystal Seals-Gibson, Lisa Sexton Estate, Monica Sexton-Napier, Margaret Sharon, Michelle Sharpe-Roberts, Janet Short-Roberts, Laureda Short Estate, Loretta Sidwell (now Dishman), Ada Sizemore Estate, April Slatten-Jones, Carole Slone, Elaine Smith, Barbara Smith, Freda Smith, Sharon Smith Estate, Darcy Snowden-Talbert, Peggy Spears, Cora Stapleton, Paul Stauffer Estate, Corina Stearns, Nancy Stephens, Connie Stephens Estate, Sharon Stevenson Estate, Marlene Stewart, Loretta Stidham Estate, Betty Stone, Lesta Irene Stout, Donna Stromowsky, Connie Sturgill, Marjorie Sudduth Estate, Lisa Swiger, Ella Tackett Estate, Priscilla Tafolla Estate, Charles Tapley, Ella Taylor, Linda Taylor, Mary Taylor, Jeanne Thomas, Nancy

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Thompson, Karen Thompson-McClain, James G. Thurman, Roy Toler Estate, Linda Toler Estate, Elizabeth Trent, Jennifer Trimble, Joetta Tucker, Deborah Turner, Patricia Turner, Drucilla Turner, Valorie Turner, Linda Vance-Self, Linda Vannarsdall-Collins, Debbie Vogt-Schneider, Bobbie Walker, Lane Walker Estate, Loraine Wallen, Cindy Walters, Martin Ward Estate, Elizabeth Washburn, Wanda Watkins, Cheryl Watson, Judy Whitaker, Kim White, Patricia White, Mary White-Lynch, Catherine Whitlock, Joyce Whitt, Betty Jean Widner, Gloria Williams Estate, Bethany Willinger, Geneva Wilson, Melody Winer, Connie Wolfe, Bill Wombles, Artie Woods, Fern Wooten, Edwina Wright, Roger Dale Wright, Sandra Wright, Debora Wright-Mitsui, Tammy Wright, Sheila Yates, Karen Young-Coffield, Sandra Zeman Balentine.

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DOMICILES OF PLAINTIFFS

Patricia Kennedy-Stutz	Orange Beach	AL
Sandra Zeman-Balentine	Pell City	AL
Jeanne Thomas	Fayetteville	AR
Ginger Davidson-Gibson	Sun City Center,	FL
Debra Goode-Miranda Estate c/o Stphen F. Baker, Esq.	Winterhaven	FL
Geraldine Hall	Port Charlotte	FL
Linda Martin	Fort Myers	FL
Carole Slone	Palm Bay	FL
Myrtle Parrish	Lithia Springs	GA
Cheryl Watson	Alpharetta	GA
Al Doser	Olney	IL
Brenda Hutchcraft	Macedonia	IL
Maxine Seals	Chicago	IL
Karen Thompson-McClain	Centralia	IL
Teresa Duff	Indianapolis	IN
Gary Hendrickson	Indianapolis	IN
Larry Roseberry Estate	Columbus	IN
Connie Wolfe	Hanover	IN
Mildred Abbott Estate	Cawood	KY
Danny Abney Estate	Irvine	KY
Lisa Abraham	Wallins Creek	KY
Elizabeth Adams	Prestonsburg	KY
Cathy (f/k/a Kathy) Adams	Versailles	KY
Phyllis Adams	Lexington	KY
Ruby Adamson	Georgetown	KY
Susan Adkins	Versailles	KY
Clantha Akers	Lexington	KY
Effie Elizabeth Alsip	Corbin	KY
Juanita Alton	Somerset	KY
JoAnn Alvey Estate	Louisville	KY
Phyllis Applegate Estate	Richmond	KY
Cindy Armstrong-Kemp	Owensboro	KY
Susan Arvin	Lexington	KY
Clara Atkinson	Lynch	KY
Linda Back	Lexington	KY
Vickie Bailey	Hopkinsville	KY
Mary Ann Bailey	Cumberland	KY
Jamie Bailey	Columbia	KY
Charlotte Baker	Manchester	KY
Carla Baldwin	Lexington	KY
Marilyn Barnes	Monticello	KY
Lee Bartley, Jr.	Somerset	KY
Teresa Baumgardner	Mayfield	KY
Debra Bays-Plybon	Argillite	KY
Lelsa Belding	Lexington	KY
Eleanor Berry	Ashland	KY
Margie Berry	Berea	KY
Margaret Bingham	Nicholasville	KY
Emma Black Estate	Morehead	KY
Sharon Blair	Cumberland	KY
Janice Blair	Russell Springs	KY
Carol Boggs	Ironton	KY
Lori Boone	Lexington	KY

Exhibit C

ELECTRONICALLY FILED 08/21/2015 11:40 / MOTN / A 1500067 / CONFIRMATION NUMBER 433835

Joie Botkins	Manchester	KY
Kathy Bowling	Busy	KY
Angie Lynn Bowman	Williamstown	KY
Virginia Braden	Burnside	KY
LaDonna Brame	Wingo	KY
James Branham	Lexington	KY
Kathy Branham	Lexington	KY
Ruby Branham	Georgetown	KY
Norma Brewer	Lancaster	KY
Alma Brock Estate	London	KY
Joyce Brown	Lexington	KY
Barbara Brown	Morehead	KY
Sharon Brown	Olive Hill	KY
Edith Browning Estate	Corbin	KY
Wathalee Brumfield Estate	Richmond	KY
Billie Brumley-Bradford	Elsmere	KY
Kimberly Brummett	London	KY
Teresa Bruner	Lexington	KY
Patricia Bryant	Williamsburg	KY
Leslie Bullock-Pennington	Somerset	KY
Warren Burgess Estate	Georgetown	KY
Janice Burton	Somerset	KY
Tina Bush	Ary	KY
Sherrie Butler	Tompkinsville	KY
Donna Campbell	Lexington	KY
Loretta Canada	Somerset	KY
Buel Cantrell	West Liberty	KY
Debbie Carman-Staton	Hustonville	KY
Tonya Carter	Lexington	KY
Wallace Carter	Lawrenceburg	KY
Charlotte Cason-Custard	Cynthiana	KY
Lisa Caudill-Trusty	Walton	KY
Connie Centers	Lawrenceburg	KY
Tony Childress	Lexington	KY
Gloria Clark	Lynch	KY
William Clark	Versallles	KY
Rosemary Click	Flatwoods	KY
Pamela S. Clift	Lexington	KY
Allen Coker	Somerset	KY
Shirley Coleman	Lexington	KY
Debra Collier	Whitesburg	KY
Linda Colvin	Campbellsville	KY
Phyllis Combs	Lexington	KY
Ronnie Cook	Bledsoe	KY
Mark Cornn	Frankfort	KY
Nadine Couch	Manchester	KY
Joseph Cowley	Lexington	KY
Jo Ann Cox	Lawrenceburg	KY
Barbara Crain	Louisville	KY
Doris Creech	Corbin	KY
Deloris Criswell	Monticello	KY
Pamela Crowe	Lawrenceburg	KY
Tracy Curtis	Lexington	KY
Doris W. Dabney (now Christopherson)	Somerset	KY

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Mary Daughtery	Danville	KY
Elizabeth Davis	Pikeville	KY
Sandra Davis	Whitley City	KY
Mae Biddle Dawson	Cynthiana	KY
Karen Dean	Harrodsburg	KY
Jan Delaney	Nicholasville	KY
Regina DeSpain-Kliessendorff	Bardstown	KY
Judy Dile	Campbellsville	KY
Belva Dotson	Feds Creek	KY
Linda Dunaway	Cumberland	KY
Tami Edwards-Engle	Lexington	KY
Amanda Edwards-Wood	Lebanon	KY
Martha Elliot	Maysville	KY
Saundra Erp	Somerset	KY
Charlotte Estepp	Corinth	KY
Sarah Estes	Eubank	KY
Susan Ezell	Carlisle	KY
Melissa Faye-Beamon	Brooksville	KY
Janet Fentress	Somerset	KY
Sheila Fitch Estate c/o Penny L. Hines, Esq.	Somerset	KY
Vickie D. Flannery	Ashland	KY
Tara Foster-Gifford-McCutchen	Monticello	KY
Rhoda Franklin	Versailles	KY
Freda Frizzell	Salt Lick	KY
Beulah Fugate	Carrie	KY
Clara Fulks Estate	Eddyville	KY
Patricia Gaunce	Versailles	KY
Barbara Gay	Lancaster	KY
Ken Gayheart	Richmond	KY
Joni Gibson	Somerset	KY
Jessie Gibson Estate	Somerset	KY
Gladys Gilbert	Olive Hill	KY
Stephanie Gist	Lexington	KY
Rosemary Godby	Nazareth	KY
Joyce Goff-Wells	Somerset	KY
Joyce Gordon	Danville	KY
Tammie Grant	Ashland	KY
Amy Gray	Nicholasville	KY
Sherry Green	Lancaster	KY
Donna Green	Lexington	KY
Norma Hall	Lexington	KY
Allie Hall	Quincy	KY
Barbara Hampton	Pineville	KY
Leona Gail Handley	Nicholasville	KY
Joyce Hanley	Lexington	KY
Rebecca Harris	Georgetown	KY
Debra Harrison	Irvine	KY
Joy Hassler-Miller	Corbin	KY
Yolanda Hayden	Lexington	KY
Barbara Heizer	Lexington	KY
Barbara Hellmueller	Lexington	KY
Wanda Helton	Partridge	KY
Vickie Henry	Owensboro	KY
Marcus Highley	Mt. Sterling	KY

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Charlene Hill	Nicholsville	KY
Karen Hillard	Georgetown	KY
Janice Hilton	Lexington	KY
Jacqueline Hocker	Nicholasville	KY
Myra Hood	Lexington	KY
Vicky Hood	Somerset	KY
Lora Hoover	Ft. Wright	KY
Evelyn Hopkins	Lexington	KY
Charlene Horn	Winchester	KY
Mary Horning	Lexington	KY
Linda Hoskins	Stanton	KY
Cloyd Hoskins	London	KY
Marilyn Howard	Lexington	KY
Donna Howser-Nakagawa	Lawrenceburg	KY
Charlotte Hughes	Garrett	KY
Marcia Hughes-Harness	Science Hill	KY
Marjorie Hulse Estate	Lexington	KY
Margaret Hunt (n/k/a Mesaris)	Dawson Springs	KY
Wanda Hunter	Corinth	KY
Lorene Hutcherson	Somerset	KY
Katherine Hutchison	Cynthiana	KY
Emma Ison	Corbin	KY
Della Jackson	London	KY
Mary Ann Jackson	Lexington	KY
Katina Jackson	Lexington	KY
Evelyn Jackson Estate	Manchester	KY
Linda James	Stanford	KY
Debbie Jeffrey	Paducah	KY
Garnet Johnson-Coleman	Pikeville	KY
Ernestine Johnstone	Harrodsburg	KY
Kathy Jones	London	KY
Beulah Jones	Corbin	KY
Judy Jones	Corbin	KY
Linda Jones	Stanford	KY
Troy Jones	Lexington	KY
Gerry Jones	Nancy	KY
Betty Jordan	Lexington	KY
Gerald King	Richmond	KY
Katherine King	Berea	KY
Patti Kitts	Jamestown	KY
Linda Larkins	White Plains	KY
Emily Lewis	Flatwoods	KY
Milton Lewis Estate	Manchester	KY
Angela Lewis-Mullinix	Flatwoods	KY
Sandra Dee Littleton	Mount Sterling	KY
Sherry Long	Coldiron	KY
Linda Long Estate	Somerset	KY
Kathy Lovan-Day	White Plains	KY
Charlotte Lush	Louisville	KY
Linda Malone-McGowan	Cynthiana	KY
Paula Mann	Jamestown	KY
Pamela Marlowe	Fredonia	KY
Malanei Marro	Independence	KY
Mary Martin	Harrodsburg	KY

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Bobbie Martin	Lexington	KY
Connie Mason	Tollesboro	KY
Joni McClanahan	Georgetown	KY
Lavonna McDaniel	Stanton	KY
Connie McGirr	Lancaster	KY
Roberta McGuire	Mount Vernon	KY
Tammy McGuire-Robinson	Mount Vernon	KY
Jacqueline McMurtry	Louisville	KY
Sheila Lynn Meece	Somerset	KY
Wanda Metzger	Nicholasville	KY
Linda L. Miller	Salyersville	KY
Delores Miller	Richmond	KY
Marie Miller	Perryville	KY
Nellie Miller	Paducah	KY
Linda F. Miller	Maysville	KY
Leslie Minton	Sheperdsville	KY
Kathy Miracle Estate, c/o Shane Romines, Esq. - Copeland & Romines Trust Account	Corbin	KY
Beverly Mitchell	Somerset	KY
Eudora Montgomery	Midway	KY
Rhonda Moore	Elkhorn City	KY
Margaret Moore	Winchester	KY
April Morris	Ewing	KY
Donna Muddimann-Cornish	Versailles	KY
Mary Napier	Evarts	KY
Wanda Faye Neace	Bonnyman	KY
Elizabeth Neal	Harrodsburg	KY
Linda Nevels	Monticello	KY
Wilma Noe	Lily	KY
Kathy Nolan-Dinsmore	Lily	KY
Glenora Pace	Mt. Eden	KY
Louverna Parks	Jackson	KY
Lisa Peek	Kings Mountain	KY
Recie Pennington	Smilax	KY
Jeff Perkins	Somerset	KY
Helen Perkins	Woodbine	KY
JoeAnn (Perkins) Spencer	Nicholasville	KY
Stacy Perkins	Lexington	KY
Doris Phelps	Kings Mountain	KY
Sonja Pickett	Versailles	KY
Norma Pickett Estate c/o Angela VanVlyman, Execx.	Columbia	KY
Brian Powell	Paris	KY
Mary P'Pool-Holland	Hopkinsville	KY
Trena Preston	Hazard	KY
Suzanne Price	Hazard	KY
Rita Profitt-Norman	Georgetown	KY
Lynne Pursel	Louisville	KY
Sharon Rainwater	Nancy	KY
Billie Reese	Louisville	KY
Anthony Rentas Estate	Crab Orchard	KY
Arlie Rhodes Estate	Manchester	KY
Evelyn Rhodes	Louisville	KY
Raymond Riley Estate	Williamstown	KY
Levetta Rivera	Lexington	KY
Odena Roaden	Somerset	KY

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Billie June Roberts	Stanford	KY
Patricia Roberts	Owingsville	KY
Renee Roberts	Stamping Ground	KY
Fetina Robinson	Winchester	KY
Patricia N. Robinson	Princeton	KY
Carol Rogers	Cynthiana	KY
Vina Rose	Mt. Sterling	KY
Mary Sams	Georgetown	KY
Kathy Sands	Georgetown	KY
Thomas Sapp	Maysville	KY
Justus Scharold	Ryland Height	KY
Crystal Seals-Gibson	Wallins Creek	KY
Lisa Sexton Estate	Clay City	KY
Monica Sexton-Napier	Lawrenceburg	KY
Margaret Sharon	Midway	KY
Michelle Sharpe-Roberts	Eubank	KY
Janet Short-Roberts	Nichosville	KY
Laureda Short Estate	Winchester	KY
Ada Sizemore Estate	Hyden	KY
April Slatten-Jones	Versailles	KY
Elaine Smith	West Liberty	KY
Barbara Smith	Corbin	KY
Freda Smith	Versailles	KY
Sharon Smith Estate	South Williamson	KY
Darcy Snowden-Talbert	Lexington	KY
Peggy Spears	Somerset	KY
Cora Stapleton	Hellier	KY
Paul Stauffer Estate	Richmond	KY
Corina Stearns	Russell Springs	KY
Connie Stephens Estate	Berea	KY
Sharon Stevenson Estate	Nancy	KY
Marlene Stewart	Rush	KY
Loretta Stidham Estate	Olive Hill	KY
Betty Stone	Nicholasville	KY
Donna Stromowsky	Louisville	KY
Connie Sturgill	Harlan	KY
Marjorie Sudduth Estate	Frankfort	KY
Lisa Swiger	Salyersville	KY
Ella Tackett Estate	Hazard	KY
Priscilla Tafolla Estate	Allen	KY
Charles Tapley	Mt. Sterling	KY
Ella Taylor	Georgetown	KY
Linda Taylor	Danville	KY
Mary Taylor	Lexington	KY
Nancy Thompson	Berea	KY
James G. Thurman	Frankfort	KY
Elizabeth Trent	London	KY
Jennifer Trimble	Versailles	KY
Joetta Tucker	Central City	KY
Deborah Turner	Lawrenceburg	KY
Patricia Turner	Lexington	KY
Drucilla Turner	Lexington	KY
Valorie Turner	Lexington	KY
Linda Vance-Self	Hustonville	KY

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Linda Vannarsdall-Collins	Georgetown	KY
Bobbie Walker	Hazard	KY
Lane Walker Estate	Manchester	KY
Loraine Wallen	Mousie	KY
Cindy Walters	Mt. Sterling	KY
Martin Ward Estate	Lexington	KY
Elizabeth Washburn	Middlesboro	KY
Wanda Watkins	Garrett	KY
Judy Whitaker	Science Hill	KY
Kim White	Jeffersonville	KY
Patricia White	Harlan	KY
Catherine Whitlock	Georgetown	KY
Joyce Whitt	West Liberty	KY
Betty Jean Widner	Evarts	KY
Gloria Williams Estate	Lexington	KY
Bethany Willinger	Lexington	KY
Geneva Wilson	Nortonville	KY
Melody Winer	Lexington	KY
Bill Wombles	Manchester	KY
Artie Woods	Monticello	KY
Fern Wooten	London	KY
Edwina Wright	Somerset	KY
Roger Dale Wright	Ashland	KY
Sandra Wright	Virgie	KY
Debora Wright-Mitsui	Burlington	KY
Tammy Wright	Thealka	KY
Shelia Yates	Calvert City	KY
Karen Young-Coffield	Nicholasville	KY
Michael Miller Estate	Lexington	KY
Linda Hinkle	Baldwin	LA
Margaret Collier	Chelmsford	MA
Debbie Vogt-Schneider	Ocean Springs	MS
Tara Coleman	Kernersville	NC
Sandra Cotton-Gilley	Wells	NV
Lucille Krey	Las Vegas	NV
Ruby Adams, c/o Gloria Little	Cincinnati	OH
Glenna Brock-Powell-Renner Estate	Dayton	OH
Linda Brumley	West Union	OH
Ruby Godbey	Miamisburg	OH
Louisa Moss Howard	Fairfield	OH
Betty Kelly Estsate	Cedarville	OH
Rebecca Lovell Estate	Dayton	OH
Judith Peck	Cincinnati	OH
Mary White-Lynch	Springfield	OH
Nancy Stephens	Fairland	OK
Cathy Rose	Woodruff	SC
Linda Beggs	Hendersonville	TN
Rhonda Hancock	Goodlettsville	TN
Diana Newlin-Riddle	Knoxville	TN
Loretta Sidwell (now Dishman)	Rocky Top	TN
Lesta Irene Stout	Rutledge	TN
Bernita Flynn	Cypress	TX
Patricia Belcher	Pennington Gap	VA
Timothy Franklin Ro	Big Stone Gap	VA

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April Keltner-Nuxoll	Jonesville	VA
Betty Kluck	Ewing	VA
Roy Toler Estate	Pound	VA
Linda Toler Estate	Wise	VA
Sheila Humphreys	New Haven	WV

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EXHIBIT E

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

NO. 2015-5224 DIVISION "F-01"

MILDRED ABBOTT, ET AL.

VERSUS

STANLEY M. CHESLEY

FILED: _____ _____

DEPUTY CLERK

JUDGMENT

Considering the allegations of the foregoing petition, the facts sworn in the accompanying affidavit, and the presence of an attached judgment, duly authenticated in accordance with applicable law, and having concluded that the requirements of the Louisiana Enforcement of Foreign Judgments Act, R.S. 13:4241, *et seq.*, have been satisfied,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the October 20, 2014 Amended Order of the Boone Circuit Court, Division III, Commonwealth of Kentucky, Docket No. 05-CI-436, in favor of the PF Judgment Creditors,[1] and against Stanley M. Chesley ("Chesley"), is hereby made **EXECUTORY** in this Court;

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Chesley is liable to the PF Judgment Creditors in the amount of **$24,131,702.00**, with prejudgment interest at a rate of 8% per annum from April 1, 2002, to the date of Judgment, and postjudgment interest at the rate of 12% per annum from October 20, 2014, until paid.

New Orleans, Louisiana, this 2nd day of June 2015.

A TRUE COPY
DEPUTY CLERK, CIVIL DISTRICT COURT
PARISH OF ORLEANS
STATE OF LA

JUDGE
JUDGE
CHRISTOPHER J. BRUNO
DIVISION "F"

[1] The PF Judgment Creditors are a group of 382 judgment creditors; a full list of those creditors is attached to this Judgment.

{N3035641.1}

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2015 JAN -1 P 2:03
CIVIL
DISTRICT COURT

LIST OF PLAINTIFFS

Mildred Abbott Estate, Danny Abney Estate, Lisa Abraham, Elizabeth Adams, Cathy (f/k/a Kathy) Adams, Phyliss Adams, Ruby Adams c/o Gloria Little, Ruby Adamson, Susan Adkins, Clantha Akers, Effie Elizabeth Alsip, Juanita Alton, JoAnn Alvey Estate, Phyliss Applegate Estate, Cindy Armstrong-Kemp, Susan Arvin, Clara Atkinson, Linda Back, Vickie Bailey, Mary Ann Bailey, Jamie Bailey, Charlotte Baker, Carla Baldwin, Marilyn Barnes, Lee Bartley, Jr., Teresa Baumgardner, Debra Bays-Plybon, Linda Beggs, Patricia Belcher, Leisa Belding, Eleanor Berry, Margie Berry, Margaret Bingham, Emma Black Estate, Sharon Blair, Janice Blair, Carol Boggs, Lori Boone, Joie Botkins, Kathy Bowling, Angie Lynn Bowman, Virginia Braden, LaDonna Brame, James Branham, Kathy Branham, Ruby Branham, Norma Brewer, Alma Brock Estate, Glenna Brock-Powell-Renner Estate, Joyce Brown, Barbara Brown, Sharon Brown, Edith Browning Estate, Wathalee Brumfield Estate, Linda Brumley, Billie Brumley-Bradford, Kimberly Brummett, Teresa Bruner, Patricia Bryant, Leslie Bullock-Pennington, Warren Burgess Estate, Janice Burton, Tina Bush, Sherrie Butler, Donna Campbell, Loretta Canada, Buel Cantrell, Debbie Carman-Staton, Tonya Carter, Wallace Carter, Charlotte Cason-Custard, Lisa Caudill-Trustly, Connie Centers, Tony Childress, Gloria Clark, William Clark, Rosemary Click, Pamela S. Clift, Allen Coker, Shirley Coleman, Tara Coleman, Debra Collier, Margaret Collier, Linda Colvin, Phyliss Combs, Ronnie Cook, Mark Cornn, Sanda Cotton-Giley, Nadine Couch, Joseph Cowley, Jo Ann Cox, Barbara Crain, Doris Creech, Deloris Criswell, Pamela Crowe, Tracy Curtis, Doris W. Dabney (now Christopherson), Mary Daughtery, Ginger Davidson-Gibson, Elizabeth Davis, Sandra Davis, Mae Biddle Dawson, Karen Dean, Jan Delaney, Regina DeSpain-Kliessendorff, Judy Dile, Al Doser, Belva Dotson, Teresa Duff, Linda Dunaway, Tami Edwards-Engle, Amanda Edwards-Wood, Martha Elliot, Saundra Erp, Charlotte Estepp, Sarah Estates, Susan Ezell, Melissa Faye-Beamon, Janet Fentress, Sheila Fitch Estate c/o Penny L. Hines, Esq., Vickie D. Flannery, Benita Flynn, Tara Foster-Gifford-McCutchen, Rhoda Franklin, Timothy Franklin, Freda Frizzell, Beulah Fugate, Clark Fulks Estate, Patricia Gaunce, Barbara Gay, Ken Gayheart, Joni Gibson, Jessie Gibson Estate, Gladys Gilbert, Stephanie Gist, Ruby Godbey, Rosemary Godby, Joyce Goff-Wells, Debra Goode-Miranda Estate, Joyce Gordon, Tammie Grant, Amy Gray, Sherry Green, Donna Green, Norma Hall, Allie Hall, Geraldine Hall, Barbara Hampton, Rhonda Hancock, Leona Gail Handley, Joyce Hanley, Rebecca Harris, Debra Harrison, Joy Hassler-Miller, Yolanda Hayden, Barbara Heizer, Barbara Hellmueller, Wanda Helton, Gary Hendrickson, Vickie Henry, Marcus Highley, Charlene Hill, Karen Hillard, Janice Hilton, Linda Hinkle, Jacqueline Hocker, Myra Hood, Vicky Hood, Lora Hoover, Evelyn Hopkins, Charlene

Exhibit to Judgment

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Horn, Mary Horning, Lisa Hoskins, Cloyd Hoskins, Marilyn Howard, Louisa Moss Howard, Donna Howser-Nakagawa, Charlotte Hughes, Marcia Hughes-Harness, Marjorie Hulse Estate, Sheila Humphreys, Margaret Hunt (n/k/a Mesaris), Wanda Hunter, Brenda Hutchcraft, Lorene Hutcherson, Katherine Hutchison, Emma Ison, Della Jackson, Mary Ann Jackson, Katina Jackson, Evelyn Jackson Estate, Linda James, Debbie Jeffrey, Garnet Johnson-Coleman, Ernestine Johnstone, Kathy Jones, Beulah Jones, Judy Jones, Linda Jones, Troy Jones, Gerry Jones, Betty Jordan, Betty Kelly Estate, April-Keltner-Nuxoll, Patricia Kennedy-Stutz, Gerald King, Katherine King, Patti Kitts, Betty Kluck, Lucille Krey, Linda Larkins, Emily Lewis, Milton Lewis Estate, Angela Lewis-Mullinix, Sandra Dee Littleton, Sherry Long, Linda Long Estate, Kathy Lovan-Day, Rebecca Lovell Estate, Charlotte Lush, Linda Malone-McGowan, Paula Mann, Pamela Marlowe, Malanei Marro, Mary Martin, Bobbie Marton, Linda Martin, Connie Mason, Joni McClanahan, Lavonna McDaniel, Connie McGirr, Roberta McGuire, Tammy McGuire-Robinson, Jacqueline McMurtry, Sheila Lynn Meece, Wanda Metzger, Linda L. Miller, Delores Miller, Marie Miller, Michael Miller Estate, Nellie Miller, Linda F. Miller, Leslie Minton, Kathy Miracle Estate, Beverly Mitchell, Eudora Montgomery, Rhonda Moore, Margaret Moore, April Morris, Donna Muddiman-Cornish, Mary Napier, Wanda Faye Neace, Elizabeth Neal, Linda Nevels, Diana Newlin-Riddle, Wilma Noe, Kathy Nolan-Dinsmore, Glenora Pace, Louverna Parks, Myrtle Parrish, Judith Peck, Lisa Peek, Recie Pennington, Jeff Perkins, Helen Perkins, JoAnn (Perkins) Spencer, Stacy Perkins, Doris Phelps, Sonja Pickett, Norma Pickett Estate, Brian Powel, Mary P'Pool-Holland, Trena Preson, Suzanna Price, Rita Profitt-Norman, Lynne Pursel, Sharon Rainwater, Billie Reese, Anthony Rentas Estate, Arlie Rhodes Estate, Evelyn Rhodes, Raymond Riley Estate, Levetta Rivera, Odena Roaden, Billie June Roberts, Patricia Roberts, Renee Roberts, Fetina Robinson, Patricia N. Robinson, Carol Rogers, Vina Rose, Cathy Rose, Larry Rosenberry Estate, Mary Sams, Kathy Sands, Thomas Sapp, Justus Scharold, Maxine Seals, Crystal Seals-Gibson, Lisa Sexton Estate, Monica Sexton-Napier, Margaret Sharon, Michelle Sharpe-Roberts, Janet Short-Roberts, Laureda Short Estate, Loretta Sidwell (now Dishman), Ada Sizemore Estate, April Slatten-Jones, Carole Slone, Elaine Smith, Barbara Smith, Freda Smith, Sharon Smith Estate, Darcy Snowden-Talbert, Peggy Spears, Cora Stapleton, Paul Stauffer Estate, Corina Stearns, Nancy Stephens, Connie Stephens Estate, Sharon Stevenson Estate, Marlene Stewart, Loretta Stidham Estate, Betty Stone, Lesta Irene Stout, Donna Stromowsky, Connie Sturgill, Marjorie Sudduth Estate, Lisa Swiger, Ella Tackett Estate, Priscilla Tafolla Estate, Charles Tapley, Ella Taylor, Linda Taylor, Mary Taylor, Jeanne Thomas, Nancy

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Thompson, Karen Thompson-McClain, James G. Thurman, Roy Toler Estate, Linda Toler Estate, Elizabeth Trent, Jennifer Trimble, Joetta Tucker, Deborah Turner, Patricia Turner, Drucilla Turner, Valorie Turner, Linda Vance-Self, Linda Vannarsdall-Collins, Debbie Vogt-Schneider, Bobbie Walker, Lane Walker Estate, Loraine Wallen, Cindy Walters, Martin Ward Estate, Elizabeth Washburn, Wanda Watkins, Cheryl Watson, Judy Whitaker, Kim White, Patricia White, Mary White-Lynch, Catherine Whitlock, Joyce Whitt, Betty Jean Widner, Gloria Williams Estate, Bethany Willinger, Geneva Wilson, Melody Winer, Connie Wolfe, Bill Wombles, Artie Woods, Fern Wooten, Edwina Wright, Roger Dale Wright, Sandra Wright, Debora Wright-Mitsui, Tammy Wright, Sheila Yates, Karen Young-Coffield, Sandra Zeman Balentine.

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EXHIBIT F

DISTRICT COURT, DENVER COUNTY, COLORADO 1437 Bannock St. Denver, CO 80202 Phone: (720) 865-8301	DATE FILED: July 31, 2015 10:39 AM FILING ID: 5FC2920D1FEB6 CASE NUMBER: 2015CV32712
Plaintiffs: MILDRED ABBOTT, et al. v. **Defendants:** STANLEY M. CHESLEY, et al.	▲ **COURT USE ONLY** ▲
JACKSON KELLY PLLC John S. Zakhem, Esq. #30089 John L. Skari, Jr., Esq. #40209 1099 18th Street, Suite 2150 Denver, CO 80202 Phone: 303-390-0003 Fax: 303-390-0117 jlskari@jacksonkelly.com	Case Number: Division: Courtroom:

NOTICE OF FILING OF FOREIGN JUDGMENT

To: Stanley M. Chesley, Judgment Debtor
9005 Carmargo Road
Cincinnati, OH 45243

You are hereby notified that on July 31, 2015, a judgment against you in the amount of $42,000,0000.00 originally entered in Boone Circuit Court in the Commonwealth of Kentucky has been entered in the records of this Court under the provisions of the Uniform Enforcement of Foreign Judgment Act §13-53-101 - §13-53-108, Colorado Revised Statutes.

Plaintiffs / Judgment Creditors: Mildred Abbott, et al.
c/o Angela M. Ford, PSC
836 Euclid Ave., Suite 311
Lexington, KY 40502

Date: 7/31/2015

Angela M. Ford, Attorney for Judgment Creditors

JDF 139 9/10 NOTICE OF FILING OF FOREIGN JUDGMENT

RECEIVED 8-6-15 SGS

CERTIFICATE OF MAILING

I certify that on July 31, 2015, I mailed a true and correct copy of the ***Notice of Filing of Foreign Judgment and the Judgment Creditor Affidavit in Support of Foreign Judgment,*** by placing it in the United States Mail, postage pre-paid to the parties listed below.

☐Judgment Creditor
☒Judgment Creditors' Attorney
☐Clerk/Deputy Clerk

Stanley M. Chesley
9005 Carmargo Road
Cincinnati, OH 45243

Attorneys for Judgment Debtor:

Sheryl G. Snyder, Esq.
Griffin Terry Sumner, Esq.
Frost Brown Todd, LLC
400 West Market St., 32nd Floor
Louisville, KY 40202

Frank Benton, IV, Esq.
P.O. Box 72218
Newport, KY 41072

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DISTRICT COURT, DENVER COUNTY, COLORADO 1437 Bannock St. Denver, CO 80202 Phone: (720) 865-8301	DATE FILED: July 31, 2015 10:39 AM FILING ID: 5FC2920D1FEB6 CASE NUMBER: 2015CV32712
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JACKSON KELLY PLLC John S. Zakhem, Esq. #30089 John L. Skari, Jr., Esq. #40209 1099 18th Street, Suite 2150 Denver, CO 80202 Phone: 303-390-0003 Fax: 303-390-0117 jlskari@jacksonkelly.com	Case Number: Division: Courtroom:

JUDGMENT CREDITOR AFFIDAVIT IN SUPPORT OF FOREIGN JUDGMENT

I, Angela M. Ford, Esq., attorney for Plaintiffs / Judgment Creditors, by and through local counsel Jackson Kelly PLLC, file this Affidavit pursuant to §13-53-104, C.R.S. and state the following:

1. **Information about the Plaintiffs:** ☒ Judgment Creditors ☐ Judgment Debtor

   Mildred Abbott, et al.
   c/o Angela M. Ford, PSC
   836 Euclid Ave., Suite 311
   Lexington, KY 40502

   Please see the attached Exhibit A for a list of each Plaintiff / Judgment Creditor and their corresponding address.

   Attorney for Plaintiffs / Judgement Creditors: Angela M. Ford
   Angela M. Ford, PSC
   836 Euclid Avenue, Suite 311
   Lexington, KY 40502

2. **Information about the Defendant:** ☐ Judgment Creditor ☒ Judgment Debtor

   Defendant / Judgment Debtor: Stanley M. Chesley
   9005 Carmargo Road
   Cincinnati, OH 45243

   Attorneys for Defendant / Judgment Debtor:

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Sheryl G. Snyder, Esq.
Griffin Terry Sumner, Esq.
Frost Brown Todd, LLC
400 West Market St., 32nd Floor
Louisville, KY 40202

Frank Benton, IV, Esq.
P.O. Box 72218
Newport, KY 41072

3. Attached to this Affidavit as Exhibit B is an authenticated copy of the judgment in the amount of $42,000,000.00 originally entered in Boone Circuit Court in the Commonwealth of Kentucky on October 22, 2014.

4. A stay of execution on the judgment has not been granted and no bond has been posted.

VERIFICATION AND ACKNOWLEDGMENT

I, Angela M. Ford, Esq. swear/affirm under oath, and under penalty of perjury, that I have read the forgoing *JUDGMENT CREDITOR AFFIDAVIT IN SUPPORT OF FOREIGN JUDGMENT* and that the statements set forth therein are true and correct to the best of my knowledge.

Angela M Ford 7/31/2015
Signature Date

The foregoing instrument was acknowledged before me in the County of Collier, State of Florida, this 31 day of July, 2015, by the Petitioner.

My Commission Expires: 07/08/2018.

Notary Public/Deputy Clerk

KIMBERLY VARGAS
MY COMMISSION #FF125414
EXPIRES July 8, 2018
(407) 398 0153 FloridaNotaryService.com

7/31/15
Signature of Attorney Date

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Last Name	First Name	City	State	Zip
Abbott Estate	Mildred	Cawood	KY	40915
Abney Estate	Danny	Irvine	KY	40336
Abraham	Lisa	Wallins Creek	KY	40873
Adams	Elizabeth	Prestonsburg	KY	41653
Adams	Cathy (f/k/a Kathy)	Versailles	KY	40383
Adams	Phyllis	Lexington	KY	40504
Adams, c/o Gloria Little	Ruby	Cincinnati	OH	45212
Adamson	Ruby	Georgetown	KY	40324
Adkins	Susan	Versailles	KY	40383
Akers	Clantha	Lexington	KY	40509
Alsip	Effie Elizabeth	Corbin	KY	40701
Alton	Juanita	Somerset	KY	42501
Alvey Estate	JoAnn	Louisville	KY	40241
Applegate Estate	Phyllis	Richmond	KY	40475
Armstrong-Kemp	Cindy	Owensboro	KY	42303
Arvin	Susan	Lexington	KY	40505
Atkinson	Clara	Lynch	KY	40855
Back	Linda	Lexington	KY	40504
Bailey	Vickie	Hopkinsville	KY	42240
Bailey	Mary Ann	Cumberland	KY	40823
Bailey	Jamie	Columbia	KY	42728
Baker	Charlotte	Manchester	KY	40962
Baldwin	Carla	Lexington	KY	40515
Barnes	Marilyn	Monticello	KY	42633
Bartley, Jr.	Lee	Somerset	KY	42503
Baumgardner	Teresa	Mayfield	KY	42066
Bays-Plybon	Debra	Argillite	KY	41121
Beggs	Linda	Hendersonville	TN	37075
Belcher	Patricia	Pennington Gap	VA	24277
Belding	Leisa	Lexington	KY	40503
Berry	Eleanor	Ashland	KY	41101

DATE FILED: July 31, 2015 10:39 AM
FILING ID: 5FC2920D1FEB6
CASE NUMBER: 2015CV32712

EXHIBIT A

Berry	Margie	Berea	KY	40403
Bingham	Margaret	Nicholasville	KY	40340
Black Estate	Emma	Morehead	KY	40351
Blair	Sharon	Cumberland	KY	40823
Blair	Janice	Russell Springs	KY	42642
Boggs	Carol	Ironton	KY	45638
Boone	Lori	Lexington	KY	40515
Botkins	Joie	Manchester	KY	40962
Bowling	Kathy	Busy	KY	41723
Bowman	Angie Lynn	Williamstown	KY	41097
Braden	Virginia	Burnside	KY	42519
Brame	LaDonna	Wingo	KY	42088
Branham	James	Lexington	KY	40515
Branham	Kathy	Lexington	KY	40515
Branham	Ruby	Georgetown	KY	40324
Brewer	Norma	Lancaster	KY	40444
Brock Estate	Alma	London	KY	40741
Brock-Powell-Renner Estate	Glenna	Dayton	OH	45404
Brown	Joyce	Lexington	KY	40509
Brown	Barbara	Morehead	KY	40351
Brown	Sharon	Olive Hill	KY	41164
Browning Estate	Edith	Corbin	KY	40701
Brumfield Estate	Wathalee	Richmond	KY	40475
Brumley	Linda	West Union	OH	45693
Brumley-Bradford	Billie	Elsmere	KY	41018
Brummett	Kimberly	London	KY	40744
Bruner	Teresa	Lexington	KY	40511
Bryant	Patricia	Williamsburg	KY	40769
Bullock-Pennington	Leslie	Somerset	KY	42501
Burgess Estate	Warren	Georgetown	KY	40324
Burton	Janice	Somerset	KY	42503
Bush	Tina	Ary	KY	41712
Butler	Sherrie	Tompkinsville	KY	42167
Campbell	Donna	Lexington	KY	40576-1533

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Canada	Loretta	Somerset	KY	42503
Cantrell	Buel	West Liberty	KY	41472
Carman-Staton	Debbie	Hustonville	KY	40437
Carter	Tonya	Lexington	KY	40508
Carter	Wallace	Lawrenceburg	KY	40342
Cason-Custard	Charlotte	Cynthiana	KY	41031
Caudill-Trusty	Lisa	Walton	KY	41094
Centers	Connie	Lawrenceburg	KY	40342
Childress	Tony	Lexington	KY	40502
Clark	Gloria	Lynch	KY	40855
Clark	William	Versailles	KY	40383
Click	Rosemary	Flatwoods	KY	41139
Clift	Pamela S.	Lexington	KY	40514
Coker	Allen	Somerset	KY	42503
Coleman	Shirley	Lexington	KY	40505
Coleman	Tara	Kernersville	NC	27824
Collier	Debra	Whitesburg	KY	41858
Collier	Margaret	Chelmsford	MA	1824
Colvin	Linda	Campbellsville	KY	42718-9265
Combs	Phyllis	Lexington	KY	40511
Cook	Ronnie	Bledsoe	KY	40810
Cornn	Mark	Frankfort	KY	40602-0642
Cotton-Gilley	Sandra	Crawfordsville	IN	47933
Couch	Nadine	Manchester	KY	40962
Cowley	Joseph	Lexington	KY	40509
Cox	Jo Ann	Lawrenceburg	KY	40342
Crain	Barbara	Bardstown	KY	40004
Creech	Doris	Corbin	KY	40701
Criswell	Deloris	Monticello	KY	42633
Crowe	Pamela	Lawrenceburg	KY	40342
Curtis	Tracy	Lexington	KY	40503
Dabney (now Christopherson)	Doris W.	Somerset	KY	42501
Daughtery	Mary	Danville	KY	40422
Davidson-Gibson	Ginger	Sun City Center,	FL	33573

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Davis	Elizabeth	Pikeville	KY	41501
Davis	Sandra	Whitley City	KY	42653
Dawson	Mae Biddle	Cynthiana	KY	41031
Dean	Karen	Harrodsburg	KY	40330
Delaney	Jan	Nicholasville	KY	40356
DeSpain-Kliessendorff	Regina	Bardstown	KY	40004
Dile	Judy	Campbellsville	KY	42718
Doser	Al	Olney	IL	62450
Dotson	Belva	Feds Creek	KY	41524
Duff	Teresa	Indianapolis	IN	46202
Dunaway	Linda	Cumberland	KY	40823
Edwards-Engle	Tami	Lexington	KY	40514
Edwards-Wood	Amanda	Lebanon	KY	40033
Elliot	Martha	Maysville	KY	41056
Erp	Saundra	Waynesburg	KY	40489
Estepp	Charlotte	Corinth	KY	41010
Estes	Sarah	Eubank	KY	42576
Ezell	Susan	Carlisle	KY	40311
Faye-Beamon	Melissa	Brooksville	KY	41004
Fentress	Janet	Somerset	KY	42503-5664
Fitch Estate c/o Penny L. Hines, Esq.	Sheila	Somerset	KY	42501
Flannery	Vickie D.	Ashland	KY	41101
Flynn	Bernita	Cypress	TX	77433
Foster-Gifford-McCutchen	Tara	Monticello	KY	42633
Franklin	Rhoda	Versailles	KY	40383-1508
Franklin Ro	Timothy	Big Stone Gap	VA	24219
Frizzell	Freda	Salt Lick	KY	40371
Fugate	Beulah	Carrie	KY	41725
Fulks Estate	Clara	Eddyville	KY	42038
Gaunce	Patricia	Versailles	KY	40383
Gay	Barbara	Lancaster	KY	40444
Gayheart	Ken	Richmond	KY	40475
Gibson	Joni	Somerset	KY	42503
Gibson Estate	Jessie	Somerset	KY	42501

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Gilbert	Gladys	Olive Hill	KY	41164
Gist	Stephanie	Lexington	KY	40516
Godbey	Ruby	Miamisburg	OH	45342
Godby	Rosemary	Nazareth	KY	40048
Goff-Wells	Joyce	Somerset	KY	42501
Goode-Miranda Estate c/o Stphen F. Baker, Esq.	Debra	Winterhaven	FL	33880
Gordon	Joyce	Danville	KY	40422
Grant	Tammie	Ashland	KY	41102-9463
Gray	Amy	Nicholasville	KY	40356
Green	Sherry	Lancaster	KY	40444
Green	Donna	Lexington	KY	40508
Hall	Norma	Lexington	KY	40505
Hall	Allie	Quincy	KY	41166
Hall	Geraldine	Port Charlotte	FL	33954
Hampton	Barbara	Pineville	KY	40977
Hancock	Rhonda	Goodlettsville	TN	37072-3346
Handley	Leona Gail	Nicholasville	KY	40356
Hanley	Joyce	Lexington	KY	40504
Harris	Rebecca	Georgetown	KY	40324
Harrison	Debra	Irvine	KY	40336
Hassler-Miller	Joy	Corbin	KY	40701
Hayden	Yolanda	Lexington	KY	40511
Heizer	Barbara	Lexington	KY	40509
Hellmueller	Barbara	Lexington	KY	40503
Helton	Wanda	Partridge	KY	40862
Hendrickson	Gary	Indianapolis	IN	46250
Henry	Vickie	Owensboro	KY	42301
Highley	Marcus	Mt. Sterling	KY	40353
Hill	Charlene	Nicholsville	KY	40356
Hillard	Karen	Georgetown	KY	40324
Hilton	Janice	Lexington	KY	40509
Hinkle	Linda	Baldwin	LA	70514
Hocker	Jacqueline	Nicholasville	KY	40356
Hood	Myra	Lexington	KY	40505

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Hood	Vicky	Somerset	KY	42503
Hoover	Lora	Ft. Wright	KY	41011
Hopkins	Evelyn	Lexington	KY	40505
Horn	Charlene	Winchester	KY	40391
Horning	Mary	Lexington	KY	40515
Hoskins	Linda	Stanton	KY	40380-8920
Hoskins	Cloyd	London	KY	40741
Howard	Marilyn	Lexington	KY	40514
Howard	Louisa Moss	Fairfield	OH	45240
Howser-Nakagawa	Donna	Lawrenceburg	KY	40342
Hughes	Charlotte	Garrett	KY	41630
Hughes-Harness	Marcia	Science Hill	KY	42553
Hulse Estate	Marjorie	Lexington	KY	40517
Humphreys	Sheila	New Haven	WV	25265
Hunt (n/k/a Mesaris)	Margaret	Dawson Springs	KY	42408-9612
Hunter	Wanda	Corinth	KY	41010
Hutchcraft	Brenda	Macedonia	IL	62860
Hutcherson	Lorene	Somerset	KY	42501
Hutchison	Katherine	Cynthiana	KY	41031
Ison	Emma	Corbin	KY	40701
Jackson	Della	London	KY	40741
Jackson	Mary Ann	Lexington	KY	40391
Jackson	Katina	Lexington	KY	40511
Jackson Estate	Evelyn	Manchester	KY	40962
James	Linda	Satsuma	FL	32189
Jeffrey	Debbie	Paducah	KY	42003
Johnson-Coleman	Garnet	Pikeville	KY	41502
Johnstone	Ernestine	Harrodsburg	KY	40330
Jones	Kathy	London	KY	40743
Jones	Beulah	Corbin	KY	40701
Jones	Judy	Corbin	KY	40701
Jones	Linda	Stanford	KY	40484
Jones	Troy	Lexington	KY	40509
Jones	Gerry	Nancy	KY	42544

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Jordan	Betty	Lexington	KY	40511
Kelly Estsate	Betty	Cedarville	OH	45314
Keltner-Nuxoll	April	Jonesville	VA	24263
Kennedy-Stutz	Patricia	Orange Beach	AL	36561
King	Gerald	Richmond	KY	40475
King	Katherine	Berea	KY	40403
Kitts	Patti	Jamestown	KY	42629
Kluck	Betty	Ewing	VA	24248
Krey	Lucille	Las Vegas	NV	89135
Larkins	Linda	White Plains	KY	42464
Lewis	Emily	Flatwoods	KY	41139
Lewis Estate	Milton	Manchester	KY	40962
Lewis-Mullinix	Angela	Flatwoods	KY	41139
Littleton	Sandra Dee	Mount Sterling	KY	40353
Long	Sherry	Coldiron	KY	40819
Long Estate	Linda	Somerset	KY	42501
Lovan-Day	Kathy	White Plains	KY	42464
Lovell Estate	Rebecca	Dayton	OH	45459
Lush	Charlotte	Louisville	KY	40291
Malone-McGowan	Linda	Cynthiana	KY	41031
Mann	Paula	Jamestown	KY	42629
Marlowe	Pamela	Fredonia	KY	42411
Marro	Malanei	Independence	KY	41051.8106
Martin	Mary	Harrodsburg	KY	40330
Martin	Bobbie	Lexington	KY	40517
Martin	Linda	Fort Myers	FL	33913
Mason	Connie	Tollesboro	KY	41189
McClanahan	Joni	Georgetown	KY	40324
McDaniel	Lavonna	Stanton	KY	40380
McGirr	Connie	Lancaster	KY	40444
McGuire	Roberta	Mount Vernon	KY	40456
McGuire-Robinson	Tammy	Mount Vernon	KY	40456
McMurtry	Jacqueline	Louisville	KY	40291
Meece	Sheila Lynn	Somerset	KY	42501

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Metzger	Wanda	Nicholasville	KY	40356
Miller	Linda L.	Salyersville	KY	41465
Miller	Delores	Richmond	KY	40475
Miller	Marie	Perryville	KY	40468
Miller Estate	Michael	Lexington	KY	40517
Miller	Nellie	Paducah	KY	42003
Miller	Linda F.	Maysville	KY	41056
Minton	Leslie	Sheperdsville	KY	40165
Miracle Estate, c/o Shane Romines, Esq. - Copeland &	Kathy	Corbin	KY	40702
Mitchell	Beverly	Somerset	KY	42501
Montgomery	Eudora	Midway	KY	40347
Moore	Rhonda	Elkhorn City	KY	41522
Moore	Margaret	Winchester	KY	40391
Morris	April	Ewing	KY	41039
Muddimann-Cornish	Donna	Versailles	KY	40383
Napier	Mary	Evarts	KY	40828
Neace	Wanda Faye	Bonnyman	KY	41719
Neal	Elizabeth	Harrodsburg	KY	40330
Nevels	Linda	Monticello	KY	42633
Newlin-Riddle	Diana	Knoxville	TN	37932
Noe	Wilma	Lily	KY	40740
Nolan-Dinsmore	Kathy	Lily	KY	40740
Pace	Glenora	Mt. Eden	KY	40046
Parks	Louverna	Jackson	KY	41339-0286
Parrish	Myrtle	Lithia Springs	GA	31022
Peck	Judith	Cincinnati	OH	45202
Peek	Lisa	Kings Mountain	KY	40442
Pennington	Recie	Smilax	KY	41764
Perkins	Jeff	Somerset	KY	42501
Perkins	Helen	Woodbine	KY	40771
(Perkins) Spencer	JoeAnn	Nicholasville	KY	40356
Perkins	Stacy	Lexington	KY	40503
Phelps	Doris	Kings Mountain	KY	40442
Pickett	Sonja	Versailles	KY	40383

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Pickett Estate c/o Angela VanVlyman, Execx.	Norma	Columbia	KY	42728
Powell	Brian	Paris	KY	40361
P'Pool-Holland	Mary	Hopkinsville	KY	42240
Preston	Trena	Hazard	KY	41702
Price	Suzanne	Hazard	KY	41702
Profitt-Norman	Rita	Georgetown	KY	40324
Pursel	Lynne	Louisville	KY	40217
Rainwater	Sharon	Nancy	KY	42544
Reese	Billie	Louisville	KY	40216
Rentas Estate	Anthony	Crab Orchard	KY	40419
Rhodes Estate	Arlie	Manchester	KY	40962
Rhodes	Evelyn	Louisville	KY	40242
Riley Estate	Raymond	Williamstown	KY	41097
Rivera	Levetta	Lexington	KY	40517
Roaden	Odena	Somerset	KY	42503
Roberts	Billie June	Stanford	KY	40484
Roberts	Patricia	Owingsville	KY	40360-2204
Roberts	Renee	Stamping Ground	KY	40379
Robinson	Fetina	Winchester	KY	40391-8600
Robinson	Patricia N.	Princeton	KY	42445
Rogers	Carol	Cynthiana	KY	41031
Rose	Vina	Mt. Sterling	KY	40353
Rose	Cathy	Woodruff	SC	29388
Roseberry Estate	Larry	Columbus	IN	47201
Sams	Mary	Georgetown	KY	40324
Sands	Kathy	Georgetown	KY	40324
Sapp	Thomas	Maysville	KY	41056
Scharold	Justus	Ryland Height	KY	41015-9582
Seals	Maxine	Chicago	IL	60651
Seals-Gibson	Crystal	Wallins Creek	KY	40873
Sexton Estate	Lisa	Clay City	KY	40312
Sexton-Napier	Monica	Lawrenceburg	KY	40342
Sharon	Margaret	Midway	KY	40347
Sharpe-Roberts	Michelle	Eubank	KY	42567

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Short-Roberts	Janet	Nichosville	KY	40356
Short Estate	Laureda	Winchester	KY	40391
Sidwell (now Dishman)	Loretta	Rocky Top	TN	37769
Sizemore Estate	Ada	Hyden	KY	41749
Slatten-Jones	April	Versailles	KY	40383
Slone	Carole	Palm Bay	FL	32909
Smith	Elaine	West Liberty	KY	41472
Smith	Barbara	Corbin	KY	40701
Smith	Freda	Versailles	KY	40383
Smith Estate	Sharon	South Williamson	KY	41503
Snowden-Talbert	Darcy	Lexington	KY	40517
Spears	Peggy	Somerset	KY	42501
Stapleton	Cora	Hellier	KY	41534-0081
Stauffer Estate	Paul	Richmond	KY	40475
Stearns	Corina	Russell Springs	KY	42642-1575
Stephens	Nancy	Fairland	OK	74343
Stephens Estate	Connie	Berea	KY	40403
Stevenson Estate	Sharon	Nancy	KY	42544
Stewart	Marlene	Rush	KY	41168
Stidham Estate	Loretta	Olive Hill	KY	41164
Stone	Betty	Nicholasville	KY	40356
Stout	Lesta Irene	Rutledge	TN	37861
Stromowsky	Donna	Louisville	KY	40218
Sturgill	Connie	Harlan	KY	40831-9706
Sudduth Estate	Marjorie	Frankfort	KY	40601
Swiger	Lisa	Salyersville	KY	41465
Tackett Estate	Ella	Hazard	KY	41701
Tafolla Estate	Priscilla	Allen	KY	41601
Tapley	Charles	Mt. Sterling	KY	40353-8313
Taylor	Ella	Georgetown	KY	40324
Taylor	Linda	Danville	KY	40422
Taylor	Mary	Lexington	KY	40505
Thomas	Jeanne	Fayetteville	AR	72701
Thompson	Nancy	Berea	KY	40403-8706

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Thompson-McClain	Karen	Centralia	IL	62801
Thurman	James G.	Frankfort	KY	40601
Toler Estate	Roy	Pound	VA	24279
Toler Estate	Linda	Wise	VA	24293
Trent	Elizabeth	London	KY	40741
Trimble	Jennifer	Versailles	KY	40383
Tucker	Joetta	Central City	KY	42330
Turner	Deborah	Lawrenceburg	KY	40342
Turner	Patricia	Lexington	KY	40504
Turner	Drucilla	Lexington	KY	40516
Turner	Valorie	Lexington	KY	40505
Vance-Self	Linda	Hustonville	KY	40437
Vannarsdall-Collins	Linda	Georgetown	KY	40324
Vogt-Schneider	Debbie	Ocean Springs	MS	39564
Walker	Bobbie	Hazard	KY	41701
Walker Estate	Lane	Manchester	KY	40962
Wallen	Loraine	Mousie	KY	41839
Walters	Cindy	Mt. Sterling	KY	40353
Ward Estate	Martin	Lexington	KY	40517
Washburn	Elizabeth	Middlesboro	KY	40965
Watkins	Wanda	Garrett	KY	41630
Watson	Cheryl	Alpharetta	GA	30004
Whitaker	Judy	Science Hill	KY	42553
White	Kim	Jeffersonville	KY	40337
White	Patricia	Harlan	KY	40835
White-Lynch	Mary	Springfield	OH	45502
Whitlock	Catherine	Georgetown	KY	40324
Whitt	Joyce	West Liberty	KY	41472
Widner	Betty Jean	Evarts	KY	40828
Williams Estate	Gloria	Lexington	KY	40515
Willinger	Bethany	Lexington	KY	40503
Wilson	Geneva	Nortonville	KY	42442
Winer	Melody	Lexington	KY	40502
Wolfe	Connie	Hanover	IN	47243

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Wombles	Bill	Manchester	KY	40962
Woods	Artie	Monticello	KY	42633
Wooten	Fern	London	KY	40744
Wright	Edwina	Somerset	KY	42503
Wright	Roger Dale	Ashland	KY	41101
Wright	Sandra	Virgie	KY	41572
Wright-Mitsui	Debora	Burlington	KY	41005
Wright	Tammy	Thealka	KY	41240
Yates	Shelia	Calvert City	KY	42029
Young-Coffield	Karen	Nicholasville	KY	40356
Zeman-Balentine	Sandra	Pell City	AL	35125

Totals

Yes

No

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DATE FILED: July 31, 2015 10:39 AM
FILING ID: 5FC2920D1FEB6
CASE NUMBER: 2015CV32712

COMMONWEALTH OF KENTUCKY

COUNTY OF BOONE

* * *

CERTIFICATION

ACT OF

CONGRESS

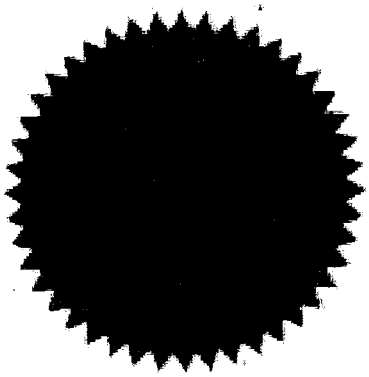

EXHIBIT B

AOC-065 Rev. 12-04 Page 1 of 1 Commonwealth of Kentucky Court of Justice *www.kycourts.net* 28 U.S.C. Sec.1738; FRCP Rule 44	**CERTIFICATION ACT OF CONGRESS**	(FOR OUT OF STATE USE) County BOONE

UNITED STATES OF AMERICA

STATE OF KENTUCKY,
SS.
BOONE County

I, DIANNE MURRAY, Clerk of CIRCUIT Court, in and for the State and County aforesaid, do hereby certify that the foregoing is a full, true and correct copy of CASE# 05-CI-436 SECOND AMENDED JUDGMENT ENTERED 10-22-2014

in the above-styled case, as appears of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Court aforesaid, at the city of BURLINGTON, this 15th day of JUNE, 2015.

Clerk

STATE OF KENTUCKY,
SS.
BOONE County

I, JAMES R. SCHRAND, Judge of the CIRCUIT Court in the state and county aforesaid, do certify that DIANNE MURRAY, who has signed the foregoing certificate, is, and was at the time of same, Clerk of said Court, duly elected and qualified; that all his/her official acts as such are entitled to full faith and credit, and that his/her foregoing attestation is in due form of law.

GIVEN UNDER MY HAND, at the City of BURLINGTON,
this 15th day of JUNE, 2015.

Judge

STATE OF KENTUCKY,
SS.
BOONE County

I, DIANNE MURRAY, Clerk of the CIRCUIT Court in the State and county aforesaid, do certify that JAMES R. SHCRAND who signed the foregoing certificate, is and was at the time of signing same, Judge of said Court, duly elected and qualified; that all of his/her official acts as such are entitled to full faith and credit, and that his/her foregoing attestation is in due form of law.

GIVEN UNDER MY HAND, at the City of BURLINGTON,
this 15th day of JUNE, 2015.

Clerk

47

ENTERED
BOONE CIRCUIT/DISTRICT COURT
OCT 22 2014
DIANNE MURRAY, CLERK
BY: D.C.

COMMONWEALTH OF KENTUCKY
BOONE CIRCUIT COURT
DIVISION III
CASE NO. 05-CI-00436

MILDRED ABBOTT, et al. **PLAINTIFFS**

V.

STANLEY M. CHESLEY, et al. **DEFENDANTS**

SECOND AMENDED JUDGMENT

This Court conducted a hearing in this matter on July 15, 2014 on Plaintiffs' Motion for Partial Summary Judgment as to Defendant Stanley M. Chesley ("Chesley"). The Plaintiffs were represented by Hon. Angela Ford. The Defendants were represented by Hon. Sheryl G. Snyder and Hon. Frank V. Benton, IV. The Court having reviewed Plaintiffs' Motion, Chesley's Response, Plaintiffs' Reply, having heard argument from counsel, and being in all ways sufficiently advised, finds as follows:

This Court, by the March 8, 2006 Order of Senior Status Judge William Wehr, previously granted summary judgment against Defendants William J. Gallion, Shirley Allen Cunningham, Jr. and Melbourne Mills, Jr. on Plaintiffs' breach of fiduciary duty claims in their representation of Plaintiffs in the *Darla Guard, et al. v. A.H. Robbins Company, et al.* lawsuit which involved injuries Plaintiffs suffered as a result of ingesting the "fen-phen" diet drug. The Court awarded damages in the amount of $42 million (by Order of August 1, 2007) and ruled the Defendants were jointly and severally liable to the Plaintiffs. The Supreme Court of Kentucky affirmed the partial summary judgment against Gallion, Cunningham and Mills, including that each was jointly and severally liable for the amounts owed. Plaintiffs now ask this Court to order summary judgment on their breach of fiduciary claims against Chesley, that Chesley be jointly and

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severally liable with Gallion, Cunningham and Mills for the amounts owed to Plaintiffs, and that Chesley disgorge all fees he collected in the *Guard* matter.

The Kentucky Bar Association instituted disciplinary proceedings relating to Chesley's actions in the *Guard* matter in *Kentucky Bar Association v. Chesley,* KBA File 13785. The Trial Commissioner conducted a hearing and found that Chesley had violated eight (8) different ethics rules. The Trial Commissioner recommended that Chesley be permanently disbarred from the practice of law in Kentucky, and that he pay $7,555,000.00 in restitution to the *Guard* case clients. The Board of Governors of Kentucky adopted the Trial Commissioner's Report. The Supreme Court of Kentucky found Chesley guilty of violations of eight provisions of SCR 3.130 and followed the Board's recommendation that Chesley be permanently disbarred. The Supreme Court did not order that Chesley pay restitution. *Kentucky Bar Ass'n v. Chesley,* 393 S.W.3d 584 (Ky. 2013).

Plaintiffs argue that summary judgment is appropriate as to their breach of fiduciary duty claims through the doctrine of issue preclusion or collateral estoppel. Issue preclusion would bind Chesley to the factual and legal determinations made in the disciplinary proceedings before the Trial Commissioner, the Board of Governors, and the Supreme Court of Kentucky regarding the settlement of the *Guard* matter that resulted in his disbarment. Chesley disagrees.

The Trial Commissioner found, and the Supreme Court ratified, that Chesley violated the following specific provisions of SCR 3.130:

SCR 3.130-1.5(a) by accepting over $20 million in attorney's fees, which exceeded the amount established by client contracts and contracts with co-counsel, and which were otherwise unreasonable.

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SCR 3.130-1.5(c) by failing to provide clients with a written statement of the outcome of the matter, as well as the remittance to the client and the method of its determination. The contractual contingency fee contracts for the clients were either for 30% or 33 1/3% plus expenses of up to 3%. A 49% contingency fee was actually charged to the clients. Chesley's contractual agreement with class counsel was for 21% of fees upon successful settlement of the case, which should have been $12,941,638.46 and not the $20 million plus he received. He was paid $7,555,000 in excess of his proper fee.

SCR 3.130-1.5(e)(2) by dividing fees without consent of clients.

SCR 3.130-5.1(c)(1) by knowingly ratifying specific misconduct of other lawyers.

SCR 3.130-1.8(g) by representing two or more clients in making an aggregate settlement of the claims without consent of the clients or disclosure to them of the existence and nature of all claims. Chesley was class counsel pursuant to his agreement with Gallion, Cunningham and Mills and therefore had the same duties as them with regarding the requirements of SCR 3.130-1.8(g).

SCR 3.130-3.3(a) by making a false statement of material fact to the tribunal.

SCR 3.130-8.1(a) by making a false statement of material fact in connection with a disciplinary matter.

SCR 3.130-8.3(c) (now SCR 3.130-8.4(c)) by engaging in conduct involving dishonesty, fraud, deceit or misrepresentation.

Issue preclusion, also known as collateral estoppel, "allows the use of an earlier judgment by one not a party to the original action to preclude relitigation of matters litigated in the earlier action." *Miller v. Admin. Office of Courts*, 361 S.W.3d 867 (Ky. 2011). A non-party in the former action may assert res judicata, a close cousin to issue preclusion, against a party to the former

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action as long as the party against whom res judicata is pleaded had a realistically full and fair opportunity to present his case. *Id.* (quoting *Moore v. Commonwealth,* 94 S.W.2d 317 (Ky. 1997). Additionally, the Supreme Court has addressed whether administrative agencies acting in a judicial capacity are entitled to the same res judicata effect as judgments of a court, finding that they do. *Ky. Bar Ass'n v. Harris,* 269 S.W.3d 414 (Ky. 2008).

Chesley's hearing before the Trial Commissioner was held November 5-6 and 12-13, 2009 before Judge Rod Messer and continued to September 13-15 and 20-24, 2010 before Judge William L. Graham. Chesley was represented at various times by Kent Westberry, Esq., James Gary, Esq., Frank Benton, IV, Esq., Scott Cox, Esq., Mark Miller, Esq., Sheryl Snyder, Esq. and Hon. Susan Dlott. Prior to the hearing, the testimony of five out of state witnesses was provided by video depositions, including 44 exhibits. During the several days the hearing was held, a total of 43 witnesses gave testimony either in person or by deposition, with the Trial Commissioner considering 124 exhibits. Additionally, the Trial Commissioner allowed time for the parties to submit briefs at the conclusion of the Hearing. The Court finds Chesley had a realistically full and fair opportunity to present his case before the Trial Commissioner.

Certain elements must be met for issue preclusion to operate as a bar to further litigation: "(1) at least one party to be bound in the second case must have been a party in the first case; (2) the issue in the second case must be the same issue as the first case; (3) the issue must have been actually litigated; (4) the issue was actually decided in that action; and (5) the decision on the issue in the prior action must have been necessary to the court's judgment and adverse to the party to be bound." *Id.* quoting *Yeoman v. Commonwealth Health Policy Bd.* 983 S.W.2d 459 (Ky. 1998).

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The Court finds these elements have been met with regard to Plaintiffs' Motion in this matter and the findings in *KBA v. Chesley*. Chesley was a party bound by the KBA matter. The facts and circumstances at issue in the instant Motion were those at issue in the KBA matter. The facts and circumstances were litigated in the KBA matter before the Trial Commissioner at a hearing held November 5-6 and 12-13, 2009 and September 13-15 and 20-24, 2010, and reviewed by the Board of Governors and the Supreme Court of Kentucky. The Trial Commissioner made factual findings and legal conclusions, which were adverse to Chesley, and which were affirmed by the Board of Governors and the Supreme Court of Kentucky, said facts being those at issue in the instant Motion. The factual findings and legal conclusions by the Trial Commissioner, the Board of Governors and the Supreme Court of Kentucky were necessary for the outcome of the KBA matter.

This Court finds Chesley is bound by the factual findings and legal conclusions in the KBA matter. The Supreme Court found that by entering into an agreement with Gallion, Cunningham and Mills, Chesley signed on as co-counsel and was one of the attorneys representing the Plaintiffs in the *Guard* matter. He, therefore, assumed the same ethical responsibilities as Gallion, Cunningham and Mills, and the same responsibilities he would have with any other client. *Kentucky Bar Ass'n v. Chesley*. Chesley had the duty to know his fee responsibilities to his clients, specifically that he was to receive no more than 21% of one-third of the $200,450,000.00 settlement, $14,031,500.00. *Id.* Chesley received $20,497,121.81. *Id.* The Supreme Court found that Chesley knowingly participated in a scheme to skim millions of dollars in excess attorney's fees from unknowing clients, and that he received and retained fees that he knew were improperly taken. *Id.* The Supreme Court further found that he purposefully attempted to avoid conversation and correspondence that would expose his knowledge of the

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nefarious schemes of his co-counsel. *Id.* This Court finds that no genuine issues of material fact exist, and summary judgment is appropriate on Plaintiffs' Breach of Fiduciary claims. Chesley entered into an attorney-client relationship with the Plaintiffs in *Guard.* He breached his duty by accepting excess fees in the amount of $6,465,621.81. Chesley's conduct caused Plaintiffs to receive only a portion of the settlement monies they were entitled to.

Plaintiffs also asks the Court to order that Chesley is jointly and severally liable with Gallion, Cunnigham and Mills for the monies owed to Plaintiffs. The Supreme Court of Kentucky affirmed Judge Wehr's finding in this matter that Gallion, Cunningham and Mills were jointly and severally liable to Plaintiffs. The Supreme Court found that Gallion, Cunningham and Mills breached attorney-client contracts and therefore joint and several liability is not precluded by KRS 411.182. The Supreme also found that by the manner in which Gallion, Cunnungham and Mills combined their efforts in the Fen-Phen litigation, they engaged in a joint enterprise, or joint adventure, an informal partnership existing for a limited purpose and duration, for which joint and several liability is properly assessed under KRS 362.220. *Abbott v. Chesley,* 413 S.W.3d 589 (Ky. 2013).

The Supreme Court enumerated the essential elements of a joint enterprise: (1) an agreement, express or implied, among the members of the group; (2) a common purpose to be carried out by the group; (3) a community of pecuniary interest in that purpose among the members; and (4) an equal right to a voice in the direction of the enterprise. *Id.* citing *Huff v. Rosenberg,* Ky., 496 S.W.2d 352 (1973). The Supreme Court adopted the findings of the Trial Commissioner in *KBA v. Chesley,* and this Court found above that issue preclusion bars the further litigation of Plaintiffs' breach of fiduciary duty claims against Chesley.

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This Court now finds that no genuine issues of material fact exists, and as a matter of law Chesley is jointly and severally liable with Gallion, Cunningham and Mills for the $42 million in damages awarded the Plaintiffs against Gallion, Cunningham and Mills by this Court's Order of August 7, 2007. Chesley signed on as co-counsel representing the Plaintiffs in the *Guard* matter when he entered into his fee-division contract with Gallion, Cunningham and Mills. Chesley shared the common purpose to be carried with Gallion, Cunningham and Mills. They agreed on how they would share the work and how they would share the profits. Chesley maintained a voice in the managerial control of the enterprise. The Court therefore finds that pursuant to KRS 362.220, Chesley is jointly and severally with Gallion, Cunningham and Mills for the damages the Plaintiffs suffered.

THEREFORE, IT IS HEREBY ORDERED AND ADJUDGED that Plaintiffs' Motion for Partial Summary Judgment is **GRANTED** as to Plaintiffs' Breach of Fiduciary claims against Stanley M. Chesley.

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that Stanley M. Chesley is jointly and severally liable with Defendants William J. Gallion, Shirley Allen Cunningham, Jr. and Melbourne Mills, Jr. for the existing judgment amount of $42 million owed to Plaintiffs, along with pre-judgment simple interest at a rate of 8% per annum from April 1, 2002, and post-judgment interest compounded annually at the rate of 12% per annum thereon from the date of this Judgment.

IT IS HEREBY ORDERED AND ADJUDGED that Plaintiffs' Motion for Partial Summary Judgment as to disgorgement is **DENIED.**

This Order is Final and Appealable. There is no just cause for delay.

DATED this 20th day of October, 2014.

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JAMES R. SCHRAND, JUDGE
BOONE CIRCUIT COURT

COPIES TO:

ALL ATTORNEYS OF RECORD

CERTIFICATE

I, DIANNE MURRAY, clerk of the Boone District/Circuit Court, thereby certify that I have mailed a copy of the foregoing order and notice to all parties hereto at their last known addresses or their counsel of record

This 22 day of October, 2014

DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT

KNelson D.C.

STATE OF KENTUCKY
COUNTY OF BOONE

I, DIANNE MURRAY, Clerk of the Circuit/District Courts, do hereby certify that the foregoing is a true and correct copy of the original as recorded in my office.

This 29 day of May 2015

8 DIANNE MURRAY

By: Jan Nelly D.C.

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

STANLEY M. CHESLEY	:	Case No. A1500067
	:	
Petitioner,	:	Judge Ruehlman
	:	
v.	:	**ORDER GRANTING MOTION FOR LEAVE TO FILE STATEMENT OF SUPPLEMENTAL FACTS IN SUPPORT OF PETITION**
ANGELA M. FORD, ESQ., et al.	:	
Respondents.	:	

This cause was heard upon Petitioner Stanley M. Chesley's ("Chesley") Motion for Leave to File Statement of Supplemental Facts in Support of Petition for Permanent Injunction (the "Motion"), the Memorandum in Support thereof, any memoranda or other filings in opposition to the Motion, the pleadings and other filings to date in this matter, and the record before this Court. The Court hereby finds that said Motion is well taken and it should be and is **GRANTED**.

Accordingly, it is hereby **ORDERED, ADJUDGED AND DECREED** that Chesley is granted leave to file its supplemental facts in support of the petition, and that the proposed Verified Statement of Supplemental Facts attached hereto as Exhibit A is deemed filed as of the date of this Order.

Petitioner's counsel shall arrange for proper service in accordance with the Ohio Rules of Civil Procedure.

IT IS SO ORDERED.

_____
Judge Ruehlman

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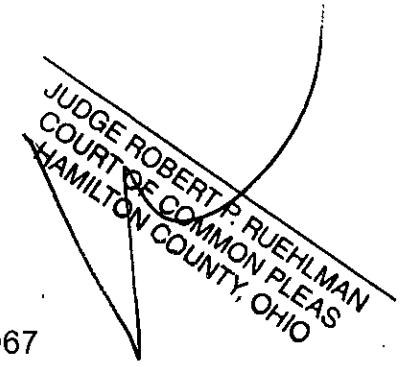
COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO



Mr. Stanley M. Chesley	:	Case No. A1500067
Petitioner,	:	Judge Ruehlman
v.	:	**ORDER GRANTING MOTION OF INTERVENOR WAITE SCHNEIDER BAYLESS & CHESLEY CO., L.P.A. FOR DECLARATORY AND INJUNCTIVE RELIEF**
Angela M. Ford, Esq., *et al.*	:	
Respondents.	:	

ENTERED
AUG 2 6 2015

This matter came before the Court on the Motion of Intervenor Waite Schneider Bayless & Chesley Co., L.P.A. ("WSBC") for Declaratory and Injunctive Relief (the "Motion"). The Court being fully advised and having fully reviewed the Motion, the Objection field by Defendant Angela M. Ford ("Ford") to the Motion, the Reply filed by WSBC, and the record in this case, now therefore:

THE COURT FINDS THAT:

A. The Court has subject matter jurisdiction over this matter and personal jurisdiction over Defendant Ford and the other named Defendants.

B. Terms not otherwise defined herein shall have the meaning ascribed to them in the Motion or as otherwise indicated.

C. The Court entered a restraining order on January 6, 2015 (the "January 6 Order"). The January 6 Order was the first judicial decision addressing the subject matter of that Order.

880698.4

EXHIBIT
15
exhibitsticker.com

D. The Court subsequently issued a valid and still enforceable restraining order on January 14, 2015 Order (the "Restraining Order") which prohibited certain actions of Ford including but not limited to the below:

> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents *are enjoined from taking any action to collect the Chesley* Judgment in the State of Ohio, from any *Ohio resident, Ohio citizen or Ohio domiciled entity*; Restraining Order, paragraph 3. (emphasis added).
>
> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents are *enjoined from issuing any subpoena seeking documents or testimony* to any *Ohio resident, Ohio citizen* or *Ohio domiciled entity* (other than Chesley) if the purpose of the requested documents or testimony would be to obtain information related to any effort to enforce the Chesley Judgment; Restraining Order, paragraph 4. (emphasis added).

D. At some point in time, Ford actually became aware of the Restraining Order.

E. Ford has failed to domesticate the Chesley Judgment (as defined in the Restraining Order) in Ohio.

G. Ford was litigating the substantive issues in the Restraining Order in this Court well before she asked the Kentucky Court to enter the orders on the Transfer Motion, the CSH Compel Motion and the Chesley Compel Motion.

H. Ford filed the Transfer Motion, the CSH Compel Motion and the Chesley Compel Motion in direct violation of the Restraining Order.

I. As between this Court and the Kentucky Court, this Court, whose power was first invoked by the institution of proper proceedings acquired jurisdiction, to the exclusion of all other tribunals, has exclusive authority to adjudicate upon the whole

issue and to settle the rights of the parties with respect to the matters set forth in the Complaint, Restraining Order and the Motion.

J. As a result of this Court having exclusive jurisdiction over the matters set for in the Complaint, Motion and Restraining Order, the orders of the Kentucky Court in relation to the Transfer Motion and the Chesley Compel Motion, including but not limited to the Transfer Order (the "Kentucky Orders")[1], are unenforceable as to any Ohio resident, Ohio citizen or Ohio domiciled entity that Ford seeks directly or indirectly, to aid in the collection of the Chesley Judgment and/ or subpoena seeking documents or testimony that would aid in the collection of the Chesley Judgment.

K. WSBC is a domiciled Ohio entity. WSBC is not a party to the Kentucky Case and the Defendants in this case do not have a judgment against WSBC.

L. Rehme is an Ohio citizen and/or resident.

M. Mr. Chesley is an Ohio citizen and/or resident.

N. The trust established by the Windup Agreement is an Ohio domiciled entity trust formed under and governed by, Ohio law.

O. Mr. Chesley owns no shares of WSBC and has only a contingent reminder interest in the Windup Agreement trust (the "Trust") holding the shares of WSBC.

P. Mr. Chesley and WSBC are separate and independent entities.

Q. Intervention in this matter under Civ. Rule 24(A)(2) by WSBC is warranted because WSBC's unique interests are not adequately represented by the existing parties.

[1] A copy of the Kentucky Orders are attached to the Objection of Ford as Exhibits A, E and F thereto.

S. Intervention in this matter under Civ. Rule 24(B)(2) by WSBC is also warranted.

The Court having being fully advised in the premises and having determined that the legal and factual basis set forth in the Motion establish cause for the relief granted herein; now therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. WSBC shall be and hereby is, permitted to intervene as a party in interest/plaintiff in this action.

2. WSBC is ORDERED to disregard and not effectuate any of the Kentucky Orders as same may apply to WSBC or the Trust either directly or indirectly, including but not limited to the Transfer Order.

3. Rehme is ORDERED to disregard and not effectuate any of the Kentucky Orders as same may apply to Rehme as trustee of the Trust or otherwise, including but not limited to the Transfer Order.

4. Rehme is ORDERED to not effectuate the Transfer Order in any capacity seeking, among other things, to transfer the interest of Mr. Chesley in the WSBC Shares, which interest technically does not exist as Mr. Chesley has only a contingent remainder interest in the Trust.

5. Rehme is ORDERED to decline any request from Mr. Chesley for WSBC's financial records to the extent such request emanates from a discovery request directed to Mr. Chesley in Kentucky or an Order in the Kentucky Case.

6. The Restraining Order remains in full force and effect.

ITS IS SO ORDERED.

Entered this 7th August, 2015

Robert P. Ruehlman, Judge
Hamilton County Court of Common Pleas

JUDGE ROBERT P. RUEHLMAN
Court of Common Pleas
Hamilton County, Ohio

Copies to:
Vincent E. Mauer
Frost Brown Todd LLC
3300 Great American Tower
301 E. Fourth Street
Cincinnati, OH 45202

Brian Sullivan
Christen M. Steimle
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TRACY WINKLER
HAMILTON COUNTY CLERK OF COURTS

COMMON PLEAS DIVISION

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September 4, 2015 04:43 PM
TRACY WINKLER
Clerk of Courts
Hamilton County, Ohio
CONFIRMATION 437085

STANLEY M CHESLEY

vs.

ANGELA M FORD

A 1500067

JUDGE
ROBERT P RUEHLMAN

FILING TYPE: INTERVENING COMPLAINT

PAGES FILED: 19

EFR200

COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

Mr. Stanley M. Chesley	:	Case No. A1500067
Petitioner,	:	Judge Ruehlman
v.	:	**COMPLAINT OF INTERVENOR WAITE SCHNEIDER BAYLESS & CHESLEY CO., L.P.A. FOR DECLARATORY AND INJUNCTIVE RELIEF**
Angela M. Ford, Esq, *et al.*	:	
Respondents.	:	

For its Complaint against Respondents, Intervening Plaintiff Waite Schneider Bayless & Chesley Co., L.P.A. ("WSBC") states as follows:

1. WSBC is an Ohio professional corporation with its principal place of business in Cincinnati, Hamilton County, Ohio. WSBC has no business operations or presence outside of Ohio. Thomas F. Rehme, Trustee ("Rehme") is the owner of all of the stock of WSBC, as evidenced by the Wind-Up Agreement dated April 15, 2013.

2. WSBC incorporates and adopts herein all of the allegations in Plaintiff Stanley M. Chesley's First Amended and Supplemental Verified Petition for Declaratory Judgment and Injunctive Relief (the "First Amended Petition").

3. On January 14, 2015, this Court entered an Order (the "January 14 Order"). Paragraph 3 of the January 14 Order provides:

> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents *are enjoined from taking any action to collect the Chesley Judgment in the State of Ohio, from any Ohio resident, Ohio citizen or Ohio domiciled entity*. (emphasis added).

Paragraph 4 of the January 14 Order provides:

878503.5

EXHIBIT
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exhibitsticker.com

> Ford, the Unknown Respondents, and any other person acting on behalf of the Unknown Respondents are *enjoined from issuing any subpoena seeking documents or testimony* to any *Ohio resident*, *Ohio citizen* or *Ohio domiciled entity* (other than Chesley) if the purpose of the requested documents or testimony would be to obtain information related to any effort to enforce the Chesley Judgment. (emphasis added).

4. WSBC is an Ohio resident, Ohio citizen, or Ohio domiciled entity, as those terms are used in the January 14 Order.

5. All of WSBC's assets and personal property are located in Ohio.

6. WSBC is a direct or third-party beneficiary of the January 14 Order and is entitled to the protections afforded by that Order.

7. Independent of the January 14 Order, WSBC is entitled to the procedural and substantive rights and protections afforded to it by Ohio law.

8. Ford and the other Respondents have no right to interfere with, attach, or otherwise affect WSBC or its assets or operations other than through legal actions commenced in Ohio. And, because this case has already been filed and the Court has subject matter and personal jurisdiction over Ford and the other Respondents, any and all actions directed to WSBC must be pursued through this case and before this Court.

9. Respondent Ford filed two motions in this case: a motion to dismiss and a motion to dissolve the January 14 Order. The filing of these motions conclusively proves that Ford was duly served in this matter, that Ford had actual knowledge of the January 14 Order, and that she was actively and actually litigating the issues addressed by the January 14 Order in this Court.

10. On May 14, 2015, the Court held a hearing on the motions filed by Ford.

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11. The Court orally denied both motions from the bench at the May 14 hearing.

12. A week later, on May 21, 2015, Ford filed a Motion (the "Transfer Motion") in the Boone County Kentucky Circuit Court (Case No. 05-CI-436) (the "Kentucky Case") asking the Kentucky Court to enter an order that requires "Defendant Chesley's [an Ohio resident and citizen] beneficial interest in the shares of his former law firm, Waite, Schneider, Bayless & Chesley Co., L.P.A. ("WSBC") [an Ohio domiciled entity] be transferred to Plaintiffs, with all distributions pursuant to that interest to be made to Plaintiffs through their counsel." The Transfer Motion also requested that the Court order "Defendant Chesley [an Ohio citizen] and his counsel to provide a copy of the Order Thomas F. Rehme, who holds those shares [of an Ohio domiciled entity] in trust [established under Ohio law] for Defendant Chesley's benefit, and order Defendant Chesley [an Ohio citizen] to direct Mr. Rehme to make payments as ordered."

13. WSBC is not a party to the Kentucky Case.

14. Neither Ford nor any other Respondents have ever asserted any claims against WSBC.

15. The Transfer Motion directly violates WSBC's rights and protections under Ohio law and the January 14 Order and improperly purports to interfere with, or limit, the rights and duties of Rehme. The Transfer Motion also violates the terms of the Wind-Up Agreement concerning WSBC.

16. On June 23, 2015, the Kentucky Court entered an Order granting the Transfer Motion. A copy of the Kentucky Court's June 23, 2015 Order is attached as Exhibit A.

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17. The Kentucky Court's entry of the June 23, 2015 Order attached as Exhibit A exceeded its jurisdiction and powers, violated this Court's June 14 Order, improperly encroached on this Court's previously established jurisdiction over the subject matter of Ford and Respondents rights with respect to, among other things, WSBC and its information, and adversely affected WSBC and Rehme.

18. Also in the Kentucky Case, Ford, as counsel for Respondents, caused a subpoena to be served on Clark Schaefer & Hackett ("CSH"), WSBC's accounting firm. CSH is an Ohio entity. The scope of the documents requested in CSH subpoena is vague but could be construed to be very broad. Pursuant to the subpoena served on CSH, Ford and respondents appear to have demanded that CSH produced to Ford in Kentucky WSBC's confidential and proprietary financial information and information that is protected by the attorney client privilege. Such information includes, but is not limited to, the wages, earnings, and other personal, private data or confidential information of WSBC's past and current employees, vendors, and other parties with whom WSBC has transacted business over the past 10 years, as well as the identity of WSBC's clients and the amount of fees paid by them to WSBC.

19. The purpose of the subpoena to CSH is to obtain information and/or assets directed to the collection of the Judgment against Mr. Chesley.

20. On June 23, 2015, the Kentucky Court entered an Order directing CSH to produce, among other things, certain WSBC records and information. A copy of the Kentucky Court's Order is attached as Exhibit B.

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21. The Kentucky Court's Order (Exhibit B) improperly encroaches on this Court's prior established jurisdiction over the parties and the subject matter of, among other things, Ford and Respondents rights with respect to WSBC and its information.

22. The Kentucky Court's Order (Exhibit B) also directly contravenes this Court's January 14 Order.

23. The CSH subpoena directly violates the Court's January 14 Order.

24. Ford's service of the CSH subpoena directly violates the Court's January 14 Order.

25. In addition, Respondents have also served written discovery on Mr. Chesley in Kentucky demanding that he produce WSBC's financial records to Respondents.

26. Mr. Chesley does not own WSBC.

27. The discovery directed to Chesley seeking production of WSBC documents and information in Kentucky violates applicable law and this Court's January 14 Order.

28. The discovery was served on Chesley to avoid or circumvent this Court's January 14 Order and has the effect of violating WSBC's rights.

29. Ford ultimately filed a motion to compel against Mr. Chesley in Kentucky seeking, among other things, an Order directing him to produce the WSBC documents and information to her in the Kentucky Case.

30. On June 23, 2015, the Kentucky Court entered an Order granting the motion to compel and ordering Mr. Chesley to produce WSBC's documents and information in Kentucky notwithstanding that WSBC is not a party to that case, that

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Chesley does not own WSBC, and that such Order directly violates this Court's previously established jurisdiction and dominion over the issues pertaining to Respondents rights, if any, to obtain information concerning WSBC for purposes of collecting the Judgment against Chesley. A copy of the Kentucky Court's June 23, 2015 Order with respect to that issue is attached as Exhibit C.

31. The Kentucky Court's Order (Exhibit C) improperly encroaches on this Court's prior established jurisdiction over the parties and the subject matter of, among other things, Ford and Respondents rights with respect to WSBC and its information.

32. The Court's January 23, 2015 Order directing Chesley to produce WSBC documents and information in Kentucky violates applicable law and the January 14 Order.

33. On August 19, 2015, this Court held a hearing on WSBC's motion to intervene and for declaratory and other relief. The Court granted the WSBC motion and entered its written Order regarding that motion on August 26, 2015, in which, among other things, the Court found that WSBC and Chesley are separate and distinct.

34. While this case has been pending, Ford and Respondents have taken various actions to directly interfere with WSBC and/or to attach, garnish, or seize WSBC assets. For example, Ford and Respondents have attempted to garnish funds payable to WSBC by the Castano Trust in Nevada. Ford and Respondents have also threatened to interfere with the payment of other fees to WSBC by asserting a direct right to receive such funds to satisfy the Chesley Judgment.

35. WSBC asserts that Ford and Respondents have no right to attach, garnish or seize any WSBC assets, and that their efforts to do so interfere with WSBC's ability

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to satisfy its own obligations, which take priority over the obligations, if any, of Chesley to pay the Chesley Judgment.

36. In addition to the claims asserted by Chesley in the First Amended Petition, a dispute has arisen between WSBC and Respondents regarding, among other things,

> (i) the proper Court and venue for determinations regarding Respondent's rights, if any, to obtain WSBC documents and information for purposes of collecting their Judgment against Chesley;
>
> (ii) the obligations, if any, of WSBC in regard to the Transfer Motion and related Kentucky Order;
>
> (iii) the enforceability of the Kentucky Court's Order regarding the Transfer Motion as to WSBC;
>
> (iv) the propriety of Ford's efforts to obtain WSBC information through third parties, CSH and Chesley, rather than by directly obtaining it from WSBC through this case;
>
> (v) the obligation of WSBC for any portion of the Chesley Judgment and Ford and the Plaintiff's rights, if any, to seize WSBC assets to satisfy that judgment; and
>
> (vi) the appropriate remedy for Ford's violations of this Court's January 14 Order.

37. All necessary parties to the foregoing disputes are parties to this action.

38. WSBC is entitled to a declaration of its rights and obligations with respect to the foregoing matters.

39. WSBC is also entitled to a finding of contempt against Ford and Respondents for their violations of the January 14 Order.

WHEREFORE, WSBC demands judgment against Ford and Respondents as follows:

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A. For a determination that all issues pertaining to Ford and Respondents rights and procedures for obtaining information from, or regarding, WSBC for the purpose of collecting the Chesley Judgment shall be determined by this Court;

B. For an Order making final the Court's August 26, 2015 determination that WSBC and Chesley are separate and distinct entities;

C. For an Order determining that WSBC is not liable for Chesley's debts or obligations, including the Chesley Judgment entered in the Kentucky case, and that Ford and the other Respondents have no right to seize WSBC assets.

D. For an Order enjoining Respondents from obtaining any confidential, financial, propitiatory or other information regarding WSBC from Mr. Chesley, Rehme or any other party, and specifically requiring that such efforts be conducted solely in this case;

E. For an Order directing Rehme to decline and reject any request from Mr. Chesley for WSBC's financial records to the extent such request emanates from a discovery request directed to Mr. Chesley in Kentucky;

F. For an Order directing and determining WSBC and/or Rehme's duties and responsibilities, if any, under the Kentucky Order related to the Transfer Motion including any Kentucky Order directing Mr. Chesley to transfer and assign to Respondent Ford all of his "beneficial interest in" the stock of WSBC, as well as any Kentucky issued Order directing Rehme to pay any funds that would otherwise be directed to Mr. Chesley to Ford; and

G. For an Order granting such other and further relief as this Court deems just and proper.

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Respectfully submitted,

/s/ Eric W. Fehr
Donald J. Rafferty (0042614)
Eric W. Fehr (0085309)
Cohen, Todd, Kite & Stanford, LLC
250 E Fifth St, Suite 2350
Cincinnati, OH 45202-5136
Phone: (513) 333-5243
Fax: (513) 241-4495
Email: drafferty@ctks.com

Attorneys For Intervening Plaintiff, Waite Schneider Bayless & Chesley Co., L.P.A..

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the **COMPLAINT OF INTERVENOR WAITE SCHNEIDER BAYLESS & CHESLEY CO., L.P.A. FOR DECLARATORY AND INJUNCTIVE RELIEF** was served this 4th day of September, 2015, via regular U.S. Mail upon the following:

Vincent E. Mauer
Frost Brown Todd LLC
3300 Great American Tower
301 E. Fourth Street
Cincinnati, OH 45202

Brian Sullivan
Christen M. Steimle
Dinsmore & Shohl, LLP
255 East Fifth Street, Suite 1900
Cincinnati, OH 45202

/s/ Donald J. Rafferty
Donald J. Rafferty

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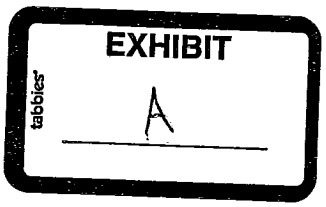
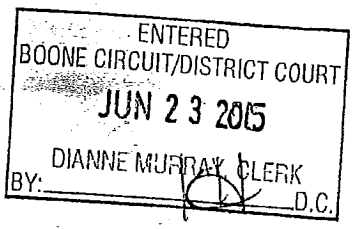


COMMONWEALTH OF KENTUCKY
BOONE CIRCUIT COURT
DIVISION III
CASE NO. 05-CI-00436



MILDRED ABBOTT, et al. **PLAINTIFFS**

V.

STANLEY M. CHESLEY, et al. **DEFENDANTS**

ORDER

This matter comes before the Court on the Plaintiff's Motion to Transfer Beneficial Interest in Property Held in Trust. The Court having read the memorandums filed by the parties, reviewed the file, and being in all ways sufficiently advised, hereby finds as follows:

This Court entered judgment against Defendant Chesley on August 1, 2014, finding him jointly and severally liable as a matter of law for the $42 million in damages previously awarded to Plaintiffs against Defendant's Gallion, Cunningham, and Mills. Said Judgment was made final pursuant to CR 54.02 and Defendant Chesley did not post a supersedeas bond to secure a stay of enforcement pending appeal.

As part of post-judgment discovery, Defendant Chesley disclosed the Wind-Up Agreement for his former law firm, Waite, Schneider, Bayless & Chesley, Co., L.P.A. ("WSBC"). The Wind-Up Agreement provides that Defendant Chesley would transfer his shares in WSBC to Thomas F. Rehme to hold in trust for the exclusive purposes of winding up WSBC for the benefit of its employees, creditors, and Chesley. Per the Agreement, Mr. Rehme is authorized to liquidate corporate assets and distribute proceeds to creditors as required and the pay out the remainder to Defendant Chesley as long as Defendant Chesley does not receive any legal fees other than for services performed prior to the effective date of his retirement.

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Both prior to and after Defendant Chesley was disbarred in Kentucky and his retirement of his Ohio bar license, he transferred more than $59 million dollars from his personal accounts to WSBC. $1,322,000 of that amount was transferred on or after the date of the Wind-Up Agreement.

Defendant Chesley still owns a beneficial interest in WSBC. Plaintiffs argue that this interest is subject to execution for the purpose of satisfying Plaintiff's Judgment against Defendant Chesley. To this end, Plaintiff requests that the Court order that Defendant Chesley's beneficial interest in WSBC be transferred to Plaintiffs and that any distributions that would be made to Defendant Chesley be made to the Plaintiffs through their counsel.

Defendant Chesley objects, arguing that WSBC is an Ohio legal professional association formed and maintained under Chapter 1785 of the Ohio Revised Code and, therefore, an Order such as the Plaintiff is requesting exceeds this Court's jurisdiction. The Court disagrees.

There is no dispute that this Court has personal jurisdiction over Defendant Chesley. He is a party to the case at hand and a valid judgment has been entered against him, a judgment which the Plaintiffs are within their rights to seek the Court's assistance to collect.

The law is clear that when the Judgment state has personal jurisdiction over the judgment debtor, that state may exercise that jurisdiction to take action on that judgment. *See Estates of Ungar ex rel. Strachman v. Palestinian Authority*, 715 F.Supp.2d 253, 262-64 (D.R.I. 2010). The Restatement (Second) Conflict of Laws § 55 (1971) states that, " a state has power to exercise judicial jurisdiction to order a person, who is subject to its judicial jurisdiction, to do, or not do, an act in the state, although the carrying out of the decree may affect a thing in another state." Furthermore, K.R.S. § 426.384 gives the Court the authority to enforce the surrender of money,

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securities, or any other property of the defendant in the execution and enforcement of a judgment.

IT IS HEREBY ORDERED AND ADJUDGED as follows:

1. Defendant Chesley shall direct that his beneficial interest in the shares of WSBC be transferred to Plaintiffs within fourteen (14) days of the date of this Order and all distributions pursuant to said interest are to be made to Plaintiffs through their counsel;
2. Defendant Chesley is hereby Ordered to direct Thomas F. Rehme to make all payments derived from Chesley's interest in the shares of WSBC payable to the Plaintiffs through their counsel, Hon. Angela Ford;
3. If for any reason, including but not limited to any action by another court in any other jurisdiction, monetary payment(s) is/are made to Chesley from his interest in WSBC, Chesley and his attorney shall immediately turn over said payment(s) to Plaintiffs' counsel, Angela Ford;
4. Defendant Chesley and his counsel are to provide a copy of this Order to Thomas F. Rehme.

DATED this 23rd day of June, 2015.

JAMES R. SCHRAND, JUDGE
BOONE CIRCUIT COURT

COPIES TO: ALL ATTORNEYS OF RECORD

CERTIFICATE
I, DIANNE MURRAY, clerk of the Boone District/Circuit Court, thereby certify that I have mailed a copy of the foregoing order and notice to all parties hereto at their last known addresses or their counsel of record
This 23 day of June, 2015
DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT
D.C.

ELECTRONICALLY FILED 09/04/2015 16:43 / IC / A 1500067 / CONFIRMATION NUMBER 437085

EXHIBIT
B

ENTERED
BOONE CIRCUIT/DISTRICT COURT
JUN 23 2015
DIANNE MURRAY, CLERK
BY: D.C.

COMMONWEALTH OF KENTUCKY
BOONE CIRCUIT COURT
DIVISION III
CASE NO. 05-CI-00436

MILDRED ABBOTT, et al. **PLAINTIFFS**

V.

STANLEY M. CHESLEY, et al. **DEFENDANTS**

ORDER

This matter comes before the Court on the Motion to Compel Non-Party Clark, Schaefer, Hackett & Company to Comply with Subpoena Duces Tecum and for an Order Requiring Production of Requested Tax Return Information. The Court having reviewed the Memorandums filed, the Court file, and being in all ways sufficiently advised, finds as follows:

On April 20, 2015 the Plaintiffs served a subpoena duces tecum on Clark, Schaefer, Hackett & Company ("CSH"). On the date set forth for production, Plaintiffs' counsel received a faxed letter from CSH that set forth various objections to this subpoena. There were no documents included along with these objections. Plaintiffs were unable to adequately resolve this issue, so they then filed the instant motion with this Court.

CSH set forth several objections to the subpoena. Their first objection was that they were not given a reasonable time to comply. The subpoena was served on April 20, 2015 and production was requested on April 28, 2015. Although CR 45 does not set forth a minimum time allowable for compliance with a subpoena, it does provide for objections within ten (10) days or before the time for compliance has run. CSH raised their objections within the appropriate time.

CSH further argues that the subpoena places an undue burden and expense upon them to comply. However, Plaintiffs have arranged for the copying of the documents at no charge to

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CSH, and there are digital means to transmit documents from CSH's location to where the Plaintiffs' counsel is located in Lexington, Kentucky. In light of this, the Court finds that the subpoena is not unreasonable or oppressive pursuant to CR 45.02.

CSH next objects to the subpoena on its face, stating that it is vaguely worded and amorphous. They argue that Plaintiffs did not define any of the terms employed in the subpoena, which leaves them in the untenable position of having to speculate as to what should be produced. CSH expresses their fear that they will be accused of reading the subpoena too narrowly and, therefore, requests that the Court assist them to define the terms of the subpoena in a definite and certain manner. The subpoena states that CSH is to provide as follows:

> All communications and records in all forms, including but not limited to, federal and state income tax returns, gift tax returns, financial statements and work papers, related to Stanley Chesley, the firm Waite, Schneider, Bayless, Chesley, and any entity in which Stanley Chesley or Waite, Schneider, Bayless, Chesley has held interest from 2005 to present. Public companies are not included in this request.
>
> All documents related to Trusts created by Stanley Chesley or to which Stanley Chesley has transferred assets of any kind.

The Court finds the Plaintiffs' request to be definite and certain. There is no need for the terms of such to be defined by this Court.

CSH next contends that subpoena violates the injunction entered by the Ohio Court in *Stanley Chesley v. Angela M. Ford.* CSH points to the section of the injunction that states that, "Respondents are enjoined from issuing any subpoena, seeking documents, or testimony to any Ohio resident, Ohio citizen, or Ohio domiciled entity..." However, CSH has offices located in the State of Kentucky from which they transact business. The injunction set forth by the Ohio Court, whether be still in effect or not, cannot limit this Court's ability to Order a business

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located and transacting business in Kentucky to comply with Kentucky law to secure a Judgment from a Kentucky case.

CSH then argues that service on the subpoena has not been perfected. Citing CR 45.02(3), they claim that the Plaintiffs are required to serve said subpoena on all non-parties who may be affected by the potential production. Plaintiffs served a copy of the subpoena on Defendant Chesley. It is undisputed that Defendant Chesley is the sole beneficial owner of the shares of Waite, Schneider, Bayless & Chesley ("WSBC"). Therefore service has been perfected as to Chesley and WSBC. CSH claims that Plaintiffs had a responsibility to also serve other investors in entities in which he had an interest and those involved with Mr. Chesley through some type of trust. The Plaintiffs are not equipped with the knowledge of who these entities are and therefore do not have the ability to procure service on them. To rule otherwise would be in contradiction to the intent of CR 45.02(3).

Finally, citing 26 U.S.C. § 7216, CSH argues that federal law precludes them from honoring and complying with the subpoena insofar as it seeks tax return information. However, 26 U.S.C. § 7216 itself provides exceptions which allow disclosure. One exception found under 26 U.S.C. § 7216(b)(1)(B) is a Court Order.

THEREFORE IT IS HEREBY ORDERED AND ADJUDGED as follows:

1. The Plaintiffs' Motion to Compel Non-Party Clark, Schaefer, Hackett & Company to Comply with Subpoena Duces Tecum and for an Order Requiring Production of Requested Tax Return Information is **GRANTED**.
2. Schaefer, Hackett & Company shall have twenty-one (21) days in which to comply with the terms of Plaintiffs' subpoena by producing and permitting inspection and copying of the requested documents.

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3. Schaefer, Hackett & Company shall be required to provide all requested tax return information. This Order shall serve as their authority to do so under 26 U.S.C. § 7216(b)(1)(B).

DATED this 23rd day of June, 2015.

JAMES R. SCHRAND, JUDGE
BOONE CIRCUIT COURT

COPIES TO: ALL ATTORNEYS OF RECORD

I, DIANNE MURRAY, clerk of the Boone District/Circuit Court, thereby certify that I have mailed a copy of the foregoing order and notice to all parties hereto at their last known addresses or their counsel of record
This 23 day of June, 2015
DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT
D.C.

ELECTRONICALLY FILED 09/04/2015 16:43 / IC / A 1500067 / CONFIRMATION NUMBER 437085

EXHIBIT
C

ENTERED
BOONE CIRCUIT/DISTRICT COURT
JUN 23 2015
DIANNE MURRAY, CLERK
BY: D.C.

COMMONWEALTH OF KENTUCKY
BOONE CIRCUIT COURT
DIVISION III
CASE NO. 05-CI-00436

MILDRED ABBOTT, et al. **PLAINTIFFS**

V.

STANLEY M. CHESLEY, et al. **DEFENDANTS**

ORDER

This matter is before the Court on Plaintiffs' Second Motion for Contempt Against Defendant Stanley M. Chesley and His Counsel and/or to Compel Discovery Responses. The Court having reviewed the Plaintiffs' Motion, the Defendant's Response, the parties' exhibits, and having heard argument from counsel, and being in all ways sufficiently advised, finds as follows:

Plaintiffs have served interrogatories and requests for production of documents regarding Defendant Chesley's assets available to satisfy the Judgment. These interrogatories were initially served on December 3, 2014. On December 19, 2014, it was agreed that Defendant Chesley would be given a thirty day extension to answer said discovery. After Chesley first answered Plaintiffs' Interrogatories and Requests, he provided supplemental answers on February 24, 2015, April 7, 2015 and June 2, 2015.

Plaintiffs argue Chesley's answers and responses are still deficient with regard to Interrogatories No. 1, 3, 5, 6, 14, 16 and 22 and Requests for Production No. 1, 2, 6 and 12. Plaintiffs ask the Court to find Chesley and his counsel in contempt and order them to turn over to the Plaintiffs all documentation they were previously ordered by this Court to produce. Plaintiffs further request an award of attorney's fees and expenses.

The Court finds Defendant Chesley has failed to comply with its previous orders. This failure to comply includes, but is not limited to, Defendant Chesley's failure to fully respond to

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Plaintiffs' request for information and documents related to Chesley's interest in Waite, Schneider, Bayless & Chesley Co., L.P.A. (WSBC).

Chesley argues he is unable to provide responsive information with respect to WSBC because said information is in the custody and control of the Trustee pursuant to the April 15, 2013 Wind-Up Agreement and that said Trustee is represented by separate counsel. The Court disagrees.

Chesley has provided information in discovery that shows that prior to and after his disbarment in Kentucky and his retirement of his Ohio bar license, he transferred more than $59 million dollars from his personal accounts to WSBC. $1,322.000 of that amount was transferred on or after the date of the Wind-Up Agreement. Additionally, pursuant to the Wind-Up Agreement: 1) Chesley is the sole shareholder of WSBC, as well as its president; 2) Chesley's shares are to be held in trust for the exclusive purposes of winding up the Corporation for the benefit of its employees, creditors and Chesley; and 3) Chesley reserves the right to amend the Wind-Up Agreement, including substituting a new Trustee.

IT IS HEREBY ORDERED AND ADJUDGED as follows:

1. Plaintiffs' Second Motion for Contempt Against Defendant Stanley M. Chesley and His Counsel and/or to Compel Discovery Responses is **GRANTED IN PART** and **DENIED IN PART;**
2. Plaintiffs' Motion to Compel Responses as to Interrogatory No. 1 is **GRANTED.** Chesley's response shall include the period of 2005 to the present. It shall include, but not be limited to, information related to WSBC;
3. Plaintiffs' Motion to Compel Responses as to Interrogatories No. 3, 5, 6, 14, 16 and 22 is **DENIED**;

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4. Plaintiff's Motion to Compel Responses as to Request for Production of Documents No. 1 is **GRANTED**. Chesley's response shall include the most recent monthly and year end statements, as well as the year end statements for the last six (6) years, and shall include, but not be limited to, information related to WSBC.

5. Plaintiff's Motion to Compel Responses as to Request for Production of Documents No. 2 is **GRANTED**. Chesley's response shall include all of the year-end financial statements prepared since 2005, and shall include, but not be limited to, information related to WSBC.

6. Plaintiff's Motion to Compel Responses as to Request for Production of Documents No. 6 and 12 is **DENIED.**

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that Defendant Chesley shall respond as Ordered above within twenty-one (21) days of the date of entry of this Order.

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that Plaintiffs' request for reasonable expenses, including attorneys' fees is **GRANTED.** Counsel for Plaintiffs shall submit an affidavit regarding same.

DATED this 23rd day of June, 2015.

JAMES R. SCHRAND, JUDGE
BOONE CIRCUIT COURT

COPIES TO:

ALL ATTORNEYS OF RECORD

CERTIFICATE

I, DIANNE MURRAY, Clerk of the Boone District/Circuit Court, thereby certify that I have mailed a copy of the foregoing order and notice to all parties hereto at their last known addresses or their counsel of record

This 23 day of June, 2015

DIANNE MURRAY
BOONE DISTRICT/CIRCUIT COURT

D.C.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that on this 5th day of October, 2015, a true and correct copy of the foregoing was served via U.S. Mail, first class postage prepaid, and electronic mail pursuant to Civil Rule 5(B)(2)(c) and (f) on:

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