

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS**

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	Case No. 03-C-3904
)	
v.)	Hon. Robert W. Gettleman
)	
KEVIN TRUDEAU,)	
)	
Defendant.)	
)	
)	

**REPLY IN SUPPORT OF MOTION TO MODIFY THE RECEIVERSHIP ORDER TO
PREVENT TRUDEAU FROM FUNDING PERSONAL EXPENSES WITH ASSETS
NEEDED TO COMPENSATE HIS VICTIMS**

I. INTRODUCTION

Trudeau offers no reason why the Court should permit him to use money needed to compensate his victims to fund personal expenses. In fact, newly-discovered information makes the need to terminate his allowance even more stark. First, *Think Achievement* establishes that Trudeau can't spend money that isn't his. Second, although the Receiver has only started to investigate Trudeau's offshore holdings, the Receiver has already located an Australian account that he did not disclose. PXA:1-2. In fact, notwithstanding this Court's July 26 asset freeze (DE729) and the Court's August 7 Receivership Order (DE742), Trudeau used a debit card to spend thousands from this Australian account, including:

- \$894.30 in a single visit to Westmont Liquors;
- \$780.48 in two trips to Whole Foods in Hinsdale;
- \$359.00 for two haircuts at Vidal Sassoon (Trudeau's usual salon);
- \$1,057.88 on high-end meat products apparently ordered online (*see* www.grasslandbeef.com); and
- \$920.86 on cigars (from the Humidor of Westmont).

See PXA:1-2.¹ Trudeau also transferred approximately \$18,642 (20,000 Australian dollars)² from his Australian account to an unknown location on July 28, two days after the July 26 asset freeze.³ PXA:2 at 3. Trudeau's disregard for the Court's asset freeze and turnover order is exceptionally blatant even by his own standards as a triple contemnor. At very minimum, the FTC urges the Court to order that Trudeau repay consumers everything he spent or transferred in violation of the Court's orders and disgorge the remaining Australian funds before he receives anything further from the Receivership Estate.

II. BACKGROUND

On July 26, the Court found Trudeau in contempt a third time and froze his assets. *See* DE729. As relevant here, the Court prohibited Trudeau from "transferring or spending any money," except that the Court allowed Trudeau to spend money on "ordinary and necessary living expenses." *Id.* at 3. The Court further instructed the FTC to submit a detailed proposed order regarding the receivership that incorporated the operative provisions of the Court's July 26 order. Consistent with this instruction, the FTC's proposed Receivership Order allowed Trudeau "ordinary and necessary living expenses." On August 7, the Court adopted this order. *See* DE742. Significantly, although the Receivership Order provides that "the Receiver shall allow Trudeau sufficient funds and property for ordinary and necessary living expenses," *see id.* at 6, it does not specify whether those funds should come from the Receivership Estate, or from money Trudeau earns through legitimate employment.

¹ These totals include expenses Trudeau charged to his Australian account after the Court's July 26 asset freeze. When reviewing the bills, note that it takes several days for charges Trudeau incurred in the Chicago area to clear his Australian account. Thus, the far left column on the exhibits (PXA:1-2) includes the date when the charge cleared (in Australian dollars), not the date when Trudeau incurred the charge (in U.S. dollars). The descriptions themselves (the second column from the left) include the date when Trudeau incurred the charge and the amount in U.S. dollars.

² *See* www.bloomberg.com/markets/currencies/ (viewed Sept. 16, 2013) (AUD to USD exchange rate of .9319).

³ The Australian account is almost certainly not the only source of funds that Trudeau is using to maintain his lifestyle. It is merely the only one for which the Receiver has obtained statements thus far.

Additionally, among other things, the Receivership Order absolutely prohibits Trudeau from spending or transferring any money, *see id.* at 6, or from otherwise “[d]oing any act or thing whatsoever to interfere with the Receiver’s taking and keeping custody . . . of the Assets . . . subject to this receivership,” *id.* at 14. The Court further ordered “that Trudeau’s failure to comply **fully** and timely with this order will result in Trudeau’s **immediate incarceration**” until such time as certain conditions obtain. *Id.* at 20 (emphasis added).

As the Court will recall, on July 26, the Court sternly warned Trudeau regarding what would happen if he did not comply with the receivership and asset freeze. As the Court put it, “I would be absolutely within reason and the law and the facts of this case to incarcerate [you] today,” PXA:3 at 30:20-22, but the Court wanted to give Trudeau a chance to cooperate with a receivership. However, if that “doesn’t work,” then incarceration “will be the next thing that happens.” *Id.* at 31:8. As the Court explained to Trudeau, “instead of putting you in prison, or incarcerating you, I’m giving you the key to open that [jailhouse] door. I’m giving you the key to keep you out of that door. **And it’s the last time I am going to do that.**” *Id.* at 40:17-20.

The next day, July 27, Trudeau spent \$185 at the Dalia Salon & Spa in Hinsdale. *See* PXA:2 at 3; *see also* www.salon-spadalia.com. And the following day (July 28), Trudeau spent \$357.21 at Whole Foods in Hinsdale, \$559.52 on cigars in Westmont, and transferred 20,000 Australian dollars (approximately \$18,642) from his Australian account to an unknown location.⁴ *See id.*

⁴ Notably, Trudeau did not disclose his Australian account to the Receiver voluntarily. The Receiver discovered the account through its efforts. The account is at St. George Bank, which Trudeau vaguely referenced in his “sworn” financial statement filed on January 25. *See* DE535 at 4. In the statement, Trudeau provided no address for the bank, or even a country. *See id.* He denied knowing the account number. Trudeau further represented that the account had less than \$1,500 “net of liability.” *See id.* It isn’t clear what that means, but on January 25, Trudeau had two St. George accounts worth more than 141,000 Australian dollars (about \$131,000). *See* PXA:4. The Court may also recall documents the FTC offered at the hearing regarding an account in Australia. Responding to questions from Trudeau’s counsel, Lane testified that, to his knowledge, Trudeau never “transfer[ed] any of his salary from KTRN to a personal bank account in Australia.” PXA:5 at 123:24-124:4. At this time, the FTC does not know whether the Australian funds came from KTRN as opposed to some other source.

III. ARGUMENT

A. The Court Should Not Allow Trudeau To Fund Personal Expenses With Money Needed for Consumer Redress.

Think Achievement held that, after a court determined frozen assets are “necessary to compensate the victims of the fraud for their losses, [the contemnor] had no right to use any part of the frozen money **for his own purposes**[.]” 312 F.3d 259, 262 (7th Cir. 2002) (emphasis added). Because *Think Achievement* involved a contemnor’s attempt to spend money on attorneys, Trudeau contends that “the FTC is unable to cite a single case” supporting the proposition that ““there is no difference between spending another person’s money on legal expenses and spending it on personal expenses.”” Opp. at 4. The FTC isn’t sure what sort of case Trudeau wants to see. “A robbery suspect, for example, has no Sixth Amendment right to use funds he has stolen from a bank to retain an attorney to defend him if he is apprehended.” *Caplin & Drysdale, Chartered v. United States*, 491 U.S. 617, 626 (1989). This is because “[t]he money, though in his possession, is not rightfully his[.]” *Id.* Certainly, a robbery suspect also cannot use money “not rightfully his” for personal expenses.

In fact, the situation presented here is an even easier case, because—as in *Think Achievement*—the Court has already found that Trudeau owes the money at issue to consumers. *See FTC v. Think Achievement Corp.*, 312 F.3d 259, 262 (7th Cir. 2002) (“It was okay for the district court, **prior** to the entry of the final judgment against Tankersley, to permit some of the frozen assets to be used to pay the lawyer who was defending him against the FTC’s suit.”) (Seventh Circuit’s emphasis). Trudeau cites two decisions in which courts allowed defendants living expenses, but both involved distributions before the court had determined the defendant’s liability. *See SEC v. Dowdell*, 175 F. Supp.2d 850, 855 (W.D. Va. 2001) (prejudgment request made following a TRO); *FTC v. Washington Data Resources*, No. 8:09-cv-2309, 2009 WL 4348689, *1 (M.D. Fla. Nov. 4, 2009) (same) (mag. op.).

Finally, Trudeau argues that “it would be nearly impossible for him to find employment” because he “is a convicted felon, with a criminal trial pending.” Opp. at 3. Trudeau has not established that he cannot find a job, but even if he could prove that, it wouldn’t matter, because

the fact that someone cannot locate employment does not entitle him to take money from someone else.⁵ Likewise, the fact that Trudeau may not qualify for public assistance does not give him the right to spend money that “is not rightfully his.” *Caplin & Drysdale*, 491 U.S. at 626. Assuming Trudeau complies with the Court’s orders, the Court should permit the Receiver to allow him whatever amount he adds to the Receivership Estate as long as it does not exceed the amount the Receiver determines is appropriate to fund his “ordinary and necessary” living expenses.⁶ In short, Trudeau should be permitted to pay for ordinary living expenses—only not with money needed to redress his victims.

B. In No Event Should the Court Permit Trudeau a Monthly Allowance Until He Repays Everything He Spent or Transferred in Violation of the Court’s Orders and Disgorges the Funds Remaining in His Australian Account.

Allowing Trudeau to continue receiving a *de facto* pension from consumers he injured while flagrantly violating the Court’s asset freeze orders would be a gross miscarriage of justice. Worse, allowing Trudeau continued allowance payments notwithstanding his violations will only encourage further such violations. Accordingly, in no event should the Court permit Trudeau to receive an allowance from the Receivership until he has complied fully with the Court’s orders.

IV. CONCLUSION

The FTC urges the Court not to remain idle while Trudeau flouts its two most recent orders. Holding Trudeau in contempt a fourth time is pointless because the Court’s three prior contempt rulings have proven ineffective at coercing his compliance. However, some type of

⁵ Suffice it to say, it isn’t the fault of the consumers Trudeau injured that he’s a convicted felon facing another criminal trial. In any event, the FTC doubts that Trudeau truly cannot find legitimate employment. More likely, Trudeau has not attempted to find legitimate employment because—as the last six weeks have established—he can pay his personal expenses with money stashed abroad. Finally, Trudeau is wrong that the Receivership Order prevents him from receiving the generosity of others. Although friends and family cannot give him money, they can give him a place to stay or other necessities.

⁶ As an aside, the Receiver’s \$4,767 (after tax) monthly budget is generous. Conservatively assuming a 20% tax rate, Trudeau’s monthly “pension” from consumers is equivalent to earning more than \$71,000 annually. The Receiver’s calculation also assumed that Trudeau would live with his wife and contribute to her living expenses. Trudeau’s wife, however, has returned to Ukraine. *See* PXB.

coercive sanction is necessary. Although the Court may elect to incarcerate Trudeau now (and the FTC reserves the right to seek such relief in the future), the FTC asks the Court to:

- (1) modify the Writ *Ne Exeat* (June 25, 2013) (DE699) to prevent Trudeau from leaving the Northern District of Illinois until he: (A) repays everything he spent in violation of the Court's orders (\$8,679.43);⁷ (B) disgorges the remaining balance in his Australian bank account to the Receiver; and (C) provides the \$18,642 that he transferred from that account on July 28 to the Receiver; and
- (2) modify the Receivership Order to clarify that Trudeau may only receive money for "ordinary and necessary" living expenses from amounts he contributes to the Receivership Estate through legitimate employment.

Dated: September 16, 2013

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Respectfully Submitted,

/s/ Jonathan Cohen
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600 Pennsylvania Ave., N.W. M-8102B
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Phone: 202-326-3373; -2551; -2880

⁷This is based on an AUD to USD conversion rate of .9319. *See* www.bloomberg.com/markets/currencies/ (viewed Sept. 16, 2013). To the extent that Trudeau establishes that particular charges between July 26 and August 7 qualify as "ordinary and necessary" living expenses, the FTC agrees that such charges should be deducted from the \$8,679.43 he must repay.

CERTIFICATE OF SERVICE

I, Jonathan Cohen, hereby certify that on September 16, 2013, I caused to be served true copies of the foregoing by electronic means, by filing such documents through the Court's Electronic Case Filing System, which will send notification of such filing to:

Kimball Richard Anderson
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/s/ Jonathan Cohen
Jonathan Cohen (jcohen2@ftc.gov)
Attorney for Plaintiff
Federal Trade Commission

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS**

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FEDERAL TRADE COMMISSION,)	
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Plaintiff,)	Case No. 03-C-3904
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v.)	Hon. Robert W. Gettleman
)	
KEVIN TRUDEAU,)	
)	
Defendant.)	
)	
_____)	

**EXHIBITS IN SUPPORT OF REPLY IN SUPPORT OF MOTION TO MODIFY THE
RECEIVERSHIP ORDER TO PREVENT TRUDEAU FROM FUNDING PERSONAL
EXPENSES WITH ASSETS NEEDED TO COMPENSATE HIS VICTIMS**

FTC
EXHIBIT A

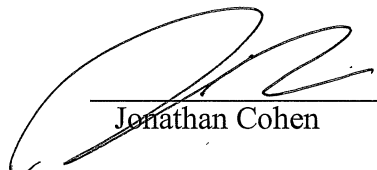
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS

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FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	Case No. 03-C-3904
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v.)	Hon. Robert W. Gettleman
)	
KEVIN TRUDEAU,)	
)	
Defendant.)	
_____)	

**DECLARATION OF JONATHAN COHEN
IN SUPPORT OF REPLY IN SUPPORT OF MOTION TO MODIFY THE
RECEIVERSHIP ORDER TO PREVENT TRUDEAU FROM FUNDING PERSONAL
EXPENSES WITH ASSETS NEEDED TO COMPENSATE HIS VICTIMS**

In accordance with 28 U.S.C. § 1746, I declare under penalty of perjury that the following is true and correct:

- (1) I am co-counsel for Plaintiff Federal Trade Commission (“FTC”) in the above-captioned action, and I have personal knowledge of the matters contained herein.
- (2) Attached hereto as **Attachment 1** is a true and correct copy of an August 2013 Account Summary from St. George Bank regarding accounts held by Kevin Trudeau.
- (3) Attached hereto as **Attachment 2** is a true and correct copy of a July 2013 Account Summary from St. George Bank regarding accounts held by Kevin Trudeau.
- (4) Attached hereto as **Attachment 3** is a true and correct copy of excerpts from a transcript of the hearing in the above-captioned matter on July 26, 2013.
- (5) Attached hereto as **Attachment 4** is a true and correct copy of a January 2013 Account Summary from St. George Bank regarding accounts held by Kevin Trudeau.
- (6) Attached hereto as **Attachment 5** is a true and correct copy of excerpts from a transcript of the hearing in the above-captioned matter on June 26, 2013.



Jonathan Cohen

Executed on September 16, 2013 in Washington, D.C.

FTC PXA:1



Statement of Account St. George Sense

St. George Bank
 A Division of
 Westpac Banking Corporation
 ABN 33 007 457 141
 AFSL 233714

Contact Us 13 33 30 (8am - 9pm)
 7 days a week

BSB No. [REDACTED]
 Account No. [REDACTED]
 Statement 19 (Page 1 of 7)
 Statement Period 01/08/13 to 31/08/13

KEVIN MARK TRUDEAU

Account Summary

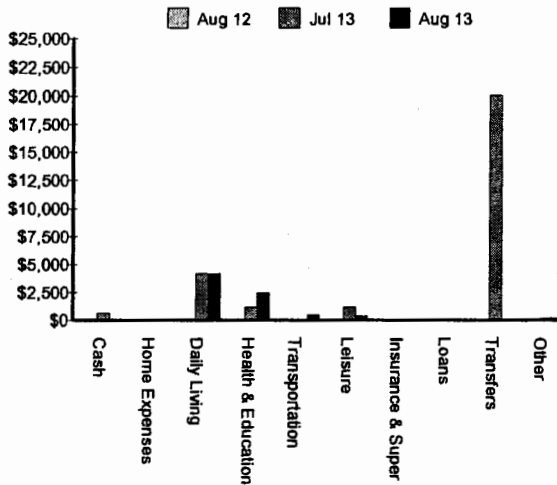
Sense Everyday

Opening Balance	\$19,579.97
+ All Deposits	\$447.98
- All Withdrawals	\$7,697.75
= Closing Balance	\$12,330.20

Sense Savings

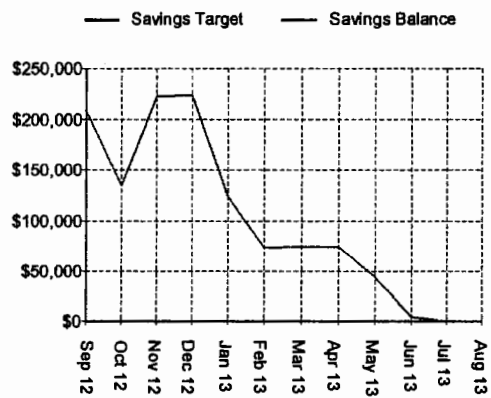
Opening Balance	\$406.41
+ All Deposits	\$1.03
- All Withdrawals	\$0.00
= Closing Balance	\$407.44

Sense Everyday Spending



This chart is a helpful guide for your Sense Everyday spending.*

Sense Savings Progress



Savings Target \$0.00

Please note your savings target has not been established. You can setup your savings target by selecting Account Maintenance in Internet Banking.

Hints & Tips: Did You Know? **

Did you know if you deposit just \$2,000 into your Sense Everyday Account each month, you'll save on the monthly account service fee?

*Note that the breakdown of transactions is only a guide. It is not intended to be a substitute for your own budget or financial plan.
 **This information does not take account of your financial circumstances. Please read the terms and conditions before making a decision.



BSB No.

Account No.



Sense Everyday

Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
01 Aug	Opening Balance		19,579.97	
03 Aug	VISA PURCHASE O/SEAS 31/07/13 GOVERNMENT CENTER SE USD 35.00	-39.28	19,540.69	Transportation
03 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.17	19,539.52	Other
03 Aug	VISA PURCHASE O/SEAS 31/07/13 VIDAL SASSOON USD 167.00	-187.43	19,352.09	Daily Living
03 Aug	FOREIGN CURRENCY CONVERSN FEE	-5.62	19,346.47	Other
05 Aug	VISA PURCHASE O/SEAS 01/08/13 55 EAST MONROE USD 36.00	-40.55	19,305.92	Transportation
05 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.21	19,304.71	Other
05 Aug	VISA PURCHASE O/SEAS 02/08/13 WHOLEFDS HIN 10364 USD 423.27	-476.82	18,827.89	Daily Living
05 Aug	FOREIGN CURRENCY CONVERSN FEE	-14.30	18,813.59	Other
05 Aug	VISA PURCHASE O/SEAS 01/08/13 STEPHEN GORDON DDS P USD 1652.00	-1,861.01	16,952.58	Health&Educatn
05 Aug	FOREIGN CURRENCY CONVERSN FEE	-55.83	16,896.75	Other
06 Aug	VISA PURCHASE O/SEAS 04/08/13 THE STANDARD MARKE USD 31.51	-35.50	16,861.25	Daily Living
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.06	16,860.19	Other
06 Aug	VISA PURCHASE O/SEAS 04/08/13 THE STANDARD MARKE USD 36.47	-41.08	16,819.11	Daily Living
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.23	16,817.88	Other
06 Aug	VISA PURCHASE O/SEAS 03/08/13 AGENT FEE A 89006007 USD 50.00	-56.33	16,761.55	Leisure
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.68	16,759.87	Other
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		16,759.87	

Save time and BPAY® your bills.

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This information does not take into account your financial circumstances. Before you make a decision, read the Terms and Conditions, available at any branch or stgeorge.com.au and consider if the product is right for you. *Registered to BPAY Pty Ltd ABN 69 079 137 518. St.George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714. SIGW0515 12/10



Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		16,759.87	
06 Aug	VISA PURCHASE O/SEAS 03/08/13 THE HUMIDOR OF WESTM USD 65.00	-73.22	16,686.65	Daily Living
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-2.19	16,684.46	Other
06 Aug	VISA PURCHASE O/SEAS 04/08/13 THE HUMIDOR OF WESTM USD 85.17	-95.95	16,588.51	Daily Living
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-2.87	16,585.64	Other
06 Aug	VISA PURCHASE O/SEAS 03/08/13 JETBLUE 27972663 USD 293.90	-331.08	16,254.56	Leisure
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-9.93	16,244.63	Other
07 Aug	VISA PURCHASE O/SEAS 05/08/13 THE HUMIDOR OF WESTM USD 174.53	-197.28	16,047.35	Daily Living
07 Aug	FOREIGN CURRENCY CONVERSN FEE	-5.91	16,041.44	Other
08 Aug	VISA PURCHASE O/SEAS 06/08/13 THE HUMIDOR OF WESTM USD 32.01	-35.95	16,005.49	Daily Living
08 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.07	16,004.42	Other
08 Aug	VISA PURCHASE O/SEAS 06/08/13 THE HUMIDOR OF WESTM USD 36.64	-41.15	15,963.27	Daily Living
08 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.23	15,962.04	Other
09 Aug	VISA PURCHASE O/SEAS 06/08/13 EASTWOOD BIO MEDICAL USD 85.00	-95.28	15,866.76	Daily Living
09 Aug	FOREIGN CURRENCY CONVERSN FEE	-2.85	15,863.91	Other
09 Aug	VISA PURCHASE O/SEAS 07/08/13 ROBERT J LACAVA MD USD 95.00	-106.49	15,757.42	Health&Educatn
09 Aug	FOREIGN CURRENCY CONVERSN FEE	-3.19	15,754.23	Other
09 Aug	VISA PURCHASE O/SEAS 07/08/13 CAREY USD 308.42	-345.73	15,408.50	Transportation
09 Aug	FOREIGN CURRENCY CONVERSN FEE	-10.37	15,398.13	Other
09 Aug	VISA PURCHASE O/SEAS 06/08/13 US WELLNESS MEATS USD 669.88	-750.91	14,647.22	Daily Living
09 Aug	FOREIGN CURRENCY CONVERSN FEE	-22.52	14,624.70	Other
10 Aug	VISA PURCHASE O/SEAS 07/08/13 US WELLNESS MEATS USD 388.00	-432.36	14,192.34	Daily Living
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		14,192.34	



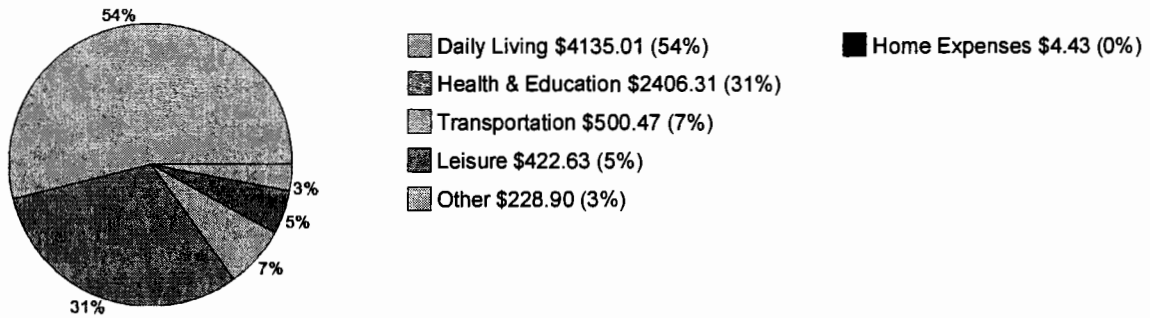
Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		14,192.34	
10 Aug	FOREIGN CURRENCY CONVERSN FEE	-12.97	14,179.37	Other
10 Aug	VISA PURCHASE O/SEAS 07/08/13 US WELLNESS MEATS USD 413.00	-460.22	13,719.15	Daily Living
10 Aug	FOREIGN CURRENCY CONVERSN FEE	-13.80	13,705.35	Other
10 Aug	VISA PURCHASE O/SEAS 07/08/13 WESTMONT LIQUORS USD 894.30	-996.56	12,708.79	Daily Living
10 Aug	FOREIGN CURRENCY CONVERSN FEE	-29.89	12,678.90	Other
12 Aug	VISA CREDIT OVERSEAS 07/08/13 US WELLNESS MEATS USD 413.00	447.98	13,126.88	
12 Aug	VISA PURCHASE O/SEAS 08/08/13 RENAISSANCE HOTELS F USD 32.00	-35.22	13,091.66	Leisure
12 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.05	13,090.61	Other
22 Aug	VISA PURCHASE O/SEAS 20/08/13 SMARTE CARTE USD 4.00	-4.43	13,086.18	Home Expenses
22 Aug	FOREIGN CURRENCY CONVERSN FEE	-0.13	13,086.05	Other
26 Aug	VISA PURCHASE O/SEAS 22/08/13 55 EAST MONROE USD 32.00	-35.66	13,050.39	Transportation
26 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.06	13,049.33	Other
26 Aug	VISA PURCHASE O/SEAS 22/08/13 STEPHEN GORDON DDS P USD 256.00	-285.30	12,764.03	Health&Educatn
26 Aug	FOREIGN CURRENCY CONVERSN FEE	-8.55	12,755.48	Other
30 Aug	VISA PURCHASE O/SEAS 28/08/13 GENOVA DIAGNOSTICS USD 136.53	-153.51	12,601.97	Health&Educatn
30 Aug	FOREIGN CURRENCY CONVERSN FEE	-4.60	12,597.37	Other
31 Aug	VISA PURCHASE O/SEAS 28/08/13 GOVERNMENT CENTER SE USD 35.00	-39.25	12,558.12	Transportation
31 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.17	12,556.95	Other
31 Aug	VISA PURCHASE O/SEAS 28/08/13 VIDAL SASSOON USD 192.00	-215.30	12,341.65	Daily Living
31 Aug	FOREIGN CURRENCY CONVERSN FEE	-6.45	12,335.20	Other
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		12,335.20	



Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		12,335.20	
31 Aug	ACCOUNT SERVICE FEE	-5.00	12,330.20	Other
31 Aug	Closing Balance		12,330.20	

Rounding Contributions processed near the end of the month may appear on your next statement.

Sense Everyday Spend by Category



This chart is a high level breakdown of the transactions that you have made using your Sense Everyday Account, during the statement period*.



BSB No.

Account No.



Sense Savings

Date	Description	+ Deposits	- Withdrawals	= Balance \$
01 Aug	Opening Balance			406.41
31 Aug	CREDIT INTEREST	1.03		407.44
31 Aug	Closing Balance			407.44

Note: You may only deposit or withdraw amounts to and from your Sense Savings Account by transferring amounts to and from your Sense Everyday Account. This means you may not use your Sense Savings Account for transactions such as direct debit.

Interest Details

Sense Everyday

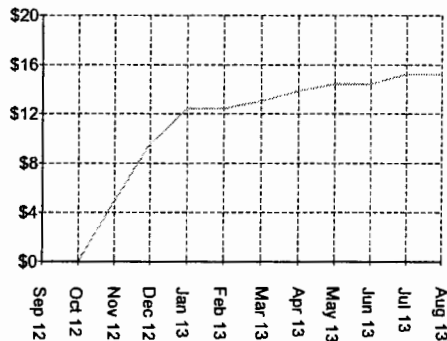
	Interest Earned	Interest Charged
Year to Date	\$0.00	\$0.00
Previous Year to Date	\$0.00	\$0.00

Sense Savings

	Interest Earned	Interest Charged
Year to Date	\$11.25	\$0.00
Previous Year to Date	\$4,218.37	\$0.00

Interest Earned Includes interest earned on your Sense Savings account and Matching Contributions Paid.

Rounding Contributions



This chart shows you the cumulative Rounding Contributions that have been transferred to your Sense Savings Account for the last 12 months*.

Your Rounding Contributions

Total Rounding Contributions transferred to your Sense Savings Account for last 12 months. **\$15.22**

FTC PXA:2



Statement of Account

St. George Sense

St. George Bank
 A Division of
 Westpac Banking Corporation
 ABN 33 007 457 141
 AFSL 233714

Contact Us 13 33 30 (8am - 9pm)
 7 days a week

BSB No. [REDACTED]
Account No. [REDACTED]
Statement 18 (Page 1 of 6)
Statement Period 01/07/13 to 31/07/13

KEVIN MARK TRUDEAU

Account Summary

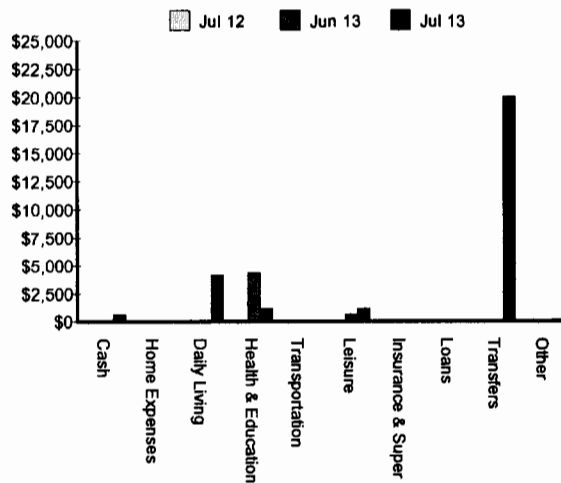
Sense Everyday

Opening Balance	\$42,940.21
+ All Deposits	\$4,000.00
- All Withdrawals	\$27,360.24
= Closing Balance	\$19,579.97

Sense Savings

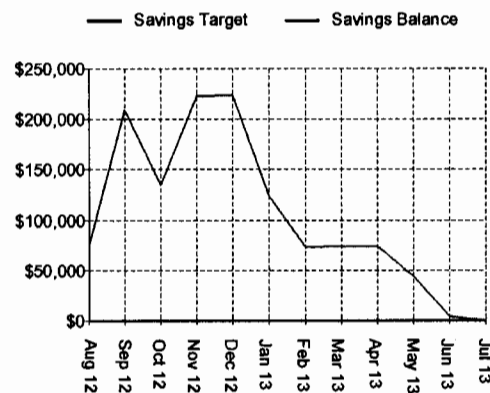
Opening Balance	\$4,399.40
+ All Deposits	\$11.01
- All Withdrawals	\$4,004.00
= Closing Balance	\$406.41

Sense Everyday Spending



This chart is a helpful guide for your Sense Everyday spending.*

Sense Savings Progress



Savings Target \$0.00

Please note your savings target has not been established. You can setup your savings target by selecting Account Maintenance in Internet Banking.

Hints & Tips: Did You Know?*

By making regular deposits into your Sense Everyday Account, you can streamline your finances by making your regular payments conveniently from one account.

*Note that the breakdown of transactions is only a guide. It is not intended to be a substitute for your own budget or financial plan.

**This information does not take account of your financial circumstances. Please read the terms and conditions before making a decision.



BSB No.
 Account No.



Sense Everyday

Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
01 Jul	Opening Balance		42,940.21	
01 Jul	VISA PURCHASE O/SEAS 28/06/13 THE HUMIDOR OF WESTM USD 458.37	-503.10	42,437.11	Daily Living
01 Jul	FOREIGN CURRENCY CONVERSN FEE	-15.09	42,422.02	Other
02 Jul	VISA PURCHASE O/SEAS 29/06/13 BASS PRO SHOPS USD 69.28	-76.04	42,345.98	Leisure
02 Jul	FOREIGN CURRENCY CONVERSN FEE	-2.28	42,343.70	Other
02 Jul	VISA PURCHASE O/SEAS 29/06/13 BASS PRO SHOPS USD 142.06	-155.92	42,187.78	Leisure
02 Jul	FOREIGN CURRENCY CONVERSN FEE	-4.67	42,183.11	Other
02 Jul	VISA PURCHASE O/SEAS 29/06/13 VIDAL SASSOON USD 197.00	-216.22	41,966.89	Daily Living
02 Jul	FOREIGN CURRENCY CONVERSN FEE	-6.48	41,960.41	Other
02 Jul	VISA CASH ADVANCE 29/06/13 PNCBANK/100 W. RANDO USD 603.00	-661.84	41,298.57	Cash
02 Jul	FOREIGN CURRENCY CONVERSN FEE	-19.85	41,278.72	Other
03 Jul	ROUNDING FOR \$661.84 EFFECTIVE DATE 01JUL	-0.16	41,278.56	Transfers
16 Jul	VISA PURCHASE 11/07/13 PAYPAL *ALLEN CARR 402935773 EFFECTIVE DATE 15JUL	-167.37	41,111.19	Daily Living
16 Jul	VISA PURCHASE O/SEAS 12/07/13 THE HUMIDOR OF WESTM USD 885.75	-983.96	40,127.23	Daily Living
16 Jul	FOREIGN CURRENCY CONVERSN FEE	-29.51	40,097.72	Other
16 Jul	VISA PURCHASE O/SEAS 12/07/13 HEALTH CONNECT LLC USD 1050.00	-1,166.42	38,931.30	Health&Educatn
16 Jul	FOREIGN CURRENCY CONVERSN FEE	-34.99	38,896.31	Other
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		38,896.31	

Keep all your banking in one place.

Manage your finances and maximise your savings potential by having your salary paid into your SENSE Everyday account. Using your BSB and Account Number, simply speak to your employer or talk to us about switching today.



This information does not take into account your financial circumstances. Before acting on this information, you should read the Terms and Conditions, available at any branch or stgeorge.com.au and consider whether it is right for you. SENSE Everyday Account and SENSE Savings Account are issued by St.George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714. 9624/11832 12/10



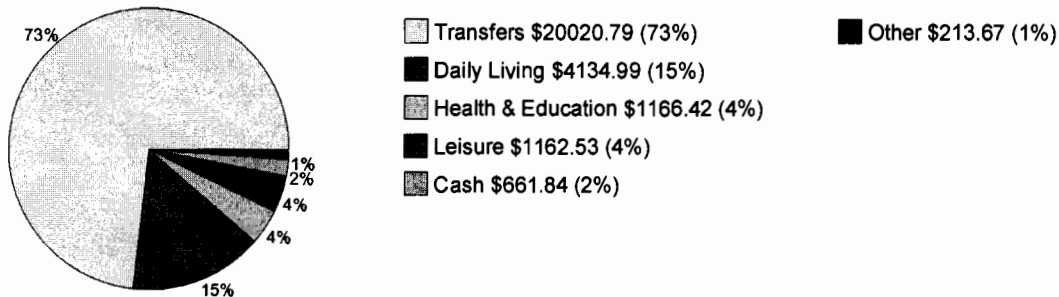
Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		38,896.31	
17 Jul	ROUNDING FOR \$167.37 EFFECTIVE DATE 15JUL	-0.63	38,895.68	Transfers
22 Jul	VISA PURCHASE O/SEAS 17/07/13 SALON & SPA DALIA IN USD 70.00	-76.47	38,819.21	Daily Living
22 Jul	FOREIGN CURRENCY CONVERSN FEE	-2.29	38,816.92	Other
23 Jul	VISA PURCHASE O/SEAS 20/07/13 SALON & SPA DALIA IN USD 125.00	-136.55	38,680.37	Daily Living
23 Jul	FOREIGN CURRENCY CONVERSN FEE	-4.09	38,676.28	Other
25 Jul	VISA PURCHASE O/SEAS 23/07/13 THE HUMIDOR OF WESTM USD 771.75	-836.68	37,839.60	Daily Living
25 Jul	FOREIGN CURRENCY CONVERSN FEE	-25.10	37,814.50	Other
26 Jul	VISA PURCHASE O/SEAS 23/07/13 AMERICAN AI 00123251 USD 5.00	-5.48	37,809.02	Leisure
26 Jul	FOREIGN CURRENCY CONVERSN FEE	-0.16	37,808.86	Other
26 Jul	VISA PURCHASE O/SEAS 23/07/13 AGENT FEE A 89006005 USD 35.00	-38.34	37,770.52	Leisure
26 Jul	FOREIGN CURRENCY CONVERSN FEE	-1.15	37,769.37	Other
29 Jul	INTERNET OVERSEAS TT 28JUL 09:25	-20,000.00	17,769.37	Transfers
29 Jul	INTERNET TT REQ FEE 28JUL 09:25	-20.00	17,749.37	Transfers
29 Jul	INTERNET DEPOSIT 28JUL 09:27 FROM 00004209	4,000.00	21,749.37	
29 Jul	VISA PURCHASE O/SEAS 21/07/13 OAK BROOK GOLF CLUB USD 112.44	-121.82	21,627.55	Leisure
29 Jul	FOREIGN CURRENCY CONVERSN FEE	-3.65	21,623.90	Other
30 Jul	VISA PURCHASE O/SEAS 28/07/13 JEWEL #3068 USD 19.37	-20.99	21,602.91	Daily Living
30 Jul	FOREIGN CURRENCY CONVERSN FEE	-0.62	21,602.29	Other
30 Jul	VISA PURCHASE O/SEAS 27/07/13 SALON & SPA DALIA IN USD 185.00	-200.44	21,401.85	Daily Living
30 Jul	FOREIGN CURRENCY CONVERSN FEE	-6.01	21,395.84	Other
30 Jul	VISA PURCHASE O/SEAS 28/07/13 WHOLEFDS HIN 10364 USD 357.21	-387.01	21,008.83	Daily Living
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		21,008.83	



Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		21,008.83	
30 Jul	FOREIGN CURRENCY CONVERSN FEE	-11.61	20,997.22	Other
30 Jul	VISA PURCHASE O/SEAS 28/07/13 THE HUMIDOR OF WESTM USD 559.52	-606.20	20,391.02	Daily Living
30 Jul	FOREIGN CURRENCY CONVERSN FEE	-18.18	20,372.84	Other
30 Jul	VISA PURCHASE O/SEAS 28/07/13 RENAISSANCE HOTELS 9 USD 684.44	-741.54	19,631.30	Leisure
30 Jul	FOREIGN CURRENCY CONVERSN FEE	-22.24	19,609.06	Other
31 Jul	VISA PURCHASE O/SEAS 28/07/13 AMC YORKTOWN 1040082 USD 21.50	-23.39	19,585.67	Leisure
31 Jul	FOREIGN CURRENCY CONVERSN FEE	-0.70	19,584.97	Other
31 Jul	O/SEAS CASH WITHDRAWAL FEE	-5.00	19,579.97	Other
31 Jul	Closing Balance		19,579.97	

Rounding Contributions processed near the end of the month may appear on your next statement.

Sense Everyday Spend by Category



This chart is a high level breakdown of the transactions that you have made using your Sense Everyday Account, during the statement period*.



BSB No.
 Account No.



Sense Savings

Date	Description	+ Deposits	- Withdrawals	= Balance \$
01 Jul	Opening Balance			4,399.40
03 Jul	ROUNDING FOR \$661.84 EFFECTIVE DATE 01JUL	0.16		4,399.56
17 Jul	ROUNDING FOR \$167.37 EFFECTIVE DATE 15JUL	0.63		4,400.19
29 Jul	INTERNET WITHDRAWAL 28 JUL 09:27 TO 00004115		-4,000.00	400.19
31 Jul	CREDIT INTEREST	10.22		410.41
31 Jul	TFN WITHHOLDING TAX		-4.00	406.41
31 Jul	Closing Balance			406.41

Note: You may only deposit or withdraw amounts to and from your Sense Savings Account by transferring amounts to and from your Sense Everyday Account. This means you may not use your Sense Savings Account for transactions such as direct debit.

Interest Details

Sense Everyday

	Interest Earned	Interest Charged
Year to Date	\$0.00	\$0.00
Previous Year to Date	\$0.00	\$0.00

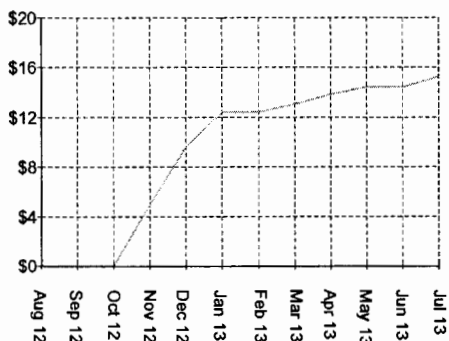
Sense Savings

	Interest Earned	Interest Charged
Year to Date	\$10.22	\$0.00
Previous Year to Date	\$4,218.37	\$0.00

Interest Earned Includes interest earned on your Sense Savings account and Matching Contributions Paid.



Rounding Contributions



Your Rounding Contributions

Total Rounding Contributions transferred to your Sense Savings Account for last 12 months. **\$15.22**

This chart shows you the cumulative Rounding Contributions that have been transferred to your Sense Savings Account for the last 12 months*.

Summary of Withholding Charges

Sense Savings

	Year to Date	Previous Year to Date
TFN Withholding Tax	\$4.00	\$1,952.00

Information

- For more information on how to read your statement please visit stgeorge.com.au/sense
- Please check all entries on this statement and inform the bank promptly of any error or unauthorised transactions.
- If your card is lost or stolen please call us immediately on 1800 028 208.
- This statement should be retained for taxation purposes.
- You can find out the termination value of your account by phoning the customer enquiries number on this statement.
- To contact us to make suggestions, compliments or find out more about our products and services, please call the customer enquiries number on this statement. This service may also be used to address and resolve complaints.
- For more information on St.George Sense, please visit stgeorge.com.au/sense or call the customer enquiries number on this statement.

FTC PXA:3

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
vs.) No. 03 C 3904
) Chicago, Illinois
KEVIN TRUDEAU,) July 26, 2013
) 1:30 p.m.
Defendant.)

TRANSCRIPT OF PROCEEDINGS - ORAL ARGUMENTS AND RULING
BEFORE THE HONORABLE ROBERT W. GETTLEMAN

For the Plaintiff: FEDERAL TRADE COMMISSION
600 Pennsylvania Avenue, N.W., M-8102B
Washington, DC 20580
BY: MR. JONATHAN COHEN

FEDERAL TRADE COMMISSION
55 West Monroe Street, Suite 1825
Chicago, Illinois 60603
BY: MR. DAVID A. O'TOOLE

For Defendant Trudeau: WINSTON AND STRAWN LLP
35 West Wacker Drive
Chicago, Illinois 60601
BY: MR. KIMBALL ANDERSON

Official Reporter: JENNIFER S. COSTALES, CRR, RMR
219 South Dearborn Street, Room 1706
Chicago, Illinois 60604
(312) 427-5351

1 So there's no question in my mind that Mr. Trudeau,
2 from that June 2010 date, and probably before, no doubt, that
3 he currently has the ability to comply with the order of the
4 Court, or at least to make a substantial effort in complying
5 with the Court's order to pay the 37 million, and that he has
6 deliberately failed to do so. So, therefore, I find him in
7 contempt once again.

8 As far as the issue of self-induced as a defense -- as
9 a response to a defense of inability to pay, it almost goes
10 beyond self-induced here. This isn't as if he, Mr. Trudeau,
11 was using this money to start businesses and live an ordinary
12 life or pay other legitimate debts. As we know, the record is
13 clear there are substantial tax liens against him by the United
14 States Treasury. That he hasn't paid those debts as well, and
15 that he used this money -- or at least a substantial portion of
16 it -- to live a lavish lifestyle. Those credit card bills tell
17 the story pretty easily. But to have residences in Zurich and
18 this Ojai, California, house, and the jewelry, and the
19 furnishings, and the expensive clothes and everything else.
20 This is not a man who has made any effort to meet his
21 obligation. And, remember, that obligation stems from what I
22 found to be, and what the Court of Appeals has affirmed to be,
23 deliberate contempt by misrepresenting the nature of the book
24 that he wrote. It's just one lie after the other after the
25 other. So I just reject any defense based on inability to pay.

1 And with respect to Mr. Lane, I'm very disturbed by
2 Mr. Lane's conduct here as well. I haven't made up my mind
3 what to do about it, but I think it does cross the line of
4 legitimate attorney advice about protecting assets. Of course,
5 everybody is entitled to legitimate advice about how to deal
6 with their assets and debts and that sort of thing; that is why
7 we have bankruptcy lawyers and bankruptcy courts. I guess I
8 could digress for a moment and say that Mr. Trudeau attempted
9 to pull that rabbit out of a hat, but because he was obviously
10 reluctant to file yet another false financial statement in the
11 bankruptcy court, that was dismissed. I think that says a lot
12 about Mr. Trudeau.

13 So he hasn't paid. He's in contempt again. And now,
14 of course, comes the tougher question, which I think both
15 parties have put their finger on, and that is, what do you do
16 about it now? If he has let all of these assets slip through
17 his fingers, or more likely disburse, as a result of his own
18 conduct, his own desire to avoid his obligations, and he's left
19 shells in his trail, what do we do about it now?

20 I think I would be absolutely within reason and the
21 law and the facts of this case to incarcerate Mr. Trudeau
22 today, and make him direct these entities and people to pay
23 this money that's out there somewhere. The reason I'm
24 reluctant to do that is because I am most concerned with
25 actually getting something out of all of this for the benefit

1 of those consumers who were deceived by the book. And
2 I -- this is the hardest decision that I have had to make.
3 Basically what I have found is that Mr. Trudeau is a puppet
4 master who has got a lot of strings out there and an awful lot
5 of puppets, and I'm not sure he can pull those strings from a
6 jailhouse cell. Maybe he can, and if what I'm about to
7 propose -- not propose -- what I am about to tell you I'm going
8 to do doesn't work, that will be the next thing that happens.

9 Mr. Trudeau has suggested a Receiver be appointed.
10 It's his own suggestion. I like the idea because I think that
11 a proper Receiver could -- who actually assumes Mr. Trudeau's
12 position with respect to the entities and assets that we've
13 been talking about all of this time, would be able to,
14 hopefully, find where the money went, where the assets are, to
15 marshal those assets, and to apply them to the remedy that I
16 have ordered.

17 Now, Mr. Trudeau controls not just entities. And
18 Mr. Anderson says, well, we asked one of the GIN entities to do
19 something and they wouldn't do it. He controls those entities.
20 I am finding that. In fact, just let me take a step back. The
21 FTC's proposed findings of fact, I have gone through them in
22 detail, and I have looked at the supporting documents, and
23 exhibits, and transcripts, and I find that generally they are
24 accurate and incredibly thorough. I also should say they were
25 single-spaced and difficult to read for these old eyes. So try

1 THE COURT: I think there are assets there. I think
2 there's revenues there. I've seen enough to believe that with
3 sufficient effort and skill we'll be able to get to the bottom
4 of this.

5 MR. ANDERSON: I really wasn't going to comment on the
6 discovery of assets. I was going to comment on the breadth of
7 the injunction about not transferring any assets other than
8 ordinary living expenses. And I was going to comment on that
9 because it affects my firm. I believe that if I stay in the
10 case, I can be helpful to the process. I can work with the
11 Receiver. I can ensure proper reporting to the Court. But if
12 Mr. Trudeau can't work and can't use the proceeds from his
13 motivational speaking to pay my firm, I'm not going to be able
14 to continue in the process.

15 And I'm happy to submit --

16 THE COURT: Well, I'm happy to --

17 MR. ANDERSON: I'm happy to submit, you know, if
18 somebody wants to look at those for reasonableness or whatever,
19 but that's a reality of the situation, your Honor.

20 THE COURT: Well, I'm not trying to kick you out of
21 the case. I don't want you out of the case. But that
22 injunction would read until further order of court. I'm just
23 afraid that, you know, with Mr. Trudeau, when -- when I saw the
24 amount of money that he paid Mr. Lane it was pretty astounding.
25 The money -- he has paid a lot of money to your firm, too.

1 Your firm doesn't come cheap, and I can understand why he might
2 do that. But I'm very concerned that he is continuing to
3 dissipate assets, even in his defense here, that he shouldn't
4 be.

5 I would certainly hear you out as to a reasonable
6 provision for attorney's fees or litigation costs. But the
7 whole point of having a Receiver for a person or entity in a
8 situation like this is to basically take it out of the hands of
9 the person or entity, and put it in the hands of a fiduciary
10 that is responsible to the Court.

11 I don't want to be in the position -- because that's
12 what I am somewhat afraid of. If I was to incarcerate
13 Mr. Trudeau and have him -- and direct him to open that
14 jailhouse door by providing information or directing certain
15 things, unless we actually saw the cash itself, I would be in
16 daily charge of what he was trying to do to open that door.

17 I'm basically -- instead of putting you in prison, or
18 incarcerating you, I am giving you the key to open that door.
19 I am giving you the key to keep you out of that door. And it's
20 the last time I am going to do that. And if for some reason I
21 find that Mr. Trudeau is giving directions to people like
22 Mr. Sant, and they're saying, "No, I'm not going to do it," the
23 situation will change drastically. And that door will open
24 very quickly.

25 So I just want to make sure Mr. Trudeau understands

1 that and that this whole thing has to come to an end. I would
2 love to see this empire that he has built marshaled in a way
3 that would satisfy the FTC that they have gotten everything
4 that they can get from this. And that Mr. Trudeau can go and
5 motivationally speak and move on with his life and use the rest
6 of it to perhaps pay what he can't pay now. And go beyond
7 that. But right now we've got a situation that I am trying to
8 be fair to everybody and also to actually reach a result that
9 would comply with the order I issued three years ago.

10 MR. ANDERSON: And I want to add that I share that
11 goal. We have a common goal insofar as marshaling assets and
12 paying off the judgment. And if I continue to work in the
13 case -- if I continue on with the case, I will do everything
14 within my power as Mr. Trudeau's counsel to make that happen.

15 How do you want to handle -- how would you like us to
16 handle legal fees? We have ongoing legal fees in connection
17 with this matter. And we're also representing
18 Mr. -- Mr. Kirsch is representing Mr. Trudeau in a criminal
19 case.

20 THE COURT: Well, I'm glad you mentioned that. The
21 other consideration that I have is that case is going to trial
22 in a month. And I'm sure that Mr. Trudeau would rather be on
23 this side of the MCC than the other side, in order to prepare
24 for that defense. Although, as you know, most of the people at
25 the MCC are there preparing their defenses, so it isn't

FTC PXA:4



Statement of Account St. George Sense

St. George Bank
 A Division of
 Westpac Banking Corporation
 ABN 33 007 457 141
 AFSL 233714

Contact Us 13 33 30 (8am - 9pm)
 7 days a week

BSB No. [Redacted]

Account No. [Redacted]

Statement 12 (Page 1 of 6)

Statement Period 01/01/13 to 31/01/13

KEVIN MARK TRUDEAU

Account Summary

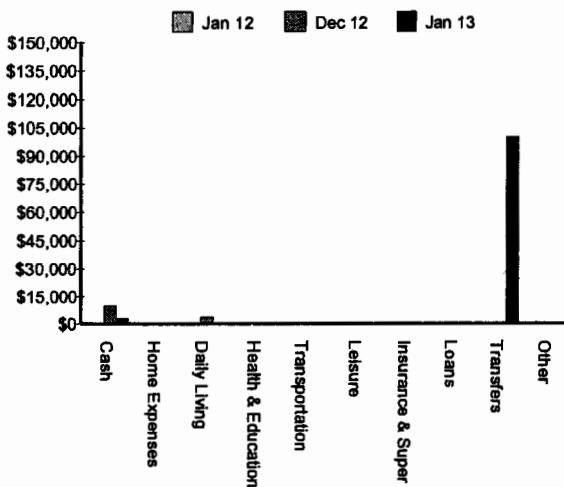
Sense Everyday

Opening Balance	\$20,676.00
+ All Deposits	\$100,000.00
- All Withdrawals	\$103,388.96
= Closing Balance	\$17,287.04

Sense Savings

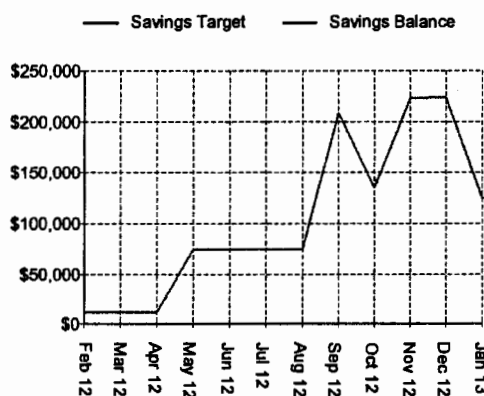
Opening Balance	\$223,736.99
+ All Deposits	\$364.09
- All Withdrawals	\$100,167.00
= Closing Balance	\$123,934.08

Sense Everyday Spending



This chart is a helpful guide for your Sense Everyday spending.*

Sense Savings Progress



Savings Target \$0.00

Please note your savings target has not been established. You can setup your savings target by selecting Account Maintenance in Internet Banking.

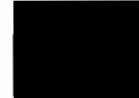
Hints & Tips: Did You Know? **

By making regular deposits into your Sense Everyday Account, you can streamline your finances by making your regular payments conveniently from one account.

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 **This information does not take account of your financial circumstances. Please read the terms and conditions before making a decision.



BSB No.
 Account No.



Sense Everyday

Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
01 Jan	Opening Balance		20,676.00	
02 Jan	INTERNET DEPOSIT 02JAN 07:06 FROM 00004209	100,000.00	120,676.00	
02 Jan	INTERNET OVERSEAS TT 02JAN 08:34	-50,000.00	70,676.00	Transfers
02 Jan	INTERNET TT REQ FEE 02JAN 08:34	-20.00	70,656.00	Transfers
03 Jan	INTERNET OVERSEAS TT 03JAN 05:41	-50,000.00	20,656.00	Transfers
03 Jan	INTERNET TT REQ FEE 03JAN 05:41	-20.00	20,636.00	Transfers
03 Jan	VISA CASH ADVANCE 30/12/12 MIGROSBANK CHF 900.00	-953.11	19,682.89	Cash
03 Jan	FOREIGN CURRENCY CONVERSN FEE	-28.59	19,654.30	Other
04 Jan	ROUNDING FOR \$953.11 EFFECTIVE DATE 02JAN	-0.89	19,653.41	Transfers
05 Jan	VISA CASH ADVANCE 02/01/13 MIGROSBANK CHF 900.00	-938.48	18,714.93	Cash
05 Jan	FOREIGN CURRENCY CONVERSN FEE	-28.15	18,686.78	Other
07 Jan	VISA CASH ADVANCE 04/01/13 MIGROSBANK CHF 900.00	-938.22	17,748.56	Cash
07 Jan	FOREIGN CURRENCY CONVERSN FEE	-28.14	17,720.42	Other
07 Jan	ROUNDING FOR \$938.48 EFFECTIVE DATE 04JAN	-0.52	17,719.90	Transfers
08 Jan	ROUNDING FOR \$938.22 EFFECTIVE DATE 05JAN	-0.78	17,719.12	Transfers
17 Jan	VISA CASH ADVANCE 14/01/13 INTERNACIONAL Centro GTQ 2027.22	-244.34	17,474.78	Cash
17 Jan	FOREIGN CURRENCY CONVERSN FEE	-7.33	17,467.45	Other
18 Jan	ROUNDING FOR \$244.34 EFFECTIVE DATE 16JAN	-0.66	17,466.79	Transfers
19 Jan	VISA PURCHASE O/SEAS 17/01/13 CALUMET PHOTOGRAPHIC EUR 121.85	-155.10	17,311.69	Leisure
19 Jan	FOREIGN CURRENCY CONVERSN FEE	-4.65	17,307.04	Other
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		17,307.04	

Save time and make payments via Direct Debit

You can have many of your payments debited directly from your SENSE Everyday Account, such as your telephone bill, electricity bill and insurance payments. To arrange a direct debit contact the relevant organisation and provide them with your BSB and account number or call us on 13 33 30.



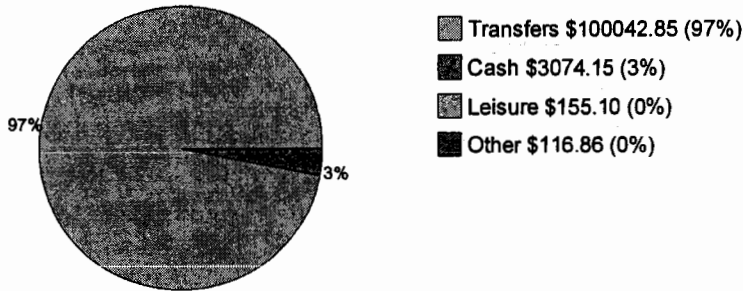
Conditions and fees may apply. This information doesn't consider your personal circumstances. Read the terms and conditions before making a decision. St. George Bank - A Division of Westpac Banking Corporation
 ABN 33 007 457 141 AFSL 233714. 9624/12098 08/10



Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		17,307.04	
31 Jan	O/SEAS CASH WITHDRAWAL FEE	-20.00	17,287.04	Other
31 Jan	Closing Balance		17,287.04	

Rounding Contributions processed near the end of the month may appear on your next statement.

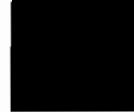
Sense Everyday Spend by Category



This chart is a high level breakdown of the transactions that you have made using your Sense Everyday Account, during the statement period*.



BSB No.
 Account No.



Sense Savings

Date	Description	+ Deposits	- Withdrawals	= Balance \$
01 Jan	Opening Balance			223,736.99
02 Jan	INTERNET WITHDRAWAL 02JAN 07:06 TO 00004115-		-100,000.00	123,736.99
04 Jan	ROUNDING FOR \$953.11 EFFECTIVE DATE 02JAN	0.89		123,737.88
07 Jan	ROUNDING FOR \$938.48 EFFECTIVE DATE 04JAN	0.52		123,738.40
08 Jan	ROUNDING FOR \$938.22 EFFECTIVE DATE 05JAN	0.78		123,739.18
18 Jan	ROUNDING FOR \$244.34 EFFECTIVE DATE 16JAN	0.66		123,739.84
31 Jan	CREDIT INTEREST	361.24		124,101.08
31 Jan	TFN WITHHOLDING TAX		-167.00	123,934.08
31 Jan	Closing Balance			123,934.08

Note: You may only deposit or withdraw amounts to and from your Sense Savings Account by transferring amounts to and from your Sense Everyday Account. This means you may not use your Sense Savings Account for transactions such as direct debit.

Interest Details

Sense Everyday

	Interest Earned	Interest Charged
Year to Date	\$0.00	\$0.00
Previous Year to Date	\$0.00	\$0.11

Sense Savings

	Interest Earned	Interest Charged
Year to Date	\$3,359.05	\$0.00
Previous Year to Date	\$425.44	\$0.00

Interest Earned Includes interest earned on your Sense Savings account and Matching Contributions Paid.

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IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	
)	No. 03 C 3904
vs.)	Chicago, Illinois
)	June 26, 2013
KEVIN TRUDEAU,)	10:00 a.m.
)	
Defendant.)	

TRANSCRIPT OF PROCEEDINGS - MOTION
BEFORE THE HONORABLE ROBERT W. GETTLEMAN

APPEARANCES:

For the Plaintiff:	FEDERAL TRADE COMMISSION 600 Pennsylvania Avenue, N.W., M-8102B Washington, DC 20580 BY: MR. JONATHAN COHEN MS. AMANDA KOSTNER
	FEDERAL TRADE COMMISSION 55 West Monroe Street, Suite 1825 Chicago, Illinois 60603 BY: MR. DAVID A. O'TOOLE
For Defendant Trudeau	WINSTON & STRAWN LLP 35 West Wacker Drive Chicago, Illinois 60601 BY: MR. KIMBALL ANDERSON MR. THOMAS L. KIRSCH, II MS. KATHERINE ROHLF
For Marc J. Lane and Law Firm of Marc J. Lane:	BARNES & THORNBURG LLP One North Wacker Drive, Suite 4400 Chicago, Illinois 60606 BY: MR. VINCENT P. SCHMELTZ, III MR. AUSTIN J. BURKE
Official Reporter:	JENNIFER S. COSTALES, CRR, RMR 219 South Dearborn Street, Room 1706 Chicago, Illinois 60604 (312) 427-5351

Lane - cross by Kirsch

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1 document.

2 A. Yes, sir.

3 Q. There is one e-mail on that page. Do you see that?

4 A. I do.

5 Q. All right. In that, the first line of that e-mail says "This
6 will respond to your question," correct?

7 A. Yes, sir.

8 Q. What question were you responding to in this e-mail?

9 A. This was now following on my advice that Mr. Trudeau be
10 employed, receive a salary, from one or more companies for
11 services he might render those companies and thereby generate
12 income with respect to which he could live and also most
13 important pay off this judgment. So he has inquired again
14 following through on this salary idea as to possibly having KT
15 Radio Network as his employer, wire his salary to his personal
16 bank account in Australia.

17 Q. All right. So he's asking you about the possibility of
18 having his salary with KTR, I'm sorry, with KT Radio Network,
19 which is also known as KTRN?

20 A. Yes.

21 Q. And whether or not he could wire that salary to his existing
22 personal bank account in Australia, correct?

23 A. Yes, sir.

24 Q. And then you again go to the fraudulent transfer rules,
25 correct?

Lane - cross by Kirsch

123

1 A. Yes, I did.

2 Q. And you provide him advice as to whether or not he can have a
3 salary and have it transferred or wired to his existing personal
4 bank account in Australia and the potential consequences of doing
5 so, correct?

6 A. That's right.

7 Q. Now, sir, do you know as you sit here today and as you
8 testified before the Court whether or not Kevin Trudeau ever took
9 a salary from KTRN?

10 A. Yes, I do.

11 Q. And did he take a salary from KTRN at some point?

12 A. Yes, sir.

13 Q. Do you know when, do you know when he took a salary from,
14 began to start taking a salary from KTRN?

15 A. I believe it was the fall of last year, but I'm not terribly
16 specific on that.

17 Q. So that would be the fall of 2012. I'm going to show you a
18 document on this. But approximately fall of 2012?

19 A. Yes, I think that's right.

20 Q. I'm not trying to trick you.

21 A. No. I know. I just want to be accurate with you as best I
22 can.

23 Q. I appreciate that.

24 Okay. Sir, to your knowledge, did Mr. Trudeau ever
25 transfer any of his salary from KTRN to a personal bank account

Lane - cross by Kirsch

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1 in Australia?

2 A. Not to my knowledge.

3 Q. Never did it, right?

4 A. Not that I'm aware of.

5 Q. In part because you told him not to, right?

6 A. I would hope so.

7 Q. Do you remember on cross-examination you testified that when
8 Kevin asked you a question that you thought was out of bounds,
9 you would call him on it, right?

10 A. I always did.

11 Q. And you did here, right? You told him not to wire it to your
12 personal bank account in Australia, right?

13 A. That was my advice.

14 Q. And he didn't do it?

15 A. That was -- I believe that's accurate.

16 Q. Well, you know that's accurate, because you know right where
17 that salary went, don't you?

18 A. I believe I do.

19 Q. All right.

20 THE COURT: Who is testifying here?

21 MR. KIRSCH: Well, Your Honor, this is
22 cross-examination.

23 THE COURT: It's friendly cross-examination.

24 MR. KIRSCH: It's still cross-examination.

25 THE COURT: No, it's not. No, it's not. You're leading

Lane - cross by Kirsch

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1 him all over the place. And I'll tell you why we have rules
2 about leading, because it's not terribly convincing. It's the
3 witness who is the one who is supposed to be testifying, and the
4 more the witness testifies, and he's very good at it, the better
5 it is for your client.

6 MR. KIRSCH: I appreciate that, Your Honor. I'm just
7 trying to --

8 THE COURT: You'll have time to argue. You'll have time
9 to make the arguments from the testimony, believe me.

10 MR. KIRSCH: I appreciate that.

11 THE COURT: Okay.

12 BY MR. KIRSCH:

13 Q. Okay. I'd like to show you, I'd like to show you Defendant's
14 Exhibit 42. I'd like you to go to that document if you would,
15 please.

16 A. Yes, sir.

17 Q. And I'm going to spend a few minutes walking through this
18 document, sir, in connection with the testimony regarding the
19 KTRN salary. Sir, what is the date of this document?

20 A. September 21st, 2012.

21 Q. And what is this?

22 A. This is a letter to the Federal Trade Commission, attention
23 of Mr. Mora.

24 Q. Who wrote it?

25 A. I wrote it.

FTC
EXHIBIT B

