

CFO



**PRESENTENCE INVESTIGATION**

State of Arizona v. Stephen Barry Beizer, CR2001-003702

Superior Court Criminal Division F

Sentencing Date: **March 12, 2004**

4-16-04 FILED  
12:12pm  
MICHAEL K. JEANES, Clerk  
By *[Signature]* Deputy

Sentencing Judge: **Jeffrey S. Cates**

Prosecutor: **Jeffrey Rueter, AAG**

PSI Officer: **Shani Martinez**

Defense Counsel: **Alan Baskin, PVT**

**PRESENT OFFENSE:**

The following information is summarized records provided by the Arizona Corporation Commission Securities Division and Attorney General's Office:

**Victim #1:**

Seventy-six year old Margaret Bradley, a Florida resident, reported to investigators that she first came into contact with the defendant after she ordered some Shaq O' Neil sports trading cards for her handicapped grandson, from a California company in 1995. She received an unsolicited telephone call from the defendant, who warned her not to deal with the California company, and that he also had a handicapped son. Over the next several months, the defendant stayed in contact with the victim, calling frequently to make "small talk." After a few months, he told the victim he was interested in forming a business. The defendant claimed the profits of the business would be used to benefit handicapped people.

In February of 1996, the defendant offered the victim the opportunity to invest in a condominium at Gainey Ranch for \$37,500.00, and she would receive fifty-percent of the eventual profits from the sale of the condominium. However, the defendant instead used the money for his own personal use and expenses. The defendant already held a second deed of trust on the condominium he offered the victim, for the amount he stole from her. In December 1996, the condominium was sold, and the defendant received at least \$9,928.00 from the sale, but sent no money to the victim. Another check for \$26,878.00 was sent to the defendant from the title company, but no money was sent to the victim.

In February of 1997, the defendant introduced the victim to his new business of hydroponics, which is growing vegetables with chemicals rather than soil. He offered the victim the opportunity to purchase stock in Sunshine Capital Funding, the defendant's company. The defendant flew to Florida and took the victim to a hydroponics farm to show her how the operation worked. The victim understood the defendant would be working with the Florida farm. (However, the defendant later told her that farm did not work out.) On February 24, 1997, the victim gave the defendant a check for \$16,500.00 to purchase the shares of stock. The defendant told the victim her money would be held until all necessary funds were raised to start the operation. He also told her some investors had invested over \$1 million in the venture. However, there were no other investors, and there was no real venture. The defendant deposited the victim's check into his personal checking account and used the money to pay off his credit

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cards, life insurance premiums, car payments, mortgage on a Gainey Ranch condominium, and he took the rest out in cash. In March 1997, the defendant incorporated Sunshine Capital Funding, Inc. (SCF) in Delaware. The incorporation documents stated an initial issue of 1500 shares of stock. The company never filed an annual report, and no business banking account was ever utilized. No address for the company was ever listed, other than the residential address where he and his wife resided. The stock was never registered for sale in Arizona, and the officers and directors were the defendant, his wife, and his father-in-law. The defendant's father-in-law, Philip Kaplan, was under the defendant's and his wife's control, as they received his two monthly retirement checks totaling approximately \$1,400.00, and paid rent for him.

In April of 1997, the defendant asked the victim for a loan to help cover costs for his father-in-law, whom he claimed was sick with cancer and Alzheimer's disease. The victim gave the defendant \$8,500.00, which the defendant used to pay off credit cards, to pay Gainey Ranch homeowner's association fees on two condominiums, and he took the rest in cash.

From April 1996 through March of 1999, the defendant continued to periodically ask the victim for money allegedly to help out his father-in-law. The victim provided loans to the defendant on at least six occasions, eventually totaling \$40,350.00. In all instances, the defendant used the money to pay credit card charges, for cash, and for a mortgage on a Gainey Ranch condominium. None of the credit card charges involved medical expenses, and none of the other expenses were for Philip Kaplan's medical care. When the victim asked for her money back, the defendant provided her with more stock certificates in SCF. During the time period the defendant solicited the victim for money to pay Mr. Kaplan's expenses, the defendant continued to receive \$1,400.00 from Mr. Kaplan's retirement checks, which the defendant used to pay various rents on housing for Mr. Kaplan. The defendant used the rest of Mr. Kaplan's money on his own expenses, not for Mr. Kaplan. At this time, Phoenix Police Department was looking for the defendant and his wife in connection with Mr. Kaplan's abandonment and the depletion of his bank accounts.

In July of 1997, the defendant offered the victim an opportunity to make an immediate profit on the purchase and sale of a Gainey Ranch condo. He told her a man wanted to buy stock in SCF, but could not as his money was tied up in a Gainey Ranch condo. The defendant told the victim that if she purchased the property, she would never have to make a mortgage payment, because the defendant claimed he had an immediate buyer for the property. He further claimed it would be sold before the first payment was due. The victim obtained two loans for purchase of the property totaling \$264,514.08 and bought the condo. The defendant told her the condo would be vacant until it could be listed and sold, as the buyer he had fell through. However, the defendant moved his family into the condo and eventually listed the property for more than \$30,000.00 higher than comparable condos. When he received calls from agents to show the property, he told them it was not in condition to show. The defendant asked the victim to sign a deed of trust giving him \$70,000.00 interest in the condo, but she declined, because she never saw evidence that he had invested any money in the property. The defendant made only one mortgage payment, and the victim eventually received a letter from the mortgage company stating intent to foreclose. For the next two years the victim paid \$2,000.00 per month mortgage

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on the property, believing that it was vacant and up for sale, while the defendant and his family, unbeknownst to the victim, lived in the condo. (In 1999, when the Securities Division began its investigation into the defendant, it was discovered he had been living in the victim's condo the whole time she was paying the mortgage. The victim had to obtain legal help to evict the defendant.)

In August of 1997, after the defendant completed the scheme, which permitted him to live in the victim's condo, the defendant called the victim and told her he had located a Porsche, formerly owned by Shaquille O'Neil, and it was for sale for \$60,000.00. He told her it could be resold for \$100,000.00, but that he only had \$20,000.00 to invest. He asked the victim to supply the other \$40,000.00 for half the profits. When she expressed concern that he had not repaid the loans he took from her for his father-in-law, he told her he was crediting her with SCF stock. The victim wired the defendant \$44,100.00 to purchase the vehicle, covering the purchase price and, according to the defendant, other expenses related to the purchase. The defendant sent the victim a vehicle description and a photograph. The defendant used the money he stole from the victim to pay off loans on two personal vehicles, a Mercedes and a Porsche. The defendant had located O'Neil's vehicle but after looking at it, he declined to purchase it.

In August 1998, the defendant offered the victim the opportunity to purchase shares of SCF stock from other shareholders, if she sent the defendant the purchase money. The victim sent \$30,000.00, noting it was for additional shares from H.J and R.K.,” initials that matched those of two people the defendant claimed were persons with whom he was in business. However, the money was again used for cash, credit cards, vehicle payments, and other purchases, including \$1,710.40 to Warner Brothers for “3000 hits.”

In August of 1998, the defendant told the victim another associate wanted to sell his SCF stock. The defendant continually told the victim the business was growing, and that SCF had decided to merge with an \$8 million operation called Hothouse Tomatoes. The victim agreed to purchase more stock and paid \$27,930.00. A search of records revealed there was no such company, and investigative interviews with suppliers for Hothouse Operations revealed no business done with any such entity. The defendant used the money to pay off a loan from a local pizza shop owner, to purchase a vehicle, buy some furniture, pay off his personal credit cards, and for cash. The defendant also had a land survey done on some property in Mesa, that he and a pizza shop owner were considering purchasing for development.

In September 1998, after repeated inquiries by the victim, about the status of her investments, the defendant sent her a stock certificate for 40,500 shares of stock in SCF. He claimed the number of shares covered her profits on the sale of the condo, her first purchase of stock, and the profits from the sale of O'Neil's vehicle. Around October of 1998, the defendant sent the victim five more stock certificates, totaling 34,500 shares, saying they represented all of the loans on behalf of the defendant's father-in-law, and the recent shares purchased in August 1998.

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In March of 1999, the defendant told the victim that the hydroponics business was very successful, but that SCF was tied up in federal court over an \$80 million dollar merger with General Foods and Colorado Hot House Tomatoes (CHHT). He told the victim that CHHT had filed a lawsuit in federal court in Phoenix to block the merger with General Foods. The defendant claimed he had an attorney, Fred Schaeffer, who was handling the federal court matter. A check with federal court revealed there was no such matter. In addition, Fred Schaeffer revealed that he had not spoken to the defendant in at least ten years, and he never filed a lawsuit on behalf of the defendant. A check with General foods revealed that they were bought out by Kraft Foods in the 1980's and ceased to exist under that name.

Also in March of 1999, the defendant told the victim that he thought the best place for hydroponics farming would be in Hawaii. He asked the victim to fund a business trip to Hawaii to check out the prospects. The victim sent \$12,000.00, and as in the past, the defendant used the money to pay off his credit cards. He also paid other real estate expenses related to his Gainey Ranch condo, and the defendant took a pleasure trip to Hawaii. When the defendant returned, he sent the victim a check to pay her back for the trip; however, the check bounced. By this point, the total amount of money stolen from the victim was \$208,380.00. This does not count the benefit that the defendant received while living in the victim's condo while she paid the mortgage and thought the condo was up for sale.

In mid 1999, the defendant's wife Helene called the victim and told her if the victim continued to talk to the Corporation Commission, the \$80 million dollar merger of SCF and General Foods would be jeopardized. Helene also told the victim she could cause the defendant to lose his high paying job with SCF. This resulted in the victim being hesitant to talk to the Commission for some time.

**Victim #2**

Vita Gopper was a middle-aged woman. She met the defendant in 1997 through a friend, George Ketzner, who had traded sports cards with the defendant. George told her that he and the defendant were starting a hydroponics venture in Mesa. In September of 1997, the defendant, his wife, and their adult handicapped son traveled to the victim's residence to show her information, including a video, about hydroponics. The defendant solicited the victim to invest in the purchase of land needed for the operation, and she would receive her principal plus ten percent interest. The victim invested \$12,750.00 made out to a title company, for the purchase of the property. A few months later, the defendant again contacted the victim saying he needed \$5,800.00 to close the deal. He came to her home on November 25, 1997 and the victim wrote another check to the title company in the stated amount. Over the following year, the victim asked about the status of the property, and her friend, George provided excuses. In mid-1998, the victim became more concerned about her investment due to the lack of progress, so she called the title company. She was told the checks were never deposited with them, and her name did not appear anywhere on the Mesa property documents. A review of her bank records showed the defendant had endorsed the checks to himself and had purchased cashier's checks with her money. She never received money for her investment. Investigation showed the property was

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purchased in a double escrow transaction where the defendant and a friend, Kahlil, purchased the whole parcel and resold it the same day to a ninety-three year old man in Minnesota who had sent the defendant money of over \$24,000.00 on several occasions. The defendant and Kahlil made a profit on the transaction. In late 1998, the victim was diagnosed with a serious medical condition that consumed her time, and she did not feel she could “battle” the defendant at that time. In late 1999, the victim learned of the defendant’s other criminal activity and contacted authorities.

In April of 2000, the securities division began an administrative action against the defendant and his wife, and SCF for fraud and sale of unregistered securities by unregistered salesmen. The defendant and his wife left Arizona to avoid prosecution.

DEFENDANT'S STATEMENT:

The defendant was interviewed in the presence of his defense attorney, Alan Baskin.

The defendant stated he met Margaret Bradley in 1995, when he contacted her and offered to sell her collectable sports cards. He obtained her name from a professional listing agency. He picked her name as the list provided information such as how much money she was spending on these types of collectables. He learned more of her financial soundness through conversation and her purchases through 1995. In 1996, the defendant became interested in hydroponics because the sports card business was not doing well. He found an ongoing venture near where Margaret lived in Florida, and offered her an interest in the business. She accepted. He flew to Florida together on one occasion, and they looked at the business together. He took money from Margaret to invest in the venture, but instead, he used the money to pay his own living expenses and to support “a lifestyle I could not afford.” He stole money from her for several years, upwards of \$168,000.00, as she got some of the money back from the defendant. Initially he stole over two hundred thousand from her.

The second victim, Vita Gobbert provided the defendant with \$18,500.00, which was supposed to be used for a local hydroponics venture. However, it did not work out, so the defendant sold the property and did not give Vita back her money.

The defendant stated he was living well above his means after 1995. Prior to this time, he could afford his lifestyle. He denies that any vices such as gambling, multiple families, or substance abuse were contributing factors to his thievery.

He would like to receive probation so he can support his unemployed wife and son. The white collar terms of probation were reviewed with the defendant and his attorney, along with the plea agreement. Also discussed was the defendant’s serious under-employment problem, in that he is self-employed and not meeting his expenses. Employment criteria and work furlough information was discussed. Following the presentence interview, the defendant provided documentation showing he has turned over his business to his brother-in-law, and the defendant is now an employee. However, the defendant is aware that if his employment is not satisfactory

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to meet a substantial monthly restitution payment and his life expenses, then he must seek appropriate employment. He is also aware that his current arrangement may not be satisfactory employment due to its nature.

STATEMENT OF VICTIMS:

Margaret Bradley has not provided her victim impact statement at this time, and she has not responded to a telephone message. She is very elderly, and her status is unknown at this time. A request for information has been made by this officer to the assigned victim advocate. At the time of this writing, no information has been received.

Vita Goppert submitted her victim impact statement. Her loss is \$18,550.00. She offered no sentencing comments, deferring to the Judge.

STATEMENT OF INTERESTED PARTIES:

The defendant was screened for Furlough Programs by Adult Probation Officer Shani Martinez and found to be appropriate.

Attached for the Court's review is a memorandum submitted by defense counsel.

Attorney General Investigator, John Walsh stated the defendant has more victims, but they are unwilling to cooperate. The defendant is smooth, and he has concerns on where the defendant is currently obtaining his money to live and pay a private attorney. Margaret Bradley, one of the defendant's victims, would not talk to investigators at first because of fears. During the investigation the defendant lied about who his attorney was, he ignored a subpoena, and he sent Margaret paperwork designed to keep her unaware that he was living in her condo while he victimized her. Investigator Walsh offered no sentencing recommendation.

SOCIAL HISTORY CONSIDERATIONS:

Unless otherwise noted, the following information was provided by the defendant:

The defendant reported no traumatic events during his formative years. He has been married thirty-seven years, and he has a developmentally disabled twenty-nine year old son.

The defendant reported no mental or physical health issues. He has completed the health screening necessary for furlough programs.

The defendant is a high school graduate. He earned an undergraduate degree in political science in 1967 and a Master's in Education in 1972 from City University of New York (verified.) A Word Recognition Aptitude Test administered to the defendant indicates a reading ability above the sixth grade level.

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SUBSTANCE USE:

The defendant used marijuana from age eighteen until age thirty, weekly, until he was arrested and convicted on a marijuana felony charge. He denies use or experimentation with any other illicit substances. He tried alcohol several times at age nineteen, and it made him very ill, so he does not drink at all. He denies any current substance abuse issues.

FINANCIAL STATUS AND EVALUATION:

The defendant is self-employed but has transferred his interest to his brother-in-law and has become an employee of the business on paper in an attempt to satisfy any potential problems with furlough programs or specialized terms. The defendant provided a copy of his articles of incorporation for his business, Numis Gems, Inc. The document states the business buys and sells rare U.S. coins and precious metals. The articles were filed September 29, 2003 with the defendant as president, board of directors, and incorporator. The defendant filed an amendment adding sales of sports memorabilia and sports cards. The defendant's wife is unemployed and not contributing to the family income. Their son no longer collects social security because they had no stable address while on warrant status for the present offense. The defendant cites his monthly income as \$2,000.00. Friends and family are giving them \$750.00 per month or more. The defendant was instructed to obtain notarized statements from the individuals providing him with money each month. The defendant cites his rent as \$1,404.00 per month, as he has a tri-level condo, and he operates his business on the first floor. He cited the following additional monthly expenses: \$150.00 utilities, \$130.00 insurance, \$200.00 groceries, and he stated he is able to meet his expenses. The defendant's rental agreement is in his name and the name of James Ketzner, an individual who was involved in one of the defendant's criminal schemes.

The defendant and his brother-in-law submitted paperwork showing the defendant has now been hired as a sales representative for Numis Gems. The paperwork states the defendant is to work from home, earning \$2,000.00 per month, and full ownership of the business is transferred to his brother-in-law Gene Steinberg. The stipulation in the paperwork is that once the monthly sales of the business grosses a minimum of \$10,000.00 per month, the defendant will be given a commission.

The defendant's credit report shows a civil judgment, charged off credit card debt, and several other unsatisfied debts, which the defendant claims were satisfied. He indicated the companies were going to correct the information to show two of the accounts as satisfied, and one that is not. The defendant provided the requested financial documents.

This officer has serious concerns about the money he is obtaining from "friends and family" and this will have to be monitored to determine if he is soliciting victims, necessitating the notarized statements. His employment is also a serious issue, and based on the fact he has been unable to show any legitimate income through his businesses or sales in over nine years, a special term prohibiting him from any type of work in sales, or where he solicits investors or

consumers, is recommended. His brother-in-law's business will have to find him a different position, or the defendant will have to seek alternative, appropriate employment.

The defendant has \$900.00 or more a month in income that can go toward restitution, and he has an able bodied, unemployed spouse who can contribute to the income. Based on the information provided by the defendant, the monthly restitution payment recommended is \$1,000.00, and all other standard assessments and fees are recommended as well. The defendant can certainly make lifestyle changes to reduce his monthly expenses to adjust and make restitution. He stole the money from the victims in large amounts, but he appears to continue to live with no thought toward his victims.

The restitution as owed is \$168,272.00 to Margaret Bradley, and \$18,550.00 to Vita Goppert, and the ledger is attached.

#### DISCUSSION AND EVALUATION:

The defendant is before the Court having stolen from two victims, purely for personal pecuniary gain. It appears he exploited the fact he has a handicapped son to prey on Margaret Bradley, as it established a commonality, and exploited a philanthropic nature. The defendant groomed this victim using lies and deceit, ultimately stealing over \$300,000.00 from her. Fortunately it appears she was able to recuperate some of the money. Disturbingly, the defendant was victimizing a second individual, again purely for personal pecuniary gain, while he was stealing from his first victim. The number of scams he used on his victims, and the long-term multiple thefts from his first victim, are an indication of the extent to which he will harm someone else in order to satisfy himself. The defendant has not demonstrated legitimate business in nine years, yet up until several weeks ago, he was involved in yet another self-employment venture, including sports memorabilia sales. The defendant claims it was the very nature of this business that faltered and resulted in his actions leading to the present offense. A short-term fix has been made in regard to his business, but he clearly is a danger to consumers, necessitating restrictive terms in an attempt to thwart ongoing criminal activity. The defendant is educated, he reports no substance abuse issues, and he reports good health. He is supporting an unemployed spouse. He has other means of income and services to assist his adult son, but by the defendant's own admission, they are not using these services due to their transient lifestyle led to avoid prosecution.

The defendant's criminal history is comprised of a felony drug conviction for which he served prison. However, the offense is over twenty years old. His more recent history is comprised of driving on a suspended license, vehicle insurance violations, and traffic citations. However, his lack of recent arrest history is meaningless when considering the years he spent stealing from his victims and the time he spent avoiding prosecution.

The plea agreement was considered, and this officer seriously considered recommending a sentence of imprisonment. However, the defendant reports he is able-bodied, educated, and capable of employment. This gives this officer hope that payment of restitution, in a timely



manner can be made. In addition, it has been years since the defendant's last felony, and with the sanctions available to the Court to include a maximum jail sentence, furlough programs, and specialized terms, community supervision appears to be a reasonable sanction.

These factors were considered in making a sentencing recommendation:

1. The defendant's crimes were committed for pecuniary gain.
2. The defendant targeted a very elderly individual, and his second victim was middle aged.
3. The defendant used deception, preying on his victims' trust and philanthropic ideals.
4. The defendant accepts responsibility, but several times tinged the acceptance with the excuse of business dealings gone badly.
5. In at least one instance, the defendant had the assistance of a potential accomplice to further his thievery, and the defendant is still in contact with the other person who is a signer on the defendant's current residential lease.
6. The need for serious punitive sanctions to impress upon the defendant the seriousness of his actions.
7. The need for specialized terms and sanctions if the defendant is going to be given an opportunity on community supervision.
8. The plea agreement, statements of victims, and statements of interested parties.

RECOMMENDATION:

Count I:

It is respectfully recommended the defendant be granted four years supervised probation to include the following additional conditions:

- Condition #16 Not drink any alcoholic beverage.
- Condition #17 Not have any contact with the victim(s) whatsoever, unless approved in writing by the APD.
- Condition #23 Abide by the attached Judgment and Orders of Restitution, Fines and Fees in this case.
- Condition #25 Abide by the attached special conditions of probation in this case.  
White Collar
- Condition #26 Abide by the following additional condition(s)  
Not be self employed.  
Not work or volunteer in any capacity as a sales person or where you are soliciting investors or customers to make a purchase.

Count III:

It is respectfully recommended the defendant be granted five years supervised probation to include the following additional conditions:

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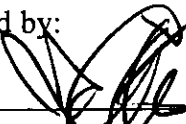
- Condition #16 Not drink any alcoholic beverage.  
Condition #17 Not have any contact with the victim(s) whatsoever, unless approved in writing by the APD.  
Condition #21 Be incarcerated in the county jail for 12 month(s) beginning on March 12, 2004. Upon screening and acceptance, abide by all conditional release program rules. Report to the APD within 72 hours of release.  
Condition #23 Abide by the attached Judgment and Orders of Restitution, Fines and Fees in this case.  
Condition #25 Abide by the attached special conditions of probation in this case.  
White Collar  
Condition #26 Abide by the following additional condition(s)  
Not be self employed.  
Not work or volunteer in any capacity as a sales person or where you are soliciting investors or customers to make a purchase.

The defendant has served forty-two days of presentence incarceration.

Reviewed by:

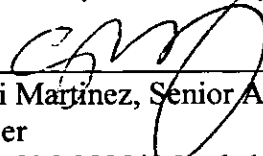
Judge:

Date:



3-11-04

Respectfully submitted by:



Shani Martinez, Senior Adult Probation  
Officer  
(602) 506-3829/ March 10, 2004  
<mailto:@apd.maricopa.gov>  
Maria T. Martinez, Supervisor  
Office (602) 506-3173

### VICTIM IMPACT STATEMENT

As a crime victim, you have the right to submit a written impact statement to the Court. The questions below are offered as a guide to help you write your statement, if you so choose. Please answer as many questions as you wish. If you need more space, please use additional pages. If a question makes you feel uncomfortable or doesn't apply to you, you do not have to answer it. If you don't want to use this form, but want the judge to know how you were impacted by this crime, you may simply write a letter to the judge. It may be difficult to put into words the impact this crime has had on you. Many victims find it helpful to organize their statement by the emotional, physical and financial effects. Some victims find it helpful to write a rough draft of their statement before completing their final statement.

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1. How has this crime affected you and those close to you? Please feel free to discuss your feelings about what has happened and how it has affected your general well-being and your relationships with other people.

I had known Dr. Katzner since he was a young man in KS, despite my judgment of Beizer I helped him. I can't say I surprised at Beizer's wrong doing.

2. Has this crime affected your ability to perform your work, make a living, run a household, go to school, or enjoy any other activities you previously performed or enjoyed? If so, please explain how these activities have been affected. You may want to describe any physical injuries or symptoms you have suffered as a result of this crime, how long they lasted or are expected to last, and any changes you have made in your life as a result of the injuries.

Fortunately, I could stand loss so only feet was affected by Dr. Katzner loss of honesty, if he didn't know Beizer's plan.

3: Restitution is a court order to a convicted defendant to pay victim for the economic losses incurred as the direct result of the crime(s) committed by that defendant. At sentencing, the Court will consider your economic losses resulting from the crimes committed against you to arrive at a determination regarding restitution.

Please describe below any financial losses you suffered as a result of this crime, and attach any documentation that supports and/or details the amounts. You may include the value of personal property lost, destroyed or damaged; medical expenses incurred or anticipated, along with funeral expenses if applicable, lost wages/income, mental health counseling expenses, etc., as long as the loss was directly related to the crime.

<i>As reported: car made payable to</i>	<i>9-3-97</i>	<i>12,750.00</i>
<i>Security Title</i>	<i>11-25-97</i>	<i>5,800.00</i>
		<i>18,550.00</i>

4. Please indicate the amount, if any, of the financial losses listed above, that was covered by insurance, victim compensation or other sources. Please also indicate the source of the reimbursement. (The defendant may be ordered to pay restitution to those companies for their expenses related to covering your losses).

*None covered*

5. What are your thoughts regarding the sentence the Court should impose on the defendant?

*Leave it to judge*

I certify that all information detailed in this Victim Impact Statement is true, complete, and correct to the best of my knowledge.

Your Name (printed) VITA M. Goppert

Signature Vita M. Goppert Date 2-23-04

Form Provided By  
The Arizona Attorney General's Office of Victim Services

To: Elisha Elder, Intern Advocate

RE: Stephen Beizer

Checks to Beizer Note payable Security Title

9-3-97	\$ 12,750.00	ck #1127
11-25-97	<u>5,800.00</u>	" 1274
	18,550.00	

**BADE & BASKIN PLC**

80 EAST RIO SALADO PARKWAY  
SUITE 515  
TEMPE, ARIZONA 85281  
TEL (480) 897-2610  
FAX (480) 607-7388

March 1, 2004

**VIA HAND DELIVERY**

Shawni Martinez  
Adult Probation Department  
Maricopa County Superior Court  
P.O. Box 3407  
Phoenix, AZ 85030-3407

Re: *State of Arizona v. Stephen Barry Beizer*  
Maricopa County Superior Case No. CR2001-003702 DT

Dear Ms. Martinez:

We represent Stephen Beizer. This is our pre-sentence submission.

Attached to this letter is a copy of the plea agreement and our Motion to Dismiss and Supplement to Motion to Remand. The Motion to Dismiss provides a detailed overview of the defenses we would have raised had this matter gone to trial.

Mr. Beizer, however, has pled guilty and accepts full responsibility for his conduct. His actions were part of a series of personal and professional mishaps that ultimately led to him exercising some poor judgment. Mr. Beizer does not dispute that he misused Ms. Bradley and Ms. Goppert's funds and he regrets his wrongdoing. In September 1999, Mr. Beizer, with the help of a friend, offered to pay Ms. Bradley back, but she rejected him.

I write to give you some background information regarding Mr. Beizer so that you can conclude that no jail time, or a minimal amount of jail time is appropriate, and that if you do recommend jail time you will also recommend Mr. Beizer for placement in the work furlough program.

Stephen Beizer is 56 years old. He has been married for 37 years to his high school sweetheart, Helene Beizer. In 1968, Stephen graduated from the City College of New York with

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a B.A. in Political Science and in 1969 he earned a Masters in History. From the late '60s to the early '70s Mr. Beizer taught special education in Brooklyn, New York.

In 1973 Mr. Beizer started a rare coin company called Numisma Gems, Inc. This was a successful business that he operated until 1988. During that timeframe Mr. Beizer's business grew and the Beizers lived in a house they bought in South Bellmore, New York.<sup>1</sup>

In 1998, Mr. Beizer sold the coin business and the Beizers moved to Phoenix. The sole reason for the move was their son Jaret's health. Mr. Beizer started some other businesses which were unsuccessful, and the Beizers had to declare bankruptcy in 1991.

After the bankruptcy, Mr. Beizer opened a sports card and memorabilia business, which is how he first met Ms. Bradley. Unfortunately, this business was unsuccessful. While Mr. Beizer was working in the sports memorabilia business, he also began to learn about the hydroponic farming venture at issue. I would like to emphasize that Mr. Beizer dedicated hundreds of hours of time and energy toward researching and attempting to make the hydroponics venture work. The project was just not meant to be.

After the hydroponic venture was unsuccessful, the Beizers ultimately relocated to Las Vegas. From March 2001 until Mr. Beizer's arrest last summer the Beizers lived in an apartment in Las Vegas. Since then, the Beizers have relocated to their present address.

Since Mr. Beizer's release from custody he has re-established his sports memorabilia business. The company is called Numis Gems, Inc.<sup>2</sup>, and it is duly authorized to do business in Arizona. Mr. Beizer's previous time in the sports memorabilia business was before the internet boom, and he believes prospects are very good for the business, which he has been working at diligently since August 2003. The company has a website, which is "numisgems.com", and it has made several sales. You may have noticed significant interest in "retro" items in a variety of areas, particularly sports, and Mr. Beizer has positioned himself well in a market that continues to grow and develop.

Mr. Beizer lives in a three level town home, which is where he has set up his office. The office, however, is on the ground level and is completely segregated from the living areas. Mr. Beizer has recently amended his company's Articles of Incorporation to make Gene Steinberg, his brother-in-law, a principal for Numis Gems. Mr. Steinberg is the Vice-President and

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<sup>1</sup> In 1980 and early 1981, Mr. Beizer was incarcerated in connection with his prior conviction for conspiracy to distribute marijuana. This is Mr. Beizer's only previous contact with the criminal justice system. While Mr. Beizer was incarcerated he was nevertheless able to operate Numisma Gems, with the help of a partner.

<sup>2</sup> The company was originally formed to sell both coins and sports memorabilia. When Mr. Beizer learned that in Arizona the sale of coins could implicate securities laws, he abandoned that aspect of the business plan, and has focused entirely on sports memorabilia.

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Treasurer of Numis Gems, and has responsibility and oversight for Numis Gems' bank accounts.<sup>3</sup> By tomorrow Mr. Steinberg will be the sole signatory on Numis' bank account. Mr. Beizer is working seven days a week to make Numis Gems work. In addition to the company's website, Mr. Beizer is visiting local sports stores and all other potentially relevant establishments in order to enter the market.

Mr. Beizer is dedicated to growing his business and paying back the victims. He cannot do this if he is in jail. Although he has had some misfortune in his life, he is actually a very stable individual. He has been married for 37 years; for over the past 30 years he has lived primarily in either New York or Arizona; he had one long-standing business; he is educated and he is painfully aware of the poor decisions he has made. Mr. Beizer should have an opportunity to make amends.

There is another issue I wanted to discuss that is relevant to sentencing. When Mr. Beizer was arrested last June he was living in Las Vegas. Although he almost immediately waived extradition, it still took approximately a month before he was transported to Phoenix. During that timeframe, Mr. Beizer lived in intolerable conditions. He was kept in small, overcrowded pens with several other individuals; he did not have air conditioning; he did not take a shower or get regular meals for the last couple of weeks of his confinement; and he was transported to several different counties in Arizona before he made it to Maricopa County. This period of incarceration allowed Mr. Beizer to reflect upon the choices he had made in the past, and the opportunity he had to make better choices in the future. Since his release from custody he has thrown himself into his new business venture; he remains committed to his family and he is well aware that he needs to work in order to pay back the victims. Mr. Beizer is very committed to doing the right thing, and he just asks for the opportunity to do so.

The Beizers have a 29 year old son named Jaret. Ordinarily, I would not make much reference to a client's child in a letter to a pre-sentence report writer, but Jaret deserves special mention. He is developmentally disabled. Although he is 29, he functions at or below the level of a 5 year old. He also suffers from some physical disability, and his condition is readily apparent when you meet him. I have met Jaret several times, and he is delightful. His mother is not able to care for him, and he very much needs his father's help. If Mr. Beizer is away from his son for an extended period it could have terribly negative effects on Jaret. I hope that you factor this into your recommendation, because it is a legitimate concern.

We ask you recommend that Mr. Beizer be placed on standard probation, and not be sentenced to any jail time. If Mr. Beizer is sentenced to jail time, we ask that you recommend him for placement in the work furlough program.

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<sup>3</sup> Mr. Steinberg is not familiar with the sports memorabilia business, and the business cannot operate without Mr. Beizer's involvement.



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If you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'AB' with a long horizontal flourish extending to the right.

Alan Baskin  
For the Firm

Enclosures  
ASB/cim

cc: Stephen Beizer (w/o enclosures)

beizer.ag/ltr/martinez01.doc

**MARICOPA COUNTY FURLOUGH SCREENING**

Defendant: Stephen Barry Beizer                                  DOB: 05-18-47      CR #'s: 2001-003702  
APO: Shani Martinez    Phone: (602) 506-3829  
Screening Date: March 10, 2004                                      Sentencing/Surrender Date: March 12, 2004  
OST Score: 8    Supervision Level: low

Screening Result: The defendant is appropriate for the Work Furlough Program. Note: Current employment does not meet program criteria. Job search will be necessary.

- 1. The defendant is statutorily eligible to serve jail time as a condition of probation. YES
- 2. Does the present offense or the past 5 years of criminal history reflect violent behavior? (If in prison during past 5 years review years prior to incarceration.) NO
- 3. Is there a stipulation or order preventing the defendant from participation in a Furlough program? NO
- 4. Does the defendant have other court actions pending, which would interfere with participation in a Furlough program? NO
- 5. a. Is the defendant on Alien Status? NO
- b. Does the Defendant have authorization to work in the United States? N/A
- 6. Are there any substance abuse issues that would preclude the defendant from participating in the Work Furlough Program? NO
- 7. Does the defendant's criminal history reflect prior escape from a correctional facility/furlough program or FOJ (Fugitive of Justice) charges? NO
- 8. Did the present offense involve the use/possession of a deadly weapon or does the criminal history include any arrests involving weapons? NO
- 9. Is the defendant at least 18 years of age? YES
- 10. Does the defendant have a physical or medical disability making him/ her incapable of working or going to school full time? NO
- 11. a. Is the defendant self-employed? YES
- b. If self-employed, can the defendant provide documentation indicating a legitimate business, i.e. tax and business license, last two years income tax return? NO
- 12. Do any of the following sex offender issues apply to the defendant??
  - a. Defendant is a repeat sex offender OR has multiple victims OR has multiple offenses? NO
  - b. Defendant is a sex offender who is self-employed OR working out of home, OR employed by family member OR personal friend? NO

**FURLOUGH SCREENING RESULTS:**

The defendant is appropriate for the Work Furlough Program.

***Note: Current employment does not meet program criteria. Job search will be necessary.***

***Note : If the defendant is Court ordered into the Work Furlough Program and substance abuse is an issue, an assessment by the Reach Out Team is necessary.***

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

THE STATE OF ARIZONA,

Plaintiff,

-v-

STEPHEN BARRY BEIZER

Defendant.

No. CR 2001-003702

PLEA AGREEMENT

The State of Arizona and the defendant hereby agree to the following disposition of this case:

Plea: The defendant agrees to plead GUILTY to: Amended Count 3, Theft, a Class 3 Felony in violation of A.R.S. §§ 13-1801, 13-1802, 13-701, 13-702, 13-702.01 and 13-801 and Amended Count 1, Sale of Unregistered Securities, a Class 4 Felony, in violation of A.R.S. §§ 44-1841, 13-701, 13-702, 13-702.01 and 13-801. Count 3 occurred between September 1997 and February 1998. Count 1 occurred between September 1995 and October 1999.

This is a (non) dangerous, (non) repetitive offense under the criminal code.

Terms: On the following understandings, terms and conditions:

1. The crime carries a presumptive sentence of Count 3: 3.5 and Count 1: 2.5 years; a minimum sentence of Count 3: 2.5 and Count 1: 1.5 years (Count 3: 2 and Count 1: 1 years if trial court makes exceptional circumstances finding); and a maximum sentence of Count 3: 7 and Count 1: 3 years (Count 3: 8.75 and Count 1: 3.75 years if trial court makes exceptional circumstances finding). Probation is available. Restitution of economic loss to the victim and waiver of extradition for probation revocation procedures are required. The maximum fine that can be imposed is \$150,000 plus a 77% surcharge ( plus a \$5.00 probation surcharge). If the defendant is sentenced to prison, the defendant shall also be sentenced to serve a term of community supervision equal to one-seventh of the prison term to be served consecutively to the actual period of imprisonment. If the defendant fails to abide by the conditions of community supervision, the defendant can be required to serve the remaining term of community supervision in prison. Special conditions regarding sentence imposed by statute (if any) are: None.

2. The parties stipulate to the following additional terms:

The defendant shall be sentenced to supervised probation on both counts. The defendant shall pay restitution in the amount of \$168,272 to Margaret Bradley and \$18,550 to Vita Goppert. The white collar addendum shall be a term of probation. No further agreements.

SB 3. The following charges are dismissed, or if not yet filed, shall not be brought against the defendant:

Count 2 and 4-15.

SP 4. This agreement serves to amend the complaint or information, to charge the offense to which the defendant pleads, without the filing of any additional pleading. However, if the plea is rejected by the court or withdrawn by either party, or if the conviction is subsequently reversed, the original charges and any charges that are dismissed by reason of this plea agreement are automatically reinstated.

SB 5. If the defendant is charged with a felony, he/she hereby waives his/her rights to a preliminary hearing or other probable cause determination on the charges to which he/she pleads. The defendant agrees that this agreement shall not be binding on the State should the defendant be charged with or commit a crime between the time of this agreement and the time for sentencing in this cause; nor shall this agreement be binding on the State until the State confirms all representations made by the defendant and his/her attorney, to-wit:

No prior felony convictions within the last 10 years. Not on probation, parole or community supervision at the time of the offense.

If the defendant fails to appear for sentencing, the court may disregard the stipulated sentence and impose any lawful sentence which is the same as or exceeds the stipulated sentence in the plea agreement. In the event the court rejects the plea, or either the State or the defendant withdraws the plea, the defendant hereby waives and gives up his/her right to a preliminary hearing or other probable cause determination on the original charges.

SB 6. Unless this plea is rejected by the court or withdrawn by either party, the defendant hereby waives and gives up any and all motions, defenses, objections, or requests which he/she has made or raised, or could assert hereafter, to the court's entry of judgment against him/her and imposition of a sentence upon him/her consistent with this agreement. By entering this agreement, the defendant further waives and gives up the right to appeal.

SP 7. The parties hereto fully and completely understand and agree that it is the court's duty to impose sentence upon the defendant, and that any sentence either stipulated to or recommended herein in paragraph two is not binding on the court. If after accepting this plea the court concludes that any of the plea agreement's provisions regarding the sentence or the term and conditions of probation are inappropriate, it can reject the plea. If the court decides to reject the plea agreement provisions regarding the sentencing, it must give both the state and the defendant an opportunity to withdraw from the plea agreement. In case this plea agreement is withdrawn, all original charges will automatically be reinstated. The defendant in such case waives and gives up his/her right to a probable cause determination on the original charges.

SP 8. If the court decides to reject the plea agreement provisions regarding sentencing and neither the State nor the defendant elects to withdraw the plea agreement, then any sentence either

stipulated to or recommended herein in paragraph 2 is not binding upon the court, and the court is bound only by the sentencing limits set forth in paragraph 1 and the applicable statutes.

SP 9. This plea agreement in no way affects any forfeiture proceedings pursuant to A.R.S. § 13-4301, et seq., § 13-2314, or § 32-1993, if applicable, nor does the plea agreement in any way compromise or abrogate any civil actions, including actions pursuant to A.R.S. § 13-2301, et seq., or § 13-4301, et seq., or the provisions of A.R.S. § 13-2314(H) or A.R.S. § 13-4310(C).

SP 10. I have read and understand all of the provisions, on all of the pages, of this agreement, and I have discussed the case and my constitutional rights with my lawyer. I understand that, by pleading guilty, I will be waiving and giving up my right to a determination of probable cause, to a trial by jury, to confront, cross-examine, and compel the attendance of witnesses, to present evidence in my behalf, my right to remain silent, my privilege against self-incrimination, presumption of innocence and right to appeal. I agree to enter my plea as indicated above on the terms and conditions set forth herein. I fully understand that if, as part of this plea agreement, I am granted probation by the court, the terms and conditions thereof are subject to modification at any time during the period of probation. I understand that if I violate any of the written conditions of my probation, my probation may be terminated and I can be sentenced to any term or terms stated above in paragraph one, without limitation.

I have personally and voluntarily placed my initials in each of the above boxes and signed the signature line below to indicate I read and approved all of the previous paragraphs in this agreement, both individually and as a total binding agreement.

Date 2-13-04 Defendant Stephen Barry Beizer  
Stephen Barry Beizer

I have discussed this case with my client in detail and advised him/her of his/her constitutional rights and all possible defenses. I believe that the plea and disposition set forth herein are appropriate under the facts of this case. I concur in the entry of the plea as indicated above and on the terms and conditions set forth herein.

Date 2-13-04 Alan Baskin  
Alan Baskin  
Defense Counsel

I have reviewed this matter and concur that the plea and disposition set forth herein are appropriate and are in the interests of justice.

Date 2-13-04 Jeffrey A. Rueter  
Jeffrey A. Rueter  
Assistant Attorney General

created 1/00ENDRECORD



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ATTACHMENT A

Count 3

Between the dates of September 1997 and February 1998, Stephen Barry Beizer, without lawful authority, knowingly, converted for an unauthorized term or use property of another. This conduct occurred when the defendant received \$18,550 from Vita Goppert for the purpose of purchasing land for a hydroponic farming operation. The defendant used the money for another unauthorized purpose. This conduct occurred in Maricopa County.

Count 1

Between the dates of September 1995 and October 1999, the defendant, Stephen Barry Beizer, sold or offered for sale securities that were required to be registered with the Arizona Corporation Commission but were not. This conduct occurred when the defendant sold stock shares of Sunshine Capital Funding to Margaret Bradley. This stock offering was not registered with the Arizona Corporation Commission. This conduct occurred in Maricopa County.

Stephen Beizer  
Stephen Barry Beizer

2.13.04  
Date

Al Badi  
Al Badi - 2-13-04

CAUSE # CR01-3702

Enclosed is the Criminal History  
Information portion of the Presentence  
Report. Dissemination is restricted to  
Criminal Justice Agencies only.  
Secondary dissemination to  
Noncriminal Justice Agencies is  
**PROHIBITED**.

RETURN THIS ENVELOPE TO  
THE CLERK OF THE SUPERIOR  
COURT.

**LOCATION ONLY**

SEE DISCOVERY & CONFIDENTIAL MATERIALS