

TO: SOLARI ACTION NETWORK

Litigation Update
December 15, 2003

Thank you all for your prayers, donations and continued interest in the Where is the Money? Litigation. Your support has made all the difference.

We went to trial on October 29, 2003 in Federal District Court for both the original qui tam against Hamilton Securities, Ervin rel. for United States vs Hamilton Securities, in a trial consolidated with our suit against Ervin for tortious interference with contract, Hamilton vs Ervin & Associates & John Ervin.

The consolidated trial plan was as follows:

Bench Trial:

Ervin presents qui tam case
Hamilton presents qui tam defense
Judge rules on qui tam
Chose jury
Hamilton presents tortious interference case
Ervin & Ervin and Associates present defense4
Jury deliberates

Not that long before the trial, the Department of Justice/HUD responded to discovery requests in the Court of Claims, providing documentation that proved they had known all along that significant Ervin allegations were false. However, acting on behalf of their client, the Secretary of HUD (then Mel Martinez, now Alphonso Jackson), they continued to decline to move to dismiss the qui tam.

Ervin, represented by Joseph Hornyak Sonnenschein Nath & Rosenthal, presented their case from October 29th - November 3rd. The case presented did not track their third amended complaint, addressing only a revised five allegations. In four days of wandering, innuendo and fishing, the absence of any evidence to support their revised allegations or the allegations in their filed complaints, as amended three times, was clear and compelling. The Judge's response to the waste of the court's time was strong. On one day, Hornyak left the court room and sat on the floor in the hall with his head in his hand.

After Ervin rested their presentation of the qui tam, Judge Oberdorfer gave us two weeks to file 52(c) motions in which Hamilton asked the qui tam be dismissed.

On November 18, 2003, we had oral arguments on the 52(c)motions.

After the oral arguments, Judge Oberdorfer informed us that he had been invited to help out in the Third Circuit in Philadelphia and did not know when he would issue his ruling on the 52(c) motion or when the trial would continue.

Meantime, we continue to work towards a trial in the Court of Claims in early 2004.

For supporting documents on Where is the Money? Litigation

<http://www.solari.com/gideon/>

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