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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

ALLAN WACHTER, M.D., an)
individual; et al.,)
)
Plaintiffs,)
)
vs.)
)
JOHN LEZDEY and NOREEN)
LEZDEY, husband and wife;)
et al.,)
)
Defendants.)

CV 99-09334

Phoenix, Arizona

January 15, 2002

BEFORE: The Honorable EDWARD O. BURKE, Judge

REPORTER'S TRANSCRIPT OF PROCEEDINGS

(PREPARED FOR APPEAL)

(Bench Trial)

Prepared for:

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Scott M. Coniam, RPR, CCR
Certified Court Reporter
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APPEARANCES

SACKS TIERNEY P.A.
By: Mr. David C. Tierney

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1 THE COURT: All right. Strike that reference to
2 Sonoran.

3 So the damages will run against John and Noreen,
4 Darren and Jarett Lezdey and J.L. Technology Limited
5 Partnership, correct?

6 MR. TIERNEY: Correct.

7 THE COURT: The court adopts the findings of fact
8 submitted by Mr. Tierney in his form of preliminary
9 injunction on January 9, 2001.

10 MR. TIERNEY: I think that was a form of
11 permanent, Judge.

12 THE COURT: Form of permanent injunction.

13 The Court finds that the actions of John Lezdey,
14 an attorney licensed to practice law, are beyond outrageous.
15 They're difficult for this court to comprehend both from an
16 economic point of view in that he appears to be dead set to
17 kill the goose that may lay the golden egg, but he's also
18 used his position as an attorney to abuse the plaintiffs, to
19 abuse the plaintiffs' associates, and beyond, just abuse to
20 the legal process, he's abused them by -- he and his family
21 have abused them by incredibly outrageous acts of
22 threatening death to Dr. Wachter's wife and children.
23 Certainly, one would hope that every judge of this court
24 would agree with me that that type of conduct cannot be
25 tolerated by any litigant, much less -- much less a litigant

1 who is an attorney.

2 In addition, the evidence has shown that Mr. John
3 Lezdey has continually lied in this court, he has violated
4 earlier orders in this court, and he has the nerve,
5 apparently, to leave this court and -- leave this very
6 courtroom and go to the branch bank of Wells Fargo and wipe
7 out the company's bank account, in violation of the Court's
8 injunction.

9 In addition to all that, many of the documents
10 that Mr. Lezdey and the other defendants have put forth both
11 to Dr. Wachter and prospective investors have been false.
12 There's been evidence of forgery. There's been severe
13 evidence of breach of fiduciary duty by John Lezdey, and
14 there's very strong evidence that Darren and Jarett Lezdey
15 have cooperated with it.

16 In 30 years of law practice in the commercial law
17 area, I've seen some shocking things, but nothing comes
18 close to the conduct of the defendants in this case.

19 The court hereby orders that the defendants are
20 liable for punitive damages in the sum of \$5,814,983, which,
21 if you do the math, is 50 percent of the compensatory
22 damages.

23 Mr. Tierney, what are you looking for with regard
24 to the contempt citation?


25 MR. TIERNEY: Judge, we suggested in our papers on

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I, SCOTT M. CONIAM, a Certified Court Reporter,
Certificate Number 50269, do hereby certify that the
foregoing pages constitute a true and correct transcript of
my stenographic notes taken at said time and place, all done
to the best of my skill and ability.

I FURTHER CERTIFY that I am in no way related to any of
the parties hereto, nor am I in any way interested in the
outcome hereof.

DATED at Phoenix, Arizona, this 16th day of May, 2002.


SCOTT M. CONIAM, RPR, CRR
Certified Realtime Reporter
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