

DATE: 5/12/04
TIME: 8:53 a.m.
ACTIVITY: Home Telephone 3 incoming from (847) 267-0265
CALL#: 159

SPEAKERS:
LEVINE: Stuart Levine
GONZALES: Adrianna Gonzales
S. LEVINE: Sheri Levine
BETTY: Dick Betty

* * * *

1 S. LEVINE Hello.
2 GONZALES Hi Sheri is Stuart there?
3 S. LEVINE Yeah, hang on.
4 GONZALES Okay.
5 S. LEVINE Stu.
6 (PAUSE)
7 LEVINE Hi.
8 GONZALES Hi Stuart, hold on I've got Dick Betty
9 on the phone.
10 LEVINE Hi Dick.
11 BETTY Yeah hey Stu, how are ya?
12 LEVINE Fine, how are you?
13 BETTY Good. Um, we, the situation (UI).
14 LEVINE Can you speak up a little bit Dick?
15 BETTY Yeah. Can you hear me?
16 LEVINE Yeah.
17 BETTY On the residual.
18 LEVINE Uh huh.

1 BETTY Um, is that to go to two or three?

2 LEVINE Well it, it's the same deal for
3 everybody.

4 BETTY Okay 'cause I didn't, I, I was, that's
5 what I thought it was gonna be but I
6 didn't know.

7 LEVINE I mean the deal, the deal that we talked
8 about is really one deal...

9 BETTY Right.

10 LEVINE Being split three ways.

11 BETTY Okay. Alright and that, and that's for
12 everything that's what I wasn't sure.
13 That's why I wanted to double...

14 LEVINE Sure.

15 BETTY Check with you. Now the other thing is
16 I got a report uh, that I, I need to
17 make you aware of. I, I can send it to
18 you tomorrow 'cause I don't have it with
19 me from uh, from Marco...

20 LEVINE Uh huh.

21 BETTY Consulting.

22 LEVINE Uh huh.

23 BETTY And um, they will not recommend that
24 group.

25 LEVINE Uh, you mean our guys?

26 BETTY Right.

27 LEVINE Uh huh.

28 BETTY And the re-, and, and, uh, I don't think
29 it pertains to necessarily 'cause it's a
30 different type of a fund. But I wanna
31 let you see it to see if there's any...

1 LEVINE What does it say in there?

2 BETTY Well it says that, that they, that they
3 had some uh, they felt that there was
4 some hidden fee um, which I know uh,
5 Steve had the same problem but he
6 corrected that with them.

7 LEVINE Well that, th, the, that uh, uh, uh
8 first that's very interesting. That's
9 why I had Steve go over it first. You
10 see Steve...

11 BETTY (UI).

12 LEVINE Originally uh, Dick.

13 BETTY Yeah 'cause he added 65 basis points
14 (UI).

15 LEVINE Well, Dick, what they did is they put
16 the bulk of your fees onto the fund.

17 BETTY Okay.

18 LEVINE And what Steve said to them and they
19 started explaining well you know I've
20 got this deal with uh, with Dick which
21 was fine.

22 BETTY Mm hm.

23 LEVINE I mean we were all together and
24 everybody knows that, you know...

25 BETTY Right.

26 LEVINE We're a tight group. So uh, uh, Steve
27 told me, so he stopped 'em and said,
28 whatever deal you have with third
29 parties about consulting or finders fees
30 is your business, but the fund doesn't
31 pay for it.

32 BETTY Right.

33 LEVINE So uh, um, they learned a big lesson
34 here.

1 BETTY Well and, and, and unfortunately they
2 met with, with Marco before...

3 LEVINE Right.

4 BETTY They had that conversation. Now there
5 was also some concern in their, that
6 they felt that, that um, Killian may
7 have had a conflict of interest.

8 LEVINE With who?

9 BETTY With, with uh, IMH.

10 LEVINE With who?

11 BETTY With IMH.

12 LEVINE What could that be?

13 BETTY I, I don't know that's what I, I, I
14 really couldn't follow it because this
15 is a, this is a confidential report.

16 LEVINE I'll have, I'd like to, I'll have Steve
17 look at it.

18 BETTY Okay, I, as I said um,...

19 LEVINE But Steve, Steve looked over uh, uh, the
20 entire arrangement.

21 BETTY Right and that's why I didn't feel there
22 was an issue with it, but today.

23 LEVINE No it's very good that you brought it up
24 but they learned a big lesson. They uh,
25 uh, uh, uh, and well maybe they weren't
26 being cutesy they just thought they
27 would put it on, but there were hidden
28 fees.

29 BETTY They didn't, yeah and they didn't know.
30 I mean they, they didn't know, see
31 they're, they're novices when it comes
32 to this.

33 LEVINE See when we get through with 'em, when

1 we get through with 'em they won't be
2 novices, but when we get through with
3 'em hopefully they'll be huge.

4 BETTY Yeah.

5 LEVINE And uh, and uh, but that's, that's,
6 that's part of how, why Steve is so
7 valuable to me.

8 BETTY Absolutely. I mean absolutely he, he's
9 worth his weight in golden nuggets.

10 LEVINE Now don't ca-, calm yourself a little
11 bit. I prefer to pay him in chick peas.
12 (laughs)

13 BETTY (laughs)

14 LEVINE Don't get all carried away. (laughs)

15 BETTY Okay, but uh, uh, are you gonna be at
16 the office tomorrow?

17 LEVINE I'm gonna be at Me-, Medical School
18 Board uh, uh, meetings, but you know you
19 can call, you could have this
20 conversation direct with Steve.

21 BETTY Okay.

22 LEVINE Absolutely.

23 BETTY And I'll just fax it with the
24 confidential report that he sent to me
25 and he asked me not to pass it on (UI).

26 LEVINE No I understand that, you could tell
27 that to Steve, but, but that's fine.

28 BETTY Okay.

29 LEVINE That's wonderful Dick.

30 BETTY Alrighty.

31 LEVINE Thanks buddy.

1 BETTY Okay, anytime.

2 LEVINE Bye-bye.

3 BETTY You too.