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Page 2 of 3

1. INTRODUCTION:

This case was referred to the OCI San Francisco Resident Office by the FDA's Seattle District Office (SEA-DO). WATER OZ distributes water products containing a variety of minerals throughout the United States, in addition to other products including ozone generators. Subsequently, this office was contacted by the Internal Revenue Service, Criminal Investigations Division, (IRS-CID) and was informed that they are conducting a criminal investigation of WATER OZ and DAVID HINKSON. On November 21, 2002, IRS-CID and OCI agents executed a search warrant at the WATER OZ manufacturing facility located outside of Grangeville, ID. DAVID HINKSON was also arrested at this time, based on a previous indictment for failing to file income tax returns, introducing misbranded and adulterated drugs into interstate commerce, and other related charges.

This is a joint case with the IRS-CID, Boise, ID, case number 930030015.

SA Blenkinsop makes reference to a Report of Investigation (ROI) for the period 04/30/03 to 7/29/03.

This ROI documents the discovery of a radio interview DAVID HINKSON gave, the criminal history of RICHARD BELLON, the use of cyanide at WATER OZ, and the rescheduling of the trial date.

2. DETAILS OF INVESTIGATION:

On August 4, 2003, SA Blenkinsop, after using a search engine on the Internet, located the web site "theotherradionelwork.com", which has posted an interview DAVID HINKSON gave on January 8, 2003. A "streaming" copy of this interview was copied onto two audio cassettes, which were subsequently inventoried as Item 1 on Certified Inventory of Evidence (CIE) form 124560.

During the interview, HINKSON makes a number of allegations including the fact that agents planned on murdering him during the execution of the search and arrest warrants executed on November 21, 2002. HINKSON also claims that Assistant U.S. Attorney Nancy Cook forged signatures on the grand jury indictment and on the search warrant.

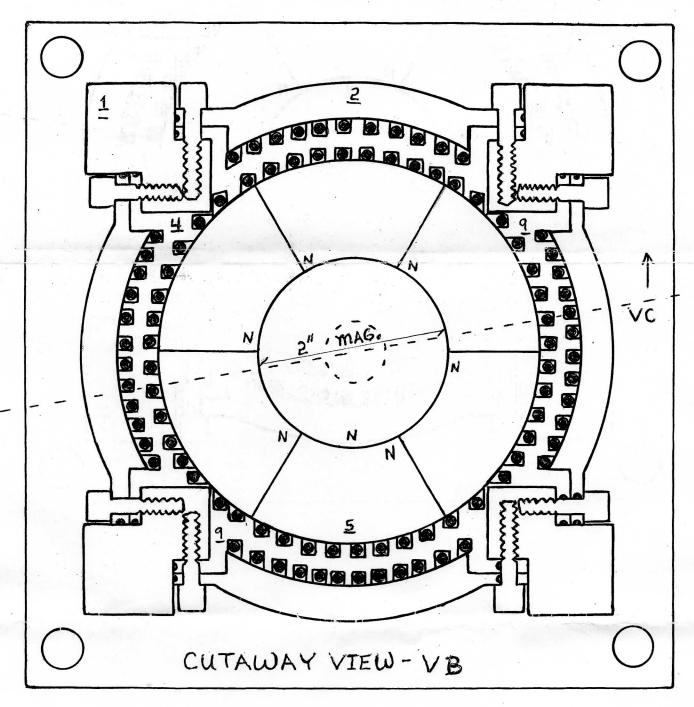
During a court hearing on September 26, 2003, before U.S. District Court Judge Winmill, an individual identifying himself as legal assistant RICHARD BELLON, appeared with HINKSON's attorney Brit Groom. <u>BELLON</u> had previously been <u>identified</u> as the current <u>manager of WATER OZ</u>. A request was made with OCI's Investigative Analysis Branch (IAB) for additional information on BELLON.

According to information supplied by IAB, BELLON was convicted of assault on a federal officer in 1994, and was sentenced to five months in federal prison. In addition, ELLON has hundreds of thousands of dollars in outstanding federal tax liens. Appended at Attachment 1 is a Subject History Form for BELLON.

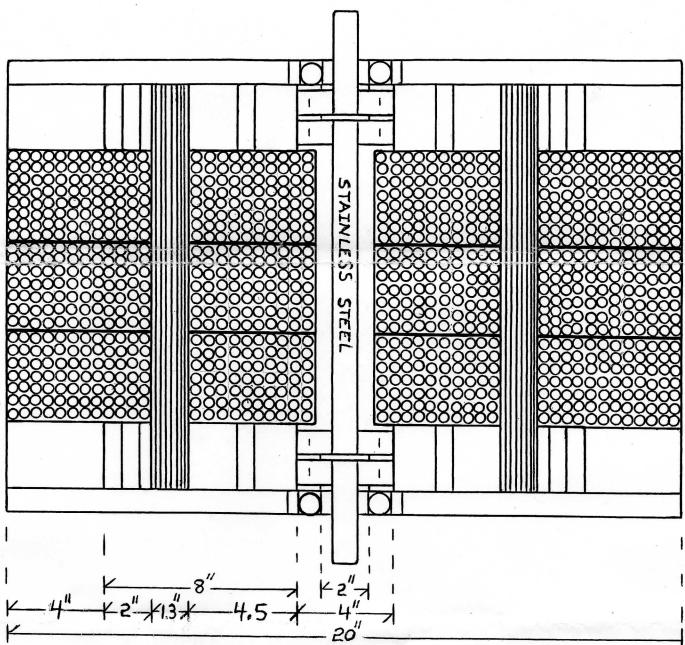
SA Blenkinsop subsequently reviewed the Eastern District of California's case file for details of BELLON's conviction. BELLON was convicted of two separate unrelated assaults on federal officers, one of which required medical attention for the officer. BELLON was also convicted of 26 U.S.C. § 7212(a), Forcible Interference; and, 26 U.S.C. § 7212(b) Forcible Rescue of Seized Property. This information regarding BELLON's assault convictions was forwarded to the United States Marshal's Service in Boise, ID.



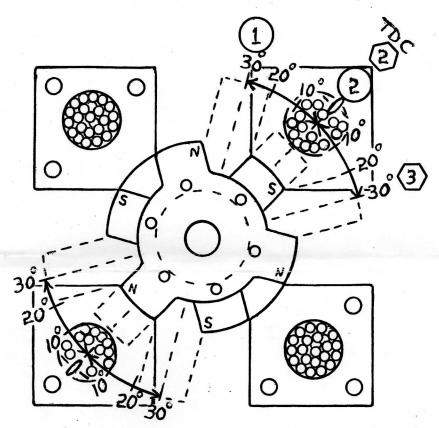
ELECTRIC JET-RADIAL DESIGN-SQUARE-



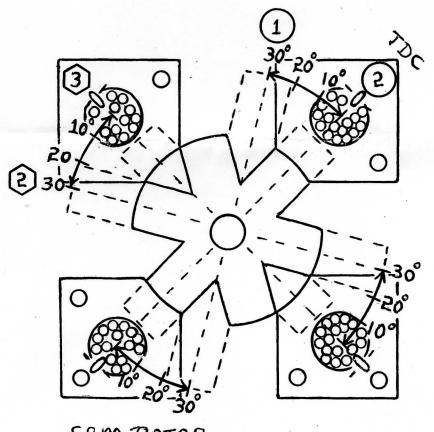
GALT 4 1/4" (.25)=1"
20"×20"



PHASE SPLIT-(B)-TIMING



LOW RELUCTANCE ROTOR - TYPE A ROTOR



SRM ROTOR

Affidavit of Wesley W. Hoyt

State of Idaho)
	SS.
County of Idaho)

- I, Wesley W. Hoyt, the Affiant, a resident of 165 Deer Field Dr., Clearwater, Idaho 83552, County, Idaho, being over the age of 18 years and competent to testify, according to my own personal knowledge, upon oath, state under penalty of perjury pursuant to 28 USC §1746 as follows:
- 1. I am an attorney licensed to practice law in the States of Idaho and Colorado, having been first admitted in 1972. I was one of the attorneys of record representing David R. Hinkson in the following Federal District Court cases in the District of Idaho: 02-cr-145-RCT (the "Tax Case") and 04-cr-127-RCT (the "Solicitation Case").
- 2. In the Tax Case, counsel attempted to present as a defense to the charge of Money Laundering by Structuring, what is commonly known as the Payroll Exception since Mr. Hinkson legally earned the money that was withdrawn from his bank account as cash and used to pay his lawful debts, i.e., the wages of his employees. For lawfully participating in this legal transaction that anyone of us might become involved in, Mr. Hinkson was unjustly convicted and sentenced to 10 years in federal prison.
- 3. The evidence was that Mr. Hinkson's bank had knowingly been providing the cash for the payroll of Mr. Hinkson's business, WaterOz for many years. It was Mr. Hinkson's bank that was required by IRS rules to file for the payroll exception. What this amounts to is Mr. Hinkson was convicted and sentenced for a crime, if in fact it was criminal conduct, that was committed by his banker, because under the IRS rules Mr. Hinkson could not file the report himself.
- 4. But, it was Judge Tallman who made an erroneous ruling as a matter of law that prohibited Mr. Hinkson from presenting to the jury the fact that there was such a thing as a Payroll Exception so that the jury could determine factually whether it applied in Mr. Hinkson's case which caused a manifest injustice in Mr. Hinkson's Tax Case.
- 5. On January 14, 2005, in the Solicitation Case against Mr. Hinkson, before government witness Elven Joe Swisher was called to the witness stand to testify for the government and while during a morning recess, I was in the men's room immediately outside the courtroom where Mr. Hinkson's case was being tried.
- 6. The men's room was located across the hall from the door to the judge's chambers and slightly in the direction of the court room doors of said courtroom. When in the doorway of that men's room one can see directly into the judges chambers, should the door to the judges chambers is open.

Affidavit of Wesley W. Hoyt-Re: Motion to Recuse Judge Tallman - 1

- 7. At that time I was in the men's room, I was unaware that the US Marshals had "cleared" the hallway which services the door to the judge's chambers and also said men's room, had ordered all spectators and participants in the trial to advance into the courtroom and had shut the doors and were blocking said doors and were keeping them shut. The US Marshals also were blocking the public from entry at the other end of said hallway.
- 8. When I emerged from the men's room, I looked to my left as I started to enter said hallway to return to the courtroom and I saw the door across the hall to the judge's chambers open and I saw government witness, Elven Joe Swisher coming out of the door to the Judges chambers and he was in an attitude of turning his head and gesturing and while I could not hear the words spoken, it was as if he was saying "good bye" to Judge Richard C. Tallman, who was further inside the door of the judge's chambers and was gesturing as if to say: "good bye" to Mr. Swisher.
- 9. I stopped to observe the scene of the interchange between Judge Tallman and Mr. Swisher and one of the US Marshals moved in my direction and said that I needed to hurry to the courtroom to be in place for the recess was over.
- 10. I did not see anyone else in the Judge's chambers or in the hallway, specifically, I did not see any member of the prosecution team involved in this transaction between Mr. Swisher and Judge Tallman. The only parties who were present in addition to me, Judge Tallman, Mr. Swisher and persons whom I recognized as US Marshals from the uniform they wore and from their regular attendance at those court proceedings. I do not remember who they were as I did not learn the names of the US Marshals attending this trial and would have no way of identifying which person was a US Marshal in the hallway of the courthouse at that time.
- 11. As the record reflects in the Solicitation Case, I was removed from my representation of Mr. Hinkson by an Order of Judge Tallman (Dkt #249) after having been falsely accused by the FBI of plotting with my client while he was in the Boise, Idaho ADA County Jail, to murder 22 individuals.
- 12. That accusation that I was participating in the plot alleged by the FBI was retaliation against me because I had exposed the FBI of fabricating evidence against Mr. Hinkson with one of its confidential informants, Mr. Chad Croner, who serves the FBI as a liar and is paid by an exchange of favors in the form of reduction of his sentence in other criminal matters for which he has been charged and was, at the time, serving time.
- 13. While I filed a Motion to Withdraw from Mr. Hinkson's case based on the false allegations against me by the FBI which made it appear that I had a conflict of interest with my client, before Judge Tallman's ruling determining that I had an irreconcilable conflict of interest with my client, I withdrew that Motion to Withdraw because the potential conflict of interest had been resolved.

14. Judge Tallman then took it upon himself to order me out of the case so that I could not provide further representation in that case of my client, Mr. Hinkson.

Further Affiant sayeth naught.

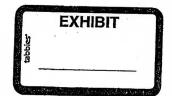
I declare under penalty of perjury that the foregoing is correct this 13th day of April 2012.

Wesley W. Hoyt

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Affidavit of Joe Swisher

- I, Joe Swisher, being first duly sworn on my oath, deposes and says:
- 1. I am familiar with all the facts contained in this Affidavit and I am competent to testify to those facts of my own knowledge.
- 2. From about August 1, 2001 through September 15, 2002, I periodically worked with a man who called himself, Chris Jon Paltreyot.
- 3. It was my understanding that Chris Jon Paltreyot worked for WaterOz and was responsible for adding the minerals to the tanks and manufactured the mineral concentrates that were added to the tanks.
- 4. Mr. Paitreyot represented himself as a chemist and told me his job at WaterOz was to make the mineral concentrates, mix the mineral concentrates in the tanks and make sure the product was tested before bottling.
- 5. Mr. Paitreyot brought me samples of what he call finished concentrates and products on a regular basis.
- 6. Mr. Paitreyot hand delivered samples to a laboratory I work for located at 605 Peasley, Cottonwood, Idaho.
- Most of the samples delivered by Mr. Paitreyot tested within normal limits (excepting concentrates, of course).
- 8. in July of 2002, I personally took samples at the WaterOz factory of tank solutions. Testing indicated that the tanks had been diluted with well water and the elements were much lower than required.
- 9. I immediately called for a meeting with Mr. Paitreyot and others and reported what I believed was sabotage of the product. I suggested security measures and Mr. Paitreyot informed me he would make sure the product was as stated on the labels.



- 10. Thereafter, Mr. Paltreyot made a number of trips to the Cottonwood lab facility with many samples. By mid-September, the samples Mr. Paltreyot was bringing to me checked higher and most were within normal limits.
- 11. On September 15, 2002, I experienced a complete heart block which resulted in the insertion of a dual pacemaker.
- 12. Mr. Paitreyot called me on a weekly basis to see how I was doing and to determine when I might be back in the lab and be able to pick up plant samples.
- 13. On or about November 11, 2002, Mr. Paitreyot called me to check on my condition. He wanted to know how I was feeling and when I could resume testing. I told him that I would be back to resume testing in a week.
- 14. On or about November 18, 2002, I learned that Mr. Paitreyot had disappeared. I was surprised to learn that he had left town.
- 15. I went by the WaterOz factory on November 18, 2002 and picked up samples for testing.
- 16. On or about December 15, 2002, as I finished testing the products, I discovered that nearly all of the samples were short of mineral and the amount of mineral actually in the bottles did not match the displayed amount of mineral as appearing on the label.
- 17. Pursuant to testing batches that were delivered by Mr. Paitreyot to our laboratory, prior to November 15, 2002 and rerunning the tests after he left town, I can only conclude the samples Mr. Paitreyot delivered to me had been altered to read extra high and these samples were not reflective of the product that had been bottled at the plant. I believe Mr. Paitreyot was the only person who had the access necessary to do this. It is my conclusion based upon testing that the product was probably sabotaged by Mr. Paitreyot.

Affidavit of Joe Swisher

- 18. I believe he left town because he knew I would resume testing of the products by the end of that week.
- 19. It is my belief that tampering was done by Mr. Paitreyot to make our laboratory testing match the stated amounts on the labels.

Furthermore, your affiant saith naught.

Dated this <u># 3</u> day of January, 2003.

Jøe Swisher

Subscribed and sworn to before me this 3

_ day of January, 2003.

Residing at Cottonwood, Idaho, therein.

My commission expires: 7-16, -2003

Affidavit of Roland C. Hinkson

State of Colorado) ss.
County of Ouray)

I, Roland C. Hinkson, the Affiant, a resident of 72 4th Ave, Ouray, Colorado 81427 being over the age of 18 years and competent to testify, according to my own personal knowledge, upon oath, state under penalty of perjury pursuant to 28 USC §1746 as follows:

- 1. I am the father of David R. Hinkson.
- 2. After the arrest of my son, David R. Hinkson, on or about April 6, 2003, I went to the FBI Branch Office of Special Agent Will Long, who was then operating out of Coeur d'Alene Idaho and met with Agent Long regarding my son.
- 3. In that meeting, I informed Special Agent Long that David came from an LDS background, that his entire life was centered around the belief that human life is sacred.
- 4. I told Agent Long that I know that David would never knowingly hurt anyone, that he was a non-violent person and that he had never done anything to harm another individual in his life.
- 5. Special Agent Long said to me: "I know David wouldn't hurt anybody, but he had the money, and somebody might decide to take him up on his offer."

Further Affiant sayeth naught.

I declare under penalty of perjury that the foregoing is correct this 21st day of February 2014.

Roland C. Hinkson