

1 CARMEN L. CHRISTOPHER, CA Bar #231508

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2 Telephone: (312) 610-8961

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3 Email: thomas.ward@cfpb.gov

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MAXWELL S. PELTZ, CA Bar #183662

5 Email: maxwell.peltz@cfpb.gov

6 Telephone: (415) 633-1328

Local Counsel for Thomas G. Ward

7 Attorneys for Plaintiff Consumer Financial Protection Bureau

1700 G Street NW, Washington, DC 20552

8 Facsimile: (312) 610-8971

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11
12 **UNITED STATES DISTRICT COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **SOUTHERN DIVISION**

15 Consumer Financial Protection Bureau,
16 et al.,

17 Plaintiffs,

18 v.

19
20 Pension Funding, LLC, et al.,

21 Defendants.
22

Case No. 8:15-cv-1329-JLS-JCG

**DECLARATION OF CARMEN
CHRISTOPHER**

1 Pursuant to 28 U.S.C. § 1746, I declare as follows:

2 1. I am an attorney employed by the Consumer Financial Protection
3 Bureau and am lead counsel in this matter.

4 2. My business address is 1700 G Street, NW, Washington, D.C. 20552,
5 and I am physically located in the Bureau's Chicago office.

6 3. I submit this declaration in support of the Joint Stipulation Requesting
7 Entry of Stipulated Final Judgment and Order as to Defendants Edwin Lichtig, Rex
8 Hofelter, Pension Funding, LLC, and Pension Income, LLC, submitted by
9 Plaintiffs Consumer Financial Protection Bureau and Shirin Emami, Acting
10 Superintendent of Financial Services of the State of New York (Superintendent),
11 and Defendants Pension Funding, LLC, Pension Income, LLC, Edwin Lichtig, and
12 Rex Hofelter (Settling Defendants). The facts set forth herein are based on my
13 personal knowledge or information made known to me in the course of my official
14 duties. Specifically, this declaration serves to demonstrate good cause for the entry
15 of two final judgments in this case—one against the Settling Defendants and
16 another against Defendant Covey.

17 4. The Settling Defendants have appeared before the Court, answered
18 Plaintiffs' Complaint, participated in Court proceedings, and cooperated with two
19 government entities to negotiate a resolution of this matter. The injunctive and
20 monetary relief set forth in the Proposed Stipulated Final Judgment and Order
21 reflect the Settling Defendants' cooperation and negotiations with Plaintiffs.

22 5. In contrast to the Settling Defendants, Defendant Covey has not
23 answered or otherwise appeared in this action despite being served with the
24 complaint and summons on November 10, 2015. (Docket No. 46.) Additionally,
25 Plaintiffs' Application for a Preliminary Injunction and supporting documents were
26 sent to Defendant Covey's current mailing address on October 7, 2015, and
27 October 14, 2015, (Docket No. 28 and 34), as were other filed documents.

1 6. Although the Court entered default against Defendant Covey on
2 December 23, 2015, (Docket No. 59), Covey has not yet sought to lift the default,
3 enter an appearance, or answer the Complaint.

4 7. One day before his answer was due, Defendant Covey emailed me
5 about the case. In response I reminded him of the Court's deadlines regarding his
6 answer and suggested that he visit the Federal Pro Se Clinic for assistance if
7 needed. Ex. 1. He then participated in one telephone call with Plaintiffs to discuss
8 resolving this matter at which time he was again reminded about the Federal Pro
9 Se Clinic and told that he needed to make truthful and fulsome financial
10 disclosures to advance any settlement negotiations with Plaintiffs. Defendant
11 Covey was also reminded about the Preliminary Injunction Hearing set on
12 December 18, 2015, but he did not appear at the hearing. *See* Ex. 2 (attachment
13 excluded). On December 15, 2015, I provided Defendant Covey with a financial
14 disclosure form. Ex. 3 (attachment excluded). Defendant Covey has neither
15 returned the form nor again contacted me or any other counsel for Plaintiffs about
16 this matter.

17 8. Defendant Covey was a mastermind behind the activities of
18 Defendants Pension Funding, LLC, and Pension Income, LLC. (*See* Am. Memo. in
19 Supp. of Appl. for Prelim. Inj., Docket No. 33, at 2-4, 28-29.) Indeed, after he
20 ceased operating Structured Investments Co., LLC (SICO), the predecessor
21 company of Pension Funding and Pension Income because it was forced into
22 involuntary bankruptcy by investors, he used key materials and employees from
23 SICO to begin running Pension Funding and Pension Income. (*See Id.* at 3-4, 28-
24 29.) Ex 4. (Investigational Hearing of Steven Covey, Nov. 20, 2014, 39:17-44:11,
25 75:18-79:14; pp.12-22).

26 9. To prevent Defendant Covey from starting up a successor company or
27 again engaging in the unlawful acts and practices alleged in the Complaint,
28

1 Plaintiffs assert that there is good cause to enter a final judgment against Defendant
2 Covey with broader injunctive prohibitions than those sought against the Settling
3 Defendants. In addition, because Defendant Covey has refused to provide to
4 Plaintiffs truthful and fulsome financial disclosures, an accounting of his assets or
5 explanation of his dissipation of assets, or a showing of inability to repay, Plaintiffs
6 contend that there is good cause to enter a final judgment with different monetary
7 relief than that sought against the Settling Defendants, notably full disgorgement of
8 ill-gotten gains.

9
10 I declare under penalty of perjury that the foregoing is true and correct and
11 that this declaration has been executed on January 22, 2016 in Chicago, Illinois.

12
13 /s/ Carmen Christopher
14 Carmen L. Christopher
15 Attorney for Plaintiff
16 Consumer Financial Protection Bureau
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Christopher, Carmen (CFPB)

From: Christopher, Carmen (CFPB)
Sent: Monday, November 30, 2015 6:15 PM
To: 'Steven Pat Covey'
Cc: Ward, Thomas (CFPB); MacCormack, Anna (DFS); Geoghan, Paul V (DFS); Melissa O'Neill (Melissa.O'Neill@ag.ny.gov); Carolyn Fast (Carolyn.Fast@ag.ny.gov) (Carolyn.Fast@ag.ny.gov); Christopher, Carmen (CFPB)
Subject: RE: CFPB Lawsuit vs Pension Income, Pension Funding, et al.

Mr. Covey,

We are amenable to discussing a resolution of this matter with you and, in the next couple of days, I will send you proposed times for such negotiations. Settlement negotiations, however, do not change any Court requirements or deadlines set by the Court, including those noted in the summons served upon you: "Within 21 days after service of this summons on you (not counting the day you received it) ... you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure." Because I am not your lawyer, I cannot provide you with legal advice or details about what you should do with respect to the Court case. The United States District Court for the Central District of California does have a Federal Pro Se Clinic that you may be able to utilize if you need it.

Sincerely,

Carmen L. Christopher
Enforcement Attorney
Consumer Financial Protection Bureau
Telephone Number: 312-610-8961
Mobile Number: 202-754-0329
Email: Carmen.Christopher@cfpb.gov

From: Steven Pat Covey [REDACTED]
Sent: Monday, November 30, 2015 2:58 PM
To: Christopher, Carmen (CFPB)
Subject: CFPB Lawsuit vs Pension Income, Pension Funding, et al.

Carmen,

I received the papers you served on me and wanted to respond in this manner to at least establish communications with you. I have no attorney and no funds to hire one in this matter.

I will be happy to communicate with you in whatever manner I can, personally. I noticed that the other parties are all represented by counsel. I am no longer employed since Pension Funding has shut down, have no significant assets other than my social security and a small pension which is what I use to live on.

I don't know what "penalties" you guys are looking for, and I don't know what negotiations are taking place, if any, with Ed and Rex and their attorney.

My telephone number is [REDACTED]. If you send documents to me you can use my home address which you have but leave off the unit number as it confuses the postal people and is not necessary.

Thank you,

STEVE COVEY

Christopher, Carmen (CFPB)

From: Christopher, Carmen (CFPB)
Sent: Tuesday, December 08, 2015 4:58 PM
To: Steven Pat Covey
Cc: MacCormack, Anna (DFS); Melissa O'Neill (Melissa.O'Neill@ag.ny.gov); Ward, Thomas (CFPB); Stagg, Dani (CFPB)
Subject: RE: CFPB Lawsuit vs Pension Income, Pension Funding, et al.
Attachments: 39 - Order Setting Scheduling Conference.pdf

Mr. Covey,

We are available to speak at 10 AM CST on Friday using the conference line below.

[REDACTED]

In case you do not have it, attached is a copy of Judge Staton's order for the scheduling conference and Rule 26(f) Report for this case. Also, per the documents we have been sending you by mail, there is a preliminary injunction hearing set for December 18, 2015, at 2:30 PM, at the U.S. District Court for the Central District of California, Southern Division (Santa Ana), Courtroom 10 A.

Sincerely,

Carmen L. Christopher
Enforcement Attorney
Consumer Financial Protection Bureau
Telephone Number: 312-610-8961
Mobile Number: 202-754-0329
Email: Carmen.Christopher@cfpb.gov

From: Steven Pat Covey [REDACTED]
Sent: Tuesday, December 08, 2015 12:23 PM
To: Christopher, Carmen (CFPB)
Subject: RE: CFPB Lawsuit vs Pension Income, Pension Funding, et al.

I now got an electronic message that the leader has not arranged, try my call later. I have a doctor's appointment and will try again later today. If we need to reschedule I am available either any time Thursday afternoon (your time) or Friday at 10 my time or late Friday around 3 my time.

From: Carmen.Christopher@cfpb.gov
To: [REDACTED]
CC: Thomas.Ward@cfpb.gov; Dani.Stagg@cfpb.gov; Anna.MacCormack@dfs.ny.gov; Melissa.O'Neill@ag.ny.gov
Subject: RE: CFPB Lawsuit vs Pension Income, Pension Funding, et al.
Date: Mon, 7 Dec 2015 22:45:44 +0000

Mr. Covey,

We will use the below conference line tomorrow at 10:00 AM PST.

[REDACTED]

Sincerely,

Carmen L. Christopher
Enforcement Attorney
Consumer Financial Protection Bureau
Telephone Number: 312-610-8961
Mobile Number: 202-754-0329
Email: Carmen.Christopher@cfpb.gov

From: Steven Pat Covey [REDACTED]
Sent: Friday, December 04, 2015 8:11 PM
To: Christopher, Carmen (CFPB)
Subject: RE: CFPB Lawsuit vs Pension Income, Pension Funding, et al.

Tuesday at 10 PST works better for me.

From: Carmen.Christopher@cfpb.gov
To: [REDACTED]
CC: Thomas.Ward@cfpb.gov; Anna.MacCormack@dfs.ny.gov; Paul.Geoghan@dfs.ny.gov;
Melissa.O'Neill@ag.ny.gov; Carolyn.Fast@ag.ny.gov; Dani.Stagg@cfpb.gov
Subject: RE: CFPB Lawsuit vs Pension Income, Pension Funding, et al.
Date: Fri, 4 Dec 2015 22:17:04 +0000
Mr. Covey,

We are available to speak with you about resolving this case on either Tuesday, December 8, at 10:00 am PST or Wednesday, December 9, at 11:00 am PST. Please let us know which of these options works for you and I will circulate a conference line number.

Sincerely,

Carmen Christopher

From: Christopher, Carmen (CFPB)
Sent: Monday, November 30, 2015 6:15 PM
To: Steven Pat Covey
Cc: Ward, Thomas (CFPB); MacCormack, Anna (DFS); Geoghan, Paul V (DFS); Melissa O'Neill (Melissa.O'Neill@ag.ny.gov); Carolyn Fast (Carolyn.Fast@ag.ny.gov) (Carolyn.Fast@ag.ny.gov); Christopher, Carmen (CFPB)
Subject: RE: CFPB Lawsuit vs Pension Income, Pension Funding, et al.

Mr. Covey,

We are amenable to discussing a resolution of this matter with you and, in the next couple of days, I will send you proposed times for such negotiations. Settlement negotiations, however, do not change any Court requirements or deadlines set by the Court, including those noted in the summons served upon you: "Within 21 days after service of this summons on you (not counting the day you received it) ... you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure." Because I am not your lawyer, I cannot provide you with legal advice or details about what you should do with respect to the Court case. The United States District Court for the Central District of California does have a Federal Pro Se Clinic that you may be able to utilize if you need it.

Sincerely,

Carmen L. Christopher
Enforcement Attorney
Consumer Financial Protection Bureau
Telephone Number: 312-610-8961
Mobile Number: 202-754-0329
Email: Carmen.Christopher@cfpb.gov

From: Steven Pat Covey [REDACTED]
Sent: Monday, November 30, 2015 2:58 PM
To: Christopher, Carmen (CFPB)
Subject: CFPB Lawsuit vs Pension Income, Pension Funding, et al.

Carmen,

I received the papers you served on me and wanted to respond in this manner to at least establish communications with you. I have no attorney and no funds to hire one in this matter.

I will be happy to communicate with you in whatever manner I can, personally. I noticed that the other parties are all represented by counsel. I am no longer employed since Pension Funding has shut down, have no significant assets other than my social security and a small pension which is what I use to live on.

I don't know what "penalties" you guys are looking for, and I don't know what negotiations are taking place, if any, with Ed and Rex and their attorney.

My telephone number is [REDACTED]. If you send documents to me you can use my home address which you have but leave off the unit number as it confuses the postal people and is not necessary.

Thank you,

STEVE COVEY

Christopher, Carmen (CFPB)

From: Christopher, Carmen (CFPB)
Sent: Tuesday, December 15, 2015 11:28 PM
To: [REDACTED]
Cc: Ward, Thomas (CFPB); Melissa O'Neill (Melissa.O'Neill@ag.ny.gov); 'MacCormack, Anna (DFS)'; Geoghan, Paul V (DFS); Stagg, Dani (CFPB)
Subject: CFPB, et al. v. Pension Funding, et at.
Attachments: Financial Statement Individual.pdf

Mr. Covey

Attached is the financial disclosure form we discussed when we spoke on Friday. As I told you, we need you to be forthcoming and fulsome in your disclosures, including explanations for the whereabouts or disposition of all the money you made from Pension Funding and Pension Income. You must also provide a copy of your tax returns for 2014 as well as all document related to the transfer of your real property deed to your son and mortgage or rent payments.

Sincerely,

Carmen L. Christopher
Enforcement Attorney
Consumer Financial Protection Bureau
Telephone Number: 312-610-8961
Mobile Number: 202-754-0329
Email: Carmen.Christopher@cfpb.gov

1 CONSUMER FINANCIAL PROTECTION BUREAU

2

3 In the matter of:)
4 Pension Funding, et. al,) Case No. 2013-0790-02
5)
6)

7

8

9

Thursday, November 20, 2014

10

11

12 Consumer Financial Protection Bureau
13 1700 G Street, N.W.
14 Washington, D.C. 20552

15

16

17 The above-entitled matter came on for
18 investigational hearing, pursuant to notice, at
19 10:13 a.m., at the United States Attorney's Office,
20 300 North Los Angeles Street, 7th Floor,
21 Conference Room 3, Los Angeles, California, pursuant
22 to Notice, before CHRISTINA KIM-CAMPOS,
23 CSR No. 12598, a Certified Shorthand Reporter, in
24 and for the State of California.

25

Covey

Pension Funding, et al.

11/20/2014

1 APPEARANCES:

2

3 ON BEHALF OF THE CONSUMER FINANCIAL PROTECTION
4 BUREAU:

5

CONSUMER FINANCIAL PROTECTION BUREAU

6 BY: KIMBERLY J. RAVENER,
ENFORCEMENT ATTORNEY

7 1700 G Street N.W.
Washington, D.C. 20006-4702
8 (202) 435-7845
kim.ravener@cfpb.gov

9

CONSUMER FINANCIAL PROTECTION BUREAU

10 BY: DANI A. STAGG, INVESTIGATOR

11 1700 G Street N .W.
Washington, D.C. 20552
12 (202) 435-7338
genessa.stout@cfpb.gov

13

14 ON BEHALF OF PENSION FUNDING, LLC, ET AL.

15

YANKWITT, LLP

16 BY: KATHY S. MARKS, ATTORNEY

17 140 Grand Street
Suite 501
White Plains, New York 10601
18 (914) 686-1500
kathy@yankwitt.com

19

Also Present via telephone:

20 Carmen Christopher
21 Anna MacCormack

22

23

24

25

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1	I N D E X		
2			
3	WITNESS	EXAMINATION	PAGE
4	Steven Covey	By Ms. Ravener	4
5	Afternoon Session		116
6			
7	CFPB's DEPOSITION EXHIBITS	INITIAL REFERENCE	
8	(The exhibits were retained by the CFPB.)		
9			
10	CFPB Exhibit Number 20		6
11	CFPB Exhibit Number 3		67
12	CFPB Exhibit Number 4		172
13	CFPB Exhibit Number 21		192
14	CFPB Exhibit Number 19		203
15	CFPB Exhibit Number 22		239
16			
17			
18	INFORMATION REQUESTED		
19	None.		
20			
21			
22	QUESTIONS INSTRUCTED NOT TO ANSWER		
23	None.		
24			
25			

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1 P R O C E E D I N G S

2

3 Whereupon --

4

5 STEVEN COVEY,

6 a witness, called for examination, having been
7 duly sworn, was examined and testified as follows:

8

9 EXAMINATION

10 BY MS. RAVENER:

11 Q. Good morning. My name is Kim Ravener, and
12 I'm an Enforcement Attorney with the Consumer
13 Financial Protection Bureau. We are here on
14 November 20th, 2014, at the Civil Division of the
15 United States Attorney's Office in Los Angeles,
16 California. With me I have my colleague, Dani
17 Stagg, an Investigator with the Office of
18 Enforcement in the Consumer Financial Protection
19 Bureau. And participating by telephone is my
20 colleague Carmen Christopher, who is also an
21 Enforcement Attorney with the Consumer Financial
22 Protection Bureau. In addition, we have Anna
23 MacCormack participating by phone from the New York
24 Department of Financial Services.

25 This is an Investigational Hearing being

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1 conducted by the CFPB, the Consumer Financial
2 Protection Bureau, pursuant to 12 USC, Section 5562,
3 in the Bureau Final Investigative Rules at 12 CFR,
4 Part 1080. Objections that may be properly raised
5 are limited to claims of privilege or Constitutional
6 or legal right, as set forth in those rules.

7 Please state your name and address for the
8 record.

9 A. Steven Covey. 7866 Waterfall Circle,
10 Huntington Beach, California.

11 Q. Are you represented by counsel today,
12 Mr. Covey?

13 A. Yes.

14 MS. RAVENER: Appearance of counsel?

15 MS. MARKS: Kathy Marks, Yankwitt, LLP.

16 BY MS. RAVENER:

17 Q. Mr. Covey, have you had an opportunity to
18 meet with your counsel prior to this hearing?

19 A. Yes.

20 Q. Are you aware that your counsel also
21 represents Ed Lichtig, Rex Hofelter, Pension Income,
22 LLC, and Pension Funding, LLC, in these proceedings?

23 A. Yes.

24 Q. For the purposes of this hearing, Dani
25 Stagg, Carmen Christopher, and I are Officers of the

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1 United States. Do you understand that we are here
2 in an official capacity on behalf of the United
3 States Government?

4 A. Yes.

5 Q. In addition, Ms. MacCormack is an Officer of
6 the State of New York. Do you understand that she
7 is here in an official capacity on behalf of the
8 State of New York?

9 A. Yes.

10 Q. Mr. Covey, do you understand that you're
11 appearing today pursuant to a Bureau Civil
12 Investigative Demand, or CID?

13 A. Yes.

14 Q. Let's mark this Exhibit 20.

15 (CFPB Deposition Exhibit 20 was marked
16 for identification.)

17 BY MS. RAVENER:

18 Q. Mr. Covey, I'm handing you what's been
19 marked as Exhibit 20. This is a copy of a Civil
20 Investigative Demand addressed to you and dated
21 October 2nd, 2014. It includes a package of
22 documents that accompanied the cover page of the
23 CID.

24 Do you recognize this document?

25 A. Yes, I believe so.

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1 about 1,500 would be my estimate.

2 Q. Would it be fair to say that veterans were a
3 significant client base of Structured Investments
4 Company?

5 A. Yes.

6 Q. You've listed both www.milpension.com and
7 www.uspensionfunding.com as previous web addresses
8 for Structured Investments Company. Are there any
9 other web addresses that you recall using in your
10 work at Structured Investments Company?

11 A. I don't recall. I do think there was not
12 only the one having to do with the veterans 60 year
13 reunion, but I think there might have been another
14 Structured Investments one relating to its actual
15 business with military pensioners, but I don't
16 remember.

17 Q. Okay. You testified that you worked or
18 owned and operated Structured Investments Company
19 from 1996 to approximately 2012. What happened in
20 2012?

21 A. Late in the year of 2012 a bankruptcy
22 trustee took over the running of Structured
23 Investments Company.

24 Q. How did that happen?

25 A. There was -- it happened because a couple of

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1 investors of Structured Investments Company, I
2 believe, obtained an arbitration award that they
3 then -- and I don't quite understand the mechanics
4 of how this all got to the end position, but how --
5 but once they obtained that arbitration award, they
6 somehow convinced a bankruptcy court that Structured
7 Investments couldn't meet that obligation, in one
8 way or another, and got the bankruptcy court to put
9 Structured Investments Company in bankruptcy.

10 Q. In what court was Structured Investments
11 Company's bankruptcy?

12 A. It was in Orange County Bankruptcy Court.

13 Q. Was it in Federal Bankruptcy Court?

14 A. Yes, I think so.

15 Q. Who was the bankruptcy trustee?

16 A. The bankruptcy trustee, I think, was and is
17 Richard Marshack.

18 Q. And what happened once the bankruptcy
19 trustee took over running Structured Investments
20 Company?

21 A. I don't -- when you say "What happened?",
22 can you -- can you either be more specific or -- or
23 ask the question a different way or something?

24 Q. Well, what happened to your employment?

25 A. To my employment?

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1 Q. Mm-hmm.

2 A. Basically, I was out. I was unemployed by
3 Structured Investments Company. They -- they
4 physically came -- I don't think I happened to be
5 there that day, but I think they, the bankruptcy
6 trustees -- I don't know who they were -- people,
7 I'll just say in kind of a generic sense, physically
8 came into the Structured Investments Company offices
9 and took over the -- literally took over that office
10 and booted the employees of Structured Investments
11 Company out of there.

12 Q. Were all of the employees let go at that
13 time?

14 A. I think so. I mean, they -- and they
15 certainly didn't work for the bankruptcy trustee.

16 Q. When, approximately, did that occur?

17 A. I want to say September of 2012.

18 Q. Who were the employees who were still at
19 Structured Investments Company, who were let go in
20 September 2012?

21 A. Certainly myself, I think Jackie Craze, and
22 Erika Hewlett were working for Structured
23 Investments at that time. There was another lady,
24 whose name I should be able to remember if you give
25 me a minute. Her first name was Tammy, and I'm not

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1 sure I remember her last name.

2 Q. And what addresses did Structured
3 Investments Company operate out of during its
4 tenure?

5 A. During it's entire tenure?

6 Q. Yeah.

7 A. 5731 McFadden Avenue in Huntington Beach and
8 7777 Center Avenue in Huntington Beach, also. And
9 there was a -- there was a West Los Angeles office
10 as well on Santa Monica Boulevard. I don't remember
11 the address.

12 Q. Were there any other addresses that
13 Structured Investments Company operated out of?

14 A. Not to my knowledge.

15 Q. Where was Structured Investments Company
16 operating in September 2012 when the bankruptcy
17 trustee took over?

18 A. In Center Avenue on -- in Huntington Beach.

19 Q. Was the address 777 Center Avenue,
20 Huntington Beach, California?

21 A. Four 7's. 7777 Center Avenue. Actually,
22 Suite 390, Huntington Beach. Yes.

23 Q. What happened to the assets of Structured
24 Investments Company, once the bankruptcy trustee
25 took over?

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1 A. I presume -- I guess the short answer is I
2 don't know. I think he took them over, along with
3 everything else in the company's possession.

4 Q. Did Structured Investments Company sell any
5 of its assets prior to the bankruptcy trustee taking
6 over?

7 A. Not to my knowledge.

8 Q. As a 50 percent owner of Structured
9 Investments Company, could any assets of Structured
10 Investments Company be sold without your knowledge,
11 prior to the bankruptcy trustee taking over?

12 A. I suppose it's possible. My partner owed
13 50 percent as well.

14 Q. But you're not aware of any sales?

15 A. No.

16 Q. Were any assets of Structured Investments
17 Company transferred, prior to the bankruptcy trustee
18 taking over?

19 A. I'm unaware of any assets that were
20 transferred, but what I am aware of -- and I'm not
21 sure if this, these were assets or not -- that the
22 attorney who represented a pensioner group was not
23 the Henry pensioner group, but a different pensioner
24 group called Brogdon, that I think I mentioned to
25 you earlier -- physically came to the Structured

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1 offices and took a bunch of actual contracts. I
2 don't know that you would -- I don't know that you
3 would call those assets. Those were paper
4 contracts.

5 Q. When did that occur?

6 A. I think in 2011 sometime. Maybe early to
7 mid-year of 2011.

8 Q. Okay. And other than that incident, were
9 any other assets of Structured Investments Company
10 transferred to anyone else?

11 A. Not to my knowledge.

12 Q. Was Structured Investments Company ever the
13 subject of a government investigation?

14 A. It was the subject, I believe, of an SEC
15 investigation. So that would be a government
16 investigation.

17 Q. When was that?

18 A. 2008, 2009, I think.

19 Q. How was that matter resolved?

20 A. I think it was resolved by their sending a
21 letter to our attorney in that matter, saying they
22 weren't taking any action. I'm not sure what the --
23 what the initial investigation was specifically for.
24 Probably some securities issue.

25 Q. Okay. So we've covered your employment

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Covey

Pension Funding, et al.

11/20/2014

1 Q. Do you hold any licenses to do business?

2 A. No.

3 Q. Have you ever held a license to do business?

4 A. To do any business?

5 Q. Do any business.

6 A. I believe I held an insurance license at one
7 time, and I don't precisely remember, but I may have
8 held a bond license, whatever that entailed, at one
9 time.

10 Q. What happened to those licenses?

11 A. I guess they expired or something. I
12 don't -- you know, I don't, I don't know. I didn't
13 do anything one way or another to ultimately renew
14 them or even have them expire.

15 Q. Who are the employees of Pension Income?

16 A. The employees of Pension Income. I don't
17 think Pension Income has any employees.

18 Q. Is there anyone else who performs any work
19 for Pension Income, other than you and Mr. Lichtig?

20 A. Yes.

21 Q. Who?

22 A. Do you want names? I'll give you the names.

23 Q. Yup.

24 A. Jackie Craze and Erika Hewlett. And I think
25 that is all.

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1 Q. What does Ms. Craze do for Pension Income?

2 A. She administers banking functions for them.

3 Q. What does Ms. Hewlett do for Pension Income?

4 A. Same, basically.

5 Q. Is there anyone else who performs any work
6 for Pension Income?

7 A. Not to my knowledge.

8 Q. Who are the employees of Pension Funding?

9 A. The same two that I just mentioned to you --
10 Ms. Hewlett and Ms. Craze -- and also, Tammy Lester
11 and Rex Hofelter, of course.

12 Q. You had mentioned a person named Tammy
13 earlier. Is this Tammy Lester the same Tammy you
14 were --

15 A. No, I'm sorry. Camilla Lester. I'm sorry.
16 I misspoke Camilla Lester is her name.

17 Q. And Ms. Craze and Ms. Hewlett, are those the
18 same persons you mentioned earlier as employees of
19 Structured Investments Company?

20 A. They were, yes.

21 Q. Is there anyone else who performs any work
22 on behalf of Pension Income, LLC?

23 A. You talking employees?

24 Q. Anyone.

25 A. Well --

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1 Q. Employees, contractors, anyone who does any
2 work.

3 A. There are or were people involved in, I'm
4 going to say, website maintenance support and -- I
5 don't know what the term is -- monitoring, I guess.

6 Q. And who are they?

7 A. There's a company. I don't know the
8 individual's name, but there's a company called
9 Zinergy or Zenergy, I think it is. It's "energy"
10 with a "Z" in front of it. There's one. There's an
11 individual, he may have a company name, but I don't
12 know what it is, and his name is Dan Pinto. He is
13 involved with, I think, search engine optimization,
14 or maybe he does a different function and Zenergy
15 does the search engine optimization. I don't really
16 know. But certainly, those two individuals or
17 companies.

18 Q. You mentioned that these persons do website
19 maintenance and monitoring for Pension Funding.
20 What is Pension Funding's web address?

21 A. It's www.uspensionfunding.com.

22 Q. Is that the same web address that you listed
23 earlier as a web address used by Structured
24 Investments Company?

25 A. Correct.

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1 Q. How is it that Pension Funding uses the same
2 web address as Structured Investments Company?

3 A. That web address was -- evolved. Basically,
4 I think, was sold for a small amount of money from
5 Structured Investments, along with its phone number,
6 to Pension Funding -- I think first to Pension
7 Income before there was a Pension Funding, and then
8 to Pension Funding.

9 Q. Okay. And who sold the website and phone
10 number from Structured Investments to Pension
11 Income?

12 A. I believe I did.

13 Q. And when did you do that?

14 A. When Structured Investments was no longer
15 purchasing pensions and Pension Income was
16 purchasing -- was beginning to purchase pensions.

17 Q. When was that?

18 A. 2011, I think.

19 Q. Do you recall earlier I asked you about the
20 sale of any assets from Structured Investments
21 Company that were made prior to the takeover by the
22 bankruptcy trustee?

23 A. Yes.

24 Q. Why didn't you tell me about the sale of the
25 website and the phone number to Pension Income, LLC?

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1 A. Forgot.

2 Q. Was it insignificant to you?

3 A. The cost was insignificant. I don't know if
4 when you say "insignificant," you mean the sale of
5 those two. I'm not sure what -- what -- what you're
6 referring to when you use the term "insignificant."

7 Q. After you sold Structured Investments's
8 website and phone number to Pension Income, LLC, you
9 say that it was transferred at some point to Pension
10 Funding, LLC. Am I understanding correctly?

11 A. I think that's correct.

12 Q. When did that happen?

13 A. Well, I mean, it clearly happened sometime
14 after, I'm going to say, the middle of 2012.

15 Q. Did you inform the bankruptcy trustee that
16 the website and phone number for Structured
17 Investments Company had been sold to a third party?

18 A. I never -- I never talked to the bankruptcy
19 trustee.

20 Q. Was there any contract that set forth the
21 sale of the web address and the phone number of
22 Structured Investments Company?

23 A. I believe so.

24 Q. Where is that document now?

25 A. There probably is a copy that Pension

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