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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 30 HON. TERESA T. SULLIVAN, JUDGE

PEOPLE OF THE STATE OF CALIFORNIA, )  
)  
PLAINTIFF, )  
VS. ) NO. BA509784-01  
)  
01) EUGENE WEI YU, )  
)  
DEFENDANT. )  
\_\_\_\_\_)

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
FRIDAY, OCTOBER 14, 2022

APPEARANCES:

FOR THE PEOPLE: LOS ANGELES COUNTY DISTRICT ATTORNEY  
BY: ERIC V. NEFF, DEPUTY  
211 WEST TEMPLE STREET  
SUITE 200  
LOS ANGELES, CALIFORNIA 90012

FOR DEFENDANT: JANET I. LEVINE, ATTORNEY AT LAW  
MICHAEL MCCARTHY, ATTORNEY AT LAW  
10100 SANTA MONICA BOULEVARD  
SUITE 1725  
LOS ANGELES, CALIFORNIA 90067

VOLUME 1  
PAGES 1 THROUGH 16

MARY LU MURPHY, CSR. NO. 5178  
OFFICIAL REPORTER

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M A S T E R I N D E X

OCTOBER 14, 2022; VOLUME 1

CHRONOLOGICAL INDEX OF WITNESSES

(NONE WERE PRESENTED.)

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M A S T E R I N D E X

OCTOBER 14, 2022; VOLUME 1

EXHIBITS

(NONE WERE PRESENTED.)

1 CASE NUMBER: BA509784-01  
2 CASE NAME: PEOPLE EUGENE WEI YU  
3 DATE: FRIDAY, OCTOBER 14, 2022  
4 TIME: 10:30 A.M.  
5 DEPARTMENT 30 HON. TERESA SULLIVAN  
6 REPORTER: MARY LU MURPHY, CSR NO. 5178  
7 APPEARANCES:

8 THE DEFENDANT PRESENT IN COURT  
9 WITH COUNSEL, JANET I. LEVINE AND  
10 MICHAEL MCCARTHY, ATTORNEYS AT LAW; THE  
11 PEOPLE REPRESENTED BY ERIC V. NEFF,  
12 DEPUTY DISTRICT ATTORNEY AT LAW; THE  
13 FOLLOWING PROCEEDINGS WERE HELD:

14  
15 -000-

16  
17 THE COURT: THE COURT IS CALLING THE MATTER OF  
18 EUGENE WEI YU, BA509784.

19 MR. YU, COME FORWARD, PLEASE.

20 COUNSEL, APPEARANCES FOR THE RECORD, PLEASE.

21 MS. LEVINE: WHERE WOULD THE COURT LIKE US TO  
22 STAND?

23  
24 (PAUSE IN PROCEEDINGS)

25  
26 THE COURT: ALL RIGHT. LET'S TRY THIS AGAIN.

27 THE COURT IS GOING TO RECALL EUGENE WEI YU,  
28 BA509784. HE IS PRESENT IN COURT.

1 COUNSEL, APPEARANCES FOR THE RECORD, PLEASE.

2 MS. LEVINE: YES.

3 GOOD MORNING, YOUR HONOR.

4 JANET LEVINE AND MICHAEL MCCARTHY APPEARING  
5 ESPECIALLY ON BEHALF OF EUGENE YU, WHO IS PRESENT.

6 YOUR HONOR, HE WAS ORDERED TO THIS COURT BY  
7 DEPARTMENT 100 TODAY, AND HE WAS ORDERED TO  
8 DEPARTMENT 100 FROM A COURT IN MICHIGAN LAST WEEK.

9 SO HE'S BEEN PRESENT AT LEAST TWO DAYS THIS  
10 WEEK TO TRY TO GET BEFORE YOUR HONOR.

11 MR. NEFF: ERIC NEFF FOR THE PEOPLE, YOUR HONOR.

12 THE COURT: ALL RIGHT, GOOD MORNING.

13 BEFORE WE BEGIN THE PROCEEDINGS, I DID WANT  
14 TO DISCLOSE ON THE RECORD SOMETHING THAT I BROUGHT TO  
15 COUNSEL'S ATTENTION, AN UNUSUAL CIRCUMSTANCE IN THIS  
16 MATTER.

17 THIS COURT IS VAGUELY FAMILIAR WITH SOME OF  
18 THE FACTS IN THIS MATTER FROM HAVING REVIEWED SOME  
19 PRE-FILING OR INVESTIGATIVE WARRANTS IN THIS CASE, AND I  
20 WANTED TO MAKE SURE THAT MR. YU THROUGH HIS ATTORNEY WAS  
21 AWARE OF THAT FACT PRIOR TO PROCEEDING.

22 WITH THAT DISCLOSURE IN MIND, MISS LEVINE,  
23 DID YOU WISH TO GO FORWARD?

24 MS. LEVINE: YES, YOUR HONOR.

25 THE COURT: OKAY.

26 ON BEHALF OF YOUR CLIENT TODAY, MA'AM, DO YOU  
27 WISH TO WAIVE FORMAL READING OF THIS COMPLAINT,  
28 STATEMENT OF RIGHTS?

1 MS. LEVINE: YOUR HONOR, IF WE COULD, I WOULD ASK  
2 THE COURT TO PUT THE ARRAIGNMENT OVER TO THE END OF THE  
3 HEARING ON BAIL.

4 IF BOND IS GRANTED, WE'LL PROBABLY WAIVE OR  
5 ASK THAT THE ARRAIGNMENT BE CONTINUED. IF IT IS NOT,  
6 WE'LL PROBABLY NOT WAIVE TIME AND MORE FORWARD SPEEDILY.

7 THE COURT: ALL RIGHT.

8 LET ME HEAR FROM MR. NEFF, THEN, ON THE  
9 PEOPLE'S REQUEST.

10 I DON'T HAVE -- FOR YOUR INFORMATION, WHAT I  
11 HAVE BEFORE ME HERE IS A COMPLAINT AND A PROTECTIVE  
12 ORDER FOR DISCOVERY.

13 I DON'T HAVE A BAIL SCHEDULE. I DON'T HAVE  
14 ANY HISTORY OF THE CASE OR THE PROCEDURES UNDERLYING IT,  
15 SO I WILL BE RELYING ON COUNSEL FOR THAT INFORMATION IN  
16 YOUR ARGUMENT.

17 MS. LEVINE: YOUR HONOR, THERE IS AN O.R. REPORT  
18 THAT WAS PREPARED FOR THE TIME IT WAS GOING TO BE IN  
19 DEPARTMENT 100. MR. NEFF REPRESENTED THAT HE HAD NO  
20 OBJECTION THAT O.R. REPORT BE USED BY THIS COURT.

21 I HAVE A COPY OF IT.

22 IF I COULD APPROACH THE COURT?

23 THE COURT: MR. NEFF?

24 MR. NEFF: NO OBJECTION.

25 THE COURT: YES, PLEASE.

26 THANK YOU SO MUCH.

27 AND THE COURT WILL BE CONSIDERING THIS FOR  
28 PURPOSES OF BAIL. THANK YOU.

1 ALL RIGHT.

2 SO WHAT IS THE PEOPLE'S REQUEST IN THIS  
3 MATTER?

4 MR. NEFF: THE PEOPLE'S REQUEST IS FOR A NO BAIL  
5 REMAND IN THIS MATTER.

6 THE DEFENDANT POSES AN EXTENSIVE FLIGHT RISK.  
7 HE HAS DEEP TIES TO CHINA, HE LIVED THERE FOR 33 YEARS.

8 THE ENTIRETY OF THE ALLEGED CONDUCT HERE IS  
9 BASED ON PUBLIC IDENTIFYING INFORMATION OF LOS ANGELES  
10 RESIDENTS AND CITIZENS BEING ESSENTIALLY OUTSOURCED TO  
11 CHINA. THE COMPANY IS STILL OPERATING IN CHINA, AND HE  
12 HAS EXTENSIVE FRIENDS AND FAMILY CONTACTS OUT THERE.

13 SECONDARILY, THIS CRIME DOES POSE A VERY  
14 BROAD DANGER TO THE COMMUNITY. THE COMPANY IS STILL  
15 OPERATING. IT STILL USES CHINESE CONTRACTORS TO CONDUCT  
16 ITS BUSINESS.

17 THE PEOPLE RECOVERED AN EMAIL SENT LITERALLY  
18 THE DAY OF THE SEARCH WARRANT BEING EXECUTED THAT THE  
19 COMPANY KONNECH WAS JUST ABOUT TO START CHANGING THEIR  
20 PROCESSES WHERE PII WAS NOT GOING TO BE SENT ABROAD AND  
21 TO CONTRACTORS.

22 IN L.A. ALONE, WE ARE TALKING THOUSANDS OF  
23 VICTIMS. THEY HAVE CONTRACTS ALL OVER THE COUNTRY.

24 BASED ON THOSE TWO LARGER POINTS, THE PEOPLE  
25 ARE ASKING FOR A NO BAIL REMAND.

26 THE COURT: I WILL HEAR FROM YOU, COUNSEL.

27 MS. LEVINE: YOUR HONOR, I AM NOT GOING TO BE AS  
28 BRIEF AS MR. NEFF, AND I WILL ADDRESS HIS COMMENTS, BUT

1 IT'S IMPORTANT THAT THE COURT UNDERSTAND HOW WE GOT  
2 HERE. IT ISN'T JUST AN APPEARANCE HERE AND NOTHING HAS  
3 HAPPENED.

4 MR. YU WAS ARRESTED ON OCTOBER 4TH. HE HAD A  
5 BAIL HEARING IN MICHIGAN ON OCTOBER 5TH. AT THAT TIME  
6 BAIL WAS CONTINUED FOR A HEARING ON OCTOBER 6TH.

7 BAIL WAS SET IN MICHIGAN ON THAT DAY. IT WAS  
8 SET AT A BOND WHERE HE HAD TO POST \$100,000 CASH. THE  
9 WAY IT'S DONE IN MICHIGAN, HE GETS 90 PERCENT OF THAT  
10 BACK AND THERE IS A MILLION DOLLARS ON HIS SIGNATURE.

11 HE HAS AN ANKLE BRACELET ON AND HE WAS  
12 ORDERED TO COME TO COURT HERE.

13 HE IMMEDIATELY HIRED COUNSEL IN LOS ANGELES  
14 TO LOOK INTO THIS, WHICH WAS ME AND MR. MCCARTHY, AND WE  
15 IMMEDIATELY CONTACTED MR. NEFF.

16 MR. NEFF AT THAT TIME LAST WEEK, AFTER HAVING  
17 INVESTIGATED THIS CASE FOR SOME PERIOD OF TIME AND  
18 ISSUING SEVERAL PRESS RELEASES AND DEALING WITH THINGS  
19 IN A MEDIA WAY, SAID THAT WE WOULD COME TO COURT THIS  
20 WEEK. I COULD PICK ANY DAY TO COME TO COURT. HE WOULD  
21 UNSEAL AN INDICTMENT AND PROVIDE INFORMATION IN THE  
22 INDICTMENT.

23 HE EXPECTED TO UNSEAL THAT INDICTMENT THIS  
24 WEEK ON MONDAY, THEN HE ALSO INTENDED TO UNSEAL THE  
25 GRAND JURY TRANSCRIPT UNTIL HE WAS ADVISED THAT WASN'T  
26 APPROPRIATE, IT HAD TO STAY SEALED; THAT THE GOVERNMENT  
27 WOULD BE REQUESTING A BAIL OF \$500,000.

28 THAT WAS LAST WEEK ON FRIDAY.



1                   ON MONDAY THE GOVERNMENT, THROUGH MR. NEFF,  
2                   ACKNOWLEDGED THAT HE COULD NOT UNSEAL THE GRAND JURY  
3                   TRANSCRIPT, BUT WE WOULD GET THE INDICTMENT, SUGGESTED  
4                   WE COME TO COURT WEDNESDAY OR FRIDAY.

5                   ON TUESDAY I SPOKE WITH MR. NEFF AND SET IT  
6                   TO COME IN WEDNESDAY, BUT THAT CHANGED DURING THE DAY  
7                   BECAUSE MR. NEFF SAID HE COULDN'T BE READY.

8                   AT NO TIME IN THAT PERIOD OF TIME WAS HE  
9                   TELLING ME THAT HE COULDN'T BE READY BECAUSE HE WAS  
10                  FILING A COMPLAINT TO KIND OF INSULATE THE PROBLEMS IN  
11                  THE INDICTMENT.

12                  WE CALLED THE CLERK'S OFFICE IN 100 AND  
13                  ARRANGED TO COME IN ON THURSDAY. WE CAME INTO COURT ON  
14                  THURSDAY MORNING. MR. NEFF SAID HE WASN'T PREPARED TO  
15                  GO TO COURT, HE WASN'T PREPARED TO UNSEAL THE  
16                  INDICTMENT. HE EXPECTED, ON DIRECTIONS FROM HIS OFFICE  
17                  FROM ON HIGH -- WHO HE EVENTUALLY IDENTIFIED AS THE  
18                  DISTRICT ATTORNEY HIMSELF -- THAT HE WOULD BE FILING A  
19                  COMPLAINT IN THIS MATTER AND NOT UNSEALING THE  
20                  INDICTMENT.

21                  IN THE COURSE OF THE DAY YESTERDAY WE  
22                  DISCUSSED BAIL SEVERAL TIMES, AND MR. NEFF WENT BACK AND  
23                  FORTH ON DIRECTIONS BY HIS OFFICE ON WHETHER BAIL WOULD  
24                  BE ALLOWED OR NOT ALLOWED.

25                  WE THOUGHT WE CAME TO TERMS, AND HE WAS TOLD  
26                  "NO, HE CAN'T HAVE BAIL."

27                  NO REAL REASONS WERE GIVEN, SINCE MR. YU WAS  
28                  SITTING IN THE COURTHOUSE HAVING COME ON BOND.

1 HE INDICATED TO US A COMPLAINT WOULD BE FILED  
2 AND WE WOULD BE THE FIRST TO KNOW ABOUT IT, AND  
3 SUGGESTED THAT WE STAND TIGHT. AND THEN ABOUT  
4 2:00 O'CLOCK WE LEFT THE COURTHOUSE BECAUSE NOTHING WAS  
5 HAPPENING THAT DAY.

6 THE NEXT THING I KNEW WAS THAT THE PRESS WAS  
7 RUNNING A STORY, *NEW YORK TIMES*, *NPR*, OTHER MEDIA THAT A  
8 COMPLAINT HAD BEEN FILED AND THEY HAD COPIES OF IT, AND  
9 AT LEAST ONE MEDIA OUTLET HAD POSTED THE COMPLAINT.

10 THE D.A.'S OFFICE ITSELF HAS ISSUED MORE THAN  
11 ONE PRESS RELEASE, AS FAR AS I KNOW, YESTERDAY. THEY  
12 WERE CONCERNED YESTERDAY TO NOT GO TO COURT, BUT THEY  
13 HAD ISSUED ONE PRESS RELEASE TRYING TO INSULATE  
14 THEMSELVES FROM THEIR RELIANCE ON AN ELECTION DENIER,  
15 ONE OF THE MORE DISCREDITED ELECTION DENIERS.

16 BUT HERE WE ARE, AND WE GOT THE COMPLAINT.

17 AND DESPITE THE SHENANIGANS OF GETTING HERE,  
18 WE ARE READY TO PROCEED, AND MR. YU IS HERE AS WELL.

19 FRANKLY, YOUR HONOR, WE DIDN'T WANT TO BE  
20 HERE ON A FRIDAY, THAT'S WHY WE CAME IN ON A THURSDAY,  
21 BECAUSE WE WERE AFRAID OF THE MECHANICS OF POSTING A  
22 BOND ON A FRIDAY AND THOSE THINGS.

23 THE GOVERNMENT POSITION ON BAIL, YOUR HONOR,  
24 IS ALL WRONG. MR. YU IS NO FLIGHT RISK. HE IS HERE IN  
25 COURT, AND I AM GOING TO DETAIL HIS HISTORY, BUT THE  
26 O.R. REPORT SHOWS HIS HISTORY.

27 IT'S DISINGENUOUS FOR MR. NEFF TO SAY THAT  
28 MR. YU LIVED IN CHINA FOR 33 YEARS. HE IMMIGRATED HERE

1 IN 1985 OR '86 AND HAS BEEN HERE MOST OF HIS ADULT LIFE.

2 THE COURT: I SEE THAT IN THE PRETRIAL  
3 INVESTIGATIVE REPORT.

4 JUST ONE MOMENT.

5 I DON'T MEAN TO INTERRUPT YOU, COUNSEL, BUT  
6 DID YOU BRING A BONDSMAN HERE TO COURT?

7 MS. LEVINE: NO. WE HAVE A CASHIER'S CHECK,  
8 YOUR HONOR, FOR THE COURT.

9 THE COURT: I JUST WANTED TO MAKE SURE THERE WAS  
10 SOME FORETHOUGHT ON THAT.

11 I WILL HEAR FROM YOU, COUNSEL.

12 MS. LEVINE: YES, YOUR HONOR. AND WE ARE PREPARED  
13 TO PROVIDE A SUBSTANTIAL BOND, BUT NOT NO BAIL.

14 YOUR HONOR, THE GOVERNMENT INDICATES THAT  
15 THERE ARE HUNDREDS AND HUNDREDS OF VICTIMS.

16 THIS CASE IS -- IF YOU READ THE COMPLAINT,  
17 HONESTLY, I FELT LIKE I WAS BACK IN CONTRACTS CLASS.  
18 AND ONE OF THE REASONS I AM BEFORE YOUR HONOR IS I  
19 WASN'T THAT GOOD AT CONTRACTS AND COULDN'T HAVE BEEN A  
20 CIVIL LAWYER, BUT IT LOOKS AND STRIKES ME AS A BREACH OF  
21 CONTRACT CASE.

22 THE CLAIM ABOUT PII BEING DISTRIBUTED, THERE  
23 IS NO EVIDENCE OF THAT. BUT EVEN IF THERE WAS, THE  
24 AMOUNT OF DATA BREACHES IN THIS COUNTRY ARE ASTOUNDING.  
25 LAST WEEK THE L.A. COUNTY BOARD OF EDUCATION, THEIR  
26 FILES WERE APPARENTLY BREACHED AND STOLEN.

27 THE COURT: SO I DON'T MEAN TO CUT YOU OFF, BUT  
28 GIVEN THE HOUR AND THE CIRCUMSTANCES, I DO WANT TO TALK

1 ABOUT SOME CONCERNS THAT THE COURT HAS.

2 MS. LEVINE: SURE.

3 THE COURT: FIRST OF ALL, WHERE IS YOUR CLIENT'S  
4 PASSPORT?

5 MS. LEVINE: IT'S IN THE CUSTODY OF THE DISTRICT  
6 ATTORNEY'S OFFICE, YOUR HONOR.

7 THE COURT: OKAY.

8 MS. LEVINE: AND HE DOES NOT HAVE A PASSPORT FROM  
9 ANY OTHER COUNTRY, NOT CHINA OR ANY OTHER COUNTRY, JUST  
10 A U.S. PASSPORT. HE IS A NATURALIZED CITIZEN, AS IS HIS  
11 WIFE.

12 AND I WOULD NOTE THAT HIS SON-IN-LAW IS  
13 PRESENT WITH HIM IN COURT.

14 THE COURT: ALL RIGHT.

15 MR. NEFF.

16 MR. NEFF: YES, YOUR HONOR.

17 COULD I RESPOND IN BRIEF TO SOME OF THE  
18 POINTS THAT WERE MADE?

19 THE COURT: WHAT I WANT YOU TO RESPOND TO PRIMARILY  
20 IS THE -- I THINK THE FLIGHT RISK IS APPARENT BASED ON  
21 THE CIRCUMSTANCES AND THE ALLEGED CONDUCT.

22 BUT IN TERMS OF THE COMMUNITY SAFETY, WHAT'S  
23 YOUR POSITION REGARDING THIS?

24 MR. NEFF: YES.

25 WHEN DEFENSE COUNSEL SAYS THAT THE NUMBER OF  
26 DATA BREACHES ARE ASTOUNDING AROUND THIS COUNTRY, THAT  
27 MAY BE TRUE, BUT THIS IS ARGUABLY THE LARGEST DATA  
28 BREECH IN UNITED STATES HISTORY.

1 NOT ONLY THAT, IT HAS PROFOUND, WIDE-REACHING  
2 IMPLICATIONS.

3 SPECIFICALLY, THE ALLEGATION IS THAT ELECTION  
4 POLL WORKERS WHO WERE WORKING IN 2020 HAD THEIR DATABASE  
5 OUTSOURCED TO CHINA.

6 UNFORTUNATELY, THE ELECTION IN 2020 WAS HELD  
7 DURING THE PANDEMIC. AS A RESULT, L.A. SPECIFICALLY  
8 REACHED OUT TO HIGH SCHOOLS TO ASK MINORS IF THEY WOULD  
9 BE WILLING, IN ORDER TO INCREASE THEIR SENSE OF CIVIC  
10 DUTY, WORK AS POLL WORKERS AS A ONE-YEAR EXCEPTION FOR  
11 THE 2020 ELECTION. THEY LARGELY AGREED.

12 ALSO OUR ELDERLY, WHO HAD STAYED IN HOME  
13 DURING THE PANDEMIC, ELDERLY ARE DISPROPORTIONATELY POLL  
14 WORKERS. L.A. WANTED TO HAVE AS FEW OF THEM OUT THERE  
15 WORKING THE POLLS AS POSSIBLE.

16 THE FACT IS THOSE MINORS' DATA IS COMPROMISED  
17 FOR LIFE, INCLUDING IN SCHOOL RECORDS.

18 THIS IS NOT JUST ANY DATA BREACH, THIS IS A  
19 MASSIVE DATA BREACH. IT HAS POTENTIAL EVEN MORE FAR  
20 RANGING AS WE GO THROUGH THE EVIDENCE. AND GOING  
21 THROUGH THE EVIDENCE IS IMPORTANT, BECAUSE THERE IS A  
22 RISK TO THE EVIDENCE IN THIS CASE AS WELL.

23 WE NOTICED AS SOON AS THE DEFENDANT LEARNED  
24 OF THE ONE EMPLOYEE AT HIS COMPANY THAT AGREED TO GIVE A  
25 COOPERATIVE INTERVIEW TO POLICE, HE FIRED THAT EMPLOYEE.

26 MS. LEVINE: YOUR HONOR, THERE WAS A LAYOFF AFTER  
27 THE ARREST, BECAUSE OBVIOUSLY BUSINESS WOULD BE DOWN,  
28 BUT IT WAS NOT A LAYOFF OF A SINGLE PERSON. THAT IS NOT

1 TRUE. THERE IS NO BREACH IN THIS CASE.

2 THE COURT: DO YOU HAVE HIS PASSPORT, MR. NEFF?

3 MR. NEFF: WE DO HAVE HIS U.S. PASSPORT, AND WE  
4 ACCEPT DEFENSE COUNSEL'S REPRESENTATION THAT HE DOES NOT  
5 HAVE A PASSPORT ISSUED BY CHINA.

6 I WOULD ALSO REPRESENT THAT DEFENSE COUNSEL  
7 ASKED THAT THE PROTECTIVE ORDER THAT WE ARE ASKING FOR  
8 BE RECIPROCAL AND WE NOT RELEASE PII, AND WE ARE  
9 AGREEABLE TO THAT.

10 THE COURT: AND THE ANKLE MONITOR, IS THAT FROM THE  
11 MICHIGAN COURT?

12 MS. LEVINE: IT IS, YOUR HONOR, BUT IT IS WORKING  
13 HERE. WE HAVE NO OBJECTION TO AN ANKLE MONITOR  
14 CONTINUING.

15 THE COURT: ALL RIGHT.

16 MR. NEFF: WE WERE ACTUALLY PLANNING TO RETURN THE  
17 ANKLE MONITOR TO MICHIGAN AS A COURTESY TO THEM. IT'S  
18 THEIR PROPERTY.

19 THE COURT: IT'S THEIR PROPERTY, RIGHT.

20 SO IN THIS CASE IN REGARD TO BAIL, THE COURT  
21 HAS CONSIDERED THE EVIDENCE IT HAS BEEN PRESENTED.

22 AS I HAVE INDICATED, I AM SOMEWHAT LIMITED IN  
23 TERMS OF THE COMPLAINT THAT I HAVE, THE PRETRIAL  
24 INVESTIGATION DOES SHOW NO PRIOR CRIMINAL HISTORY, AND  
25 THE TESTIMONY OR EVIDENCE THAT'S BEEN PRESENTED BY  
26 COUNSEL.

27 IN NO WAY IS THE COURT MINIMIZING THE  
28 SEVERITY OF THESE FELONY CHARGES. THESE ARE VERY

1           SERIOUS CHARGES.

2                         HOWEVER, IN REGARD TO BAIL, THE COURT'S FOCUS  
3           IS REALLY BY CLEAR AND CONVINCING EVIDENCE WHETHER THERE  
4           ARE LEAST RESTRICTIVE MEANS AND WHETHER THE DEFENDANT  
5           HAS THE ABILITY TO PAY.

6                         IN THIS CASE, THE COURT HAS DETERMINED THAT  
7           THERE ARE LEAST RESTRICTIVE MEANS IN THAT THE COURT HAS  
8           CONFIRMED THAT THE GOVERNMENT IS IN POSSESSION OF THE  
9           DEFENDANT'S PASSPORT.

10                        THE COURT WOULD ORDER THE DEFENDANT TO REMAIN  
11           IN LOS ANGELES COUNTY WITH AN ANKLE MONITOR ON HOUSE  
12           ARREST UNTIL THE NEXT HEARING.

13                        MS. LEVINE:   YOUR HONOR --

14                        THE COURT:   AND THE COURT WOULD ORDER BAIL AS WELL.

15                        MISS LEVINE, DO YOU WISH TO BE HEARD IN  
16           REGARD TO ONE OF THOSE CONDITIONS?

17                        MS. LEVINE:   ONLY WHERE HE RESIDES.

18                        HE RESIDES IN MICHIGAN, YOUR HONOR.  IF HE  
19           COULD BE RESTRICTED TO L.A. AND HOUSE ARREST IN MICHIGAN  
20           IN HIS HOME UNTIL HIS NEXT APPEARANCE.  HE WOULD ARRANGE  
21           TRAVEL.  I WOULD HAVE THAT CONFIRMED WITH THE DISTRICT  
22           ATTORNEY'S OFFICE, MONITORED IN A WAY SO HE WOULD REMAIN  
23           IN LOS ANGELES UNTIL WE COULD ARRANGE THE TRAVEL THAT  
24           THE DISTRICT ATTORNEY WOULD APPROVE OF.

25                        THE COURT:   LET'S GO OFF THE RECORD FOR ONE MOMENT.

26

27                                       (A DISCUSSION WAS HELD,

28                                       NOT REPORTED.)

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THE COURT: I AM GOING TO GO BACK ON THE RECORD.

I DID HAVE AN OPPORTUNITY OFF THE RECORD TO DISCUSS WITH COUNSEL SOME OF THE LOGISTICS INVOLVED.

THE COURT IS GOING TO MAKE THE ORDER THAT MR. YU IS TO RESIDE IN LOS ANGELES COUNTY, BE CONFINED TO THE RESIDENCE, SURRENDER HIS PASSPORT AND POST A \$500,000 BOND.

AND THIS IS WITHOUT PREJUDICE FOR A MODIFICATION OR RE-VISITING EITHER ON A STIPULATED AGREEMENT TO ALLOW MR. YU TO RETURN TO THE STATE OF MICHIGAN OR TO REVIEW BAIL AFTER THE COURT HAS HEARD SOME FACTS IN THIS CASE.

MS. LEVINE: AND THE ONLY OTHER QUESTION I WOULD HAVE -- AND I DON'T KNOW IF THIS NEEDS TO BE DONE WITH MR. NEFF OR NOT.

HE WILL NEED TO BE ABLE TO REVIEW EVIDENCE AND MEET WITH HIS COUNSEL AT COUNSEL'S OFFICE. CAN THERE BE SOME ARRANGEMENTS TO DO THAT?

THE COURT: YES, PARTICULARLY IF THERE IS AN ADDRESS. I CAN PROVIDE AN EXCEPTION SO HE IS TO REMAIN IN THE HOUSE EXCEPT TO AUTHORIZE VISITS TO A PARTICULAR LOCATION. AND THAT CAN BE DONE, OKAY, AND I WILL SIGN THE ORDER.

THERE IS I THINK A PIECE OF PAPER THAT YOU HAVE TO FILL OUT AND YOU CAN PUT THAT ON THERE SO THAT HE WILL BE ALLOWED TO HAVE ACCESS TO HIS ATTORNEY, OF COURSE.



1 MS. LEVINE: THANK YOU, YOUR HONOR.

2 THE COURT: THIS IS OVER THE PEOPLE'S OBJECTION.

3 MR. NEFF: YOUR HONOR, THE PEOPLE HAVE ONE MORE  
4 REQUEST THAT THE COURT CONSIDER AS A CONDITION OF ITS  
5 GRANTING OF BAIL, THAT THE DEFENDANT BE ORDERED TO NOT  
6 IN ANY WAY OPERATE WITH HIS COMPANY, TO NOT COMMUNICATE  
7 WITH OR TEXT EMPLOYEES OTHER THAN FOR THE PURPOSE OF  
8 DIVESTING HIMSELF FROM THE DAY-TO-DAY OPERATIONS OF  
9 KONNECH.

10 MS. LEVINE: YOUR HONOR, WHAT I WOULD SUGGEST IS  
11 PERHAPS MR. NEFF AND I CAN TALK ABOUT THAT, AND IF THAT  
12 IS A CONDITION WE CAN DISCUSS HOW TO DO THAT  
13 APPROPRIATELY IN A WAY THAT FACILITATES WHAT NEEDS TO BE  
14 FACILITATED AS WE ARE DEALING WITH ALL OTHER ISSUES.

15 THE COURT: ALL RIGHT.

16 SO AT THIS POINT THE COURT IS GOING TO GRANT  
17 THE FOLLOWING ORDER.

18 THAT MR. YU IS TO COMMUNICATE WITH  
19 REPRESENTATIVES AND EMPLOYEES OF -- CAN YOU SPELL THE  
20 COMPANY NAME, PLEASE?

21 MR. NEFF: IT'S K-O-N-N-E-C-H, AND I BELIEVE IT'S  
22 PRONOUNCED KONNECH.

23 THE COURT: THROUGH HIS ATTORNEY.

24 IN REGARD TO THE ARRAIGNMENT, WHAT WOULD YOU  
25 LIKE TO DO TODAY?

26 MS. LEVINE: YOUR HONOR, WE WOULD LIKE TO CONTINUE  
27 THE ARRAIGNMENT, PUT THE MATTER OVER FOR A DEMURRER AND  
28 SETTING PROBABLY ABOUT FOUR WEEKS FROM TODAY, GIVE US A

1 CHANCE TO UNDERSTAND THIS CHARGE, WHICH IS UNUSUAL.

2 AND I NOTE, YOUR HONOR, WE ARE GOING TO BE  
3 POSTING CASHIER'S CHECKS MADE TO THE SUPERIOR COURT WITH  
4 THE CLERK.

5 THE COURT: WITH THE CLERK'S OFFICE, OKAY.

6 WHAT DATE?

7 THE CLERK: NOVEMBER 17TH.

8 THE COURT: HOW IS THE 17TH OF NOVEMBER, COUNSEL?

9 MS. LEVINE: I THINK THAT'S FINE.

10 CHECKING ONE MORE COUNSEL, YOUR HONOR.

11 THAT'S FINE, YOUR HONOR.

12 THE COURT: ALL RIGHT.

13 MR. YU, YOU DO HAVE A RIGHT TO ENTER A PLEA  
14 ON THE CHARGE THAT HAS BEEN FILED AGAINST YOU. IT'S  
15 CALLED AN ARRAIGNMENT.

16 DO YOU UNDERSTAND YOU HAVE A RIGHT TO BE  
17 ARRAIGNED TODAY?

18 THE DEFENDANT: YES.

19 THE COURT: AND DO YOU WAIVE AND GIVE UP THAT  
20 RIGHT?

21 THE DEFENDANT: YES, YOUR HONOR.

22 THE COURT: COUNSEL JOIN?

23 MS. LEVINE: COUNSEL JOINS, YOUR HONOR.

24 THE COURT: ALL RIGHT.

25 THEN I AM GOING TO ORDER THAT YOU APPEAR IN  
26 THIS COURTROOM, MR. YU, ON NOVEMBER 17TH, 8:30 A.M. FOR  
27 ARRAIGNMENT AND PLEA AND DEMURRER.

28 PLEASE ADVISE THE CLERK IN ADVANCE REGARDING

1 THE TIME ESTIMATE AS IT MIGHT HAVE TO GO TO A DEDICATED  
2 COURTROOM, ALL RIGHT?

3 YOU HAVE THE ELECTRONIC MONITORING PAPERWORK.

4 MR. YU, YOU UNDERSTAND THAT YOUR COMPLIANCE  
5 TO THESE COURT ORDERS IS CRITICAL TO REMAIN OUT OF  
6 CUSTODY, OKAY?

7 YOU MUST COMPLY WITH THE COURT'S ORDER,  
8 REMAIN IN CONTACT WITH YOUR ATTORNEY AND COME BACK TO  
9 THIS COURTROOM ON NOVEMBER 17TH.

10 WAS THERE ANYTHING ELSE, MA'AM?

11 MS. LEVINE: YOUR HONOR, WILL HE REMAIN IN THE  
12 COURTROOM WHILE WE ARE POSTING THIS?

13 THE COURT: YES. IF THAT'S AGREEABLE WITH THE  
14 SHERIFF, YES. HE CAN JUST HAVE A SEAT IN THE COURTROOM.

15 ANYTHING ELSE, MR. NEFF?

16 MR. NEFF: NO.

17 THANK YOU, YOUR HONOR.

18 THE COURT: THANK YOU VERY MUCH.

19 THOSE ARE THE ORDERS.

20 MS. LEVINE: THANK YOU, YOUR HONOR.

21  
22 (PROCEEDINGS FOR THIS DATE  
23 WERE CONCLUDED.)  
24  
25  
26  
27  
28

