

## **Theft of Medical Device, Intellectual Property – Evidence of Conspiracy to Defraud**

**Date:** 2023.06.21

**Date of Theft Event:** 2023.05.25 11am

**Location:** 3505 E Flamingo Rd. Ste.3 Las Vegas, NV 89121

**Claimant:** Stephen Frazer, corporate officer of *Wellness, etc.* (ETC), a tissue rejuvenation clinic. This is a Central Services project for an International conglomerate with 6M employees. Our mission is to develop 5,000 clinics across the nation to serve the member company employees and the general public to improve their quality of life and to reduce Worker Comp claims. A significant percentage of our current clientele are Police Officers/Administrators, CCFD Staff, Veterans and medical professionals.

**Note:** Frazer is a formally trained Paralegal, with 16 years of cyber security for Fortune 100 Corporations and government agencies (including the State of NV) and served as a Special Investigator/Analyst for two Attorneys General. Also, Frazer worked in medical research at Tier 1 universities for many years specifically in medical device design and evaluation.

**Conspiracy to Defraud Actions – Connecting events and actions after the fact when one has the time and perspective to properly evaluate the evidence** (additional details of the following are contained in the “Theft of Medical Device” doc)

There is motivating evidence that Micheal Londo (Londo) of BodyBalance Systems (BBS) intentionally conspired to defraud our organization from the beginning of our relationship. In hindsight, this list of actions indicate he may have been operating criminally from October of 2022.

***While I hired BBS as a fabrication service, Londo’s actions over the past 10 months are consistent with a plan to harvest our decades of medical device engineering design expertise and years of industry product evaluations to steal our intellectual property.***

If BBS was operating as a single individual, we would have terminated the relationship, however, Dan Lier, Kaitlyn Bivers and BBS technical staff provided enough credibility to make us believe BBS was a legitimate firm. How could so many individuals be part of such a criminal endeavor?

The first business step in our relationship with Londo was our standard NDA/Non-compete Agreement. He dragged out signing the agreement for several weeks. When the document finally was returned signed, we moved forward with the custom fabrication of our Arch System. We are now suspicious that this signature is not Micheal Londo’s though we have text messages from him discussing the NDA document and ultimately confirming he signed it. Speaking with other players in this medical device industry, they suggested I review the signature as Londo has civil trial history claiming a NDA signature was not his ... even if the other party was witness to Londo signing the document. No one from ETC witnessed Londo sign this NDA.

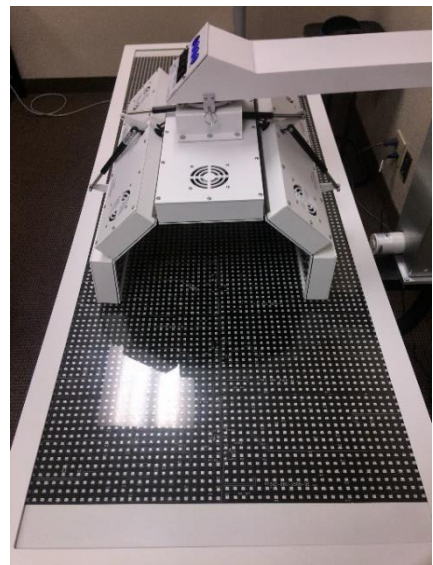
We requested verbally and in writing and several times, a project plan from Londo for the Arch System. Understand ETC never received any paperwork including invoices for any work completed on the Arch System project which was beyond odd. However, the volley of text messages and verbal discussions reflect exactly the progression ... work completed and payments made ... of the Arch System project ... literally hundreds of communications.

**We have a dozen text messages from Londo stating that he will not work on the [Arch] project until more money is paid – though we had already paid exactly what our verbal agreement directed to that point. This was an on-going conflict, but ultimately Londo completed and delivered 2 of the 3 Arch System components that ETC evaluated, approved and paid for the work product per the terms of the verbal agreement.**

While common practice to win a high-dollar manufacturing contract typically offers little funding for a production Version #1 device, BBS is a small fabrication shop so ETC agreed to pay the cost of a complete system (BBS quoted \$82,000 and this amount was commonly discussed in over a dozen meetings with several people present) and paid progressively as BBS completed and delivered each of the components to the satisfaction of ETC.

It should be noted that component and sub-contracting fabrication costs for the complete system total less than \$15,000 (verified as of 2023.07.14) so the balance of \$67,000 covers labor (when in production, an estimated <\$2,000) and a substantial project profit. If BBS successfully performed on the development of the Arch System, they would be awarded a massive manufacturing contract exceeding \$1B (see attached Biophotonics Equipment Fabrication/Manufacturing Agreement). The Arch System project was so far behind schedule, ETC returned a substantial amount of new clinic funding from conglomerate member companies until the long-awaited Arch System devices became available.

It is important to note that ETC was operating with production Arch System #1 (2/3<sup>rds</sup> of the Arch System) in its Las Vegas clinic from April 17<sup>th</sup> to May 25<sup>th</sup> to collect efficacy data while awaiting the delivery of the last component. The 2<sup>nd</sup> component to be completed, the Torso Arch device, was delivered by BBS on March 8<sup>th</sup>, 2023. During the next 5 weeks (March 8<sup>th</sup> to April 14<sup>th</sup>) and an inconceivable number of control failures (40+/-daily), Frazer witnessed Londo and his Tech Staff spend 30+ man hours over 8 on-site visits attempting to repair/replace the failing control panel and sub-components. Then on April 16<sup>th</sup>, Frazer had a sample of the solder from the Torso Arch control panel analyzed by a metallurgy lab and determined it was a low-voltage solder and was failing under the high-voltage load and the generated heat of the Arch System. Frazer removed all the incorrect solder from all control panel connections and resoldered all wiring with the proper solder which resulted in the Arch System #1 (with only 2 of 3 components) presenting functionally stable as of April 17<sup>th</sup>. Frazer had suggested to Londo that he was using the incorrect solder type at least 3 times during his on-site repair visits, but Londo refused to consider this was the cause of the functionality failures, else he possibly used the incorrect solder intentionally to cause strategic failure to justify taking the system back to his shop after payment.



As 2 of the 3 components had been delivered, tested and approved, the payments from ETC to BBS total \$54,001 – 2/3<sup>rd</sup> of the agreed upon \$82,000 cost (see attached bank transaction report). Please note that all 3 of the components of this integrated Arch System are required to support opening additional clinics. ETC currently holds paper on 152 new clinics primarily for

conglomerate member firms. The 3<sup>rd</sup> and last Arch System component has not been delivered and is over 6 months behind in development per the initial promised schedule.

Londo, Frazer and Franz Ferguson (an ETC Exec), then met in-person on April 19, 2023 to frame out the launch of production which still required the completion of the 3<sup>rd</sup> component, the Face Arch. The Face Arch component is a far smaller, more-simple version of the Torso Arch which common sense would suggest Londo would complete within a matter of days. This was exactly the promise Londo gave to Frazer and Ferguson on April 19<sup>th</sup> ... “I will deliver the Face Arch within 2 weeks.” The Face Arch was never delivered. Frazer also directly confronted Londo regarding the use of the incorrect solder on the control panel. Londo ignored the questions and changed the subject ... repeatedly.

Also, ETC never received any paperwork on the headless Zero Gravity device – including no written quote, no invoices, no late notices, no project plan, ... nothing. When asked, Dan Lier, the BBS Sales Rep gave us a \$36K verbal quote on the headless Zero Gravity device if we wished to purchase, but he and Londo were well aware - based on several dozen conversations - that the device did not meet our requirements and we expected the device would be removed from ETC offices when the Arch System was finally delivered. Lier and Bivers (another BBS Sales Rep), both leveraged this evaluation Zero Gravity device against free treatments from our state-of-the-art technologies. Lier suffers from a medical condition and our treatments effectively eliminates this condition. All ETC clinic staff know this has been the “deal” for over 8 months. The statement from each of them as they checked out at our front desk for nearly 50 visits, “Since the Zero Gravity bed is on-loan at no cost until we make your custom-designed [Arch] system, Steve [Frazer] agreed to provide sessions at no cost.” ETC honored the deal for every visit for both of them and Londo received several treatments. A discussion with either Lier or Bivers will confirm this statement and several security videos have captured the discussions.

**The only reason this evaluation/loaner device was still on-loan for such a long time in ETC offices is due to the performance failure of BBS to build and deliver the 3 components of the Arch System by the promised December, 2022.**

When the headless Zero Gravity bed components began to fail (6 different issues beginning in November 2022), we were repeatedly told by BBS that the device was a demo unit on-loan and was unsupported. No repairs were ever made by BBS. ETC patched the unit together several times so it would continue to be functional.

Since BBS has 10 Staff including a FTE Business Mgr, on June 12, 2023, ETC sent our Business Mgr and an ETC investor to meet with the BBS Business Mgr. She (Ally Jordan), stated that she had never seen the fraudulent document (receipt for Zero Gravity device), knew nothing about the fraudulent document and was not responsible for the fraudulent document. At that point, Londo came into Jordan’s office and started screaming and cussing at our Business Mgr and investor until they left the office. We were left wondering why anyone is still working for Londo as they must realize he is operating criminally and that sort of behavior toward paying clients is over-the-top suspicious. Jordan has had months to correct the business and financial transactions involved in this fraud, but has not. Per Nevada Case Law, she is now a responsible party and has been named personally in all cases ... civil and criminal.

Londo, in a late October 2022 conversation, projected the complete Version #1 Arch System would be delivered by Dec, 2022, however, the 2nd component was delivered in March and was functionally unstable (clinically unusable until April 17<sup>th</sup>). These several month delays in the delivery of the Arch System caused a great deal of stress in our operations as conglomerate oversight pressured Frazer to engage a new fabricator to open additional clinics sooner. We can calculate the revenue losses in the tens of millions of dollars due to these delays.

### **Conspiracy to Defraud:**

On the morning of May 25<sup>th</sup>, 2023, Londo and 2 of his staff entered the ETC clinic, presented a fraudulent Paid Receipt for the headless Zero Gravity device for \$46,000 which is \$10,000 more than the verbal \$36,000 quote Dan Lier provided many months before for a device for which ETC had never received an invoice and had never made any payment. Then they seized the Arch System which ETC had directed timely payments of \$54,001 per the terms of the agreement. ETC designed, purchased and owns the Arch System – this physical 2/3<sup>rds</sup> version - and controls the Intellectual Property of the device (we have filed for a U.S. Patent).

Also, BBS has not returned the differential balance of \$8,000 per their own out-of-sync scam (the difference between their arbitrary \$46,000 receipt for the Zero Gravity device and the \$54,001 we have paid for the Arch System). Nor has BBS attached this out-of-sync \$8,000 monies to any other product or service. Failing to pick up their rejected headless Zero Gravity device ... a device we have made very clear - even by written instrument - we had no interest in purchasing unless modifications were made to support our clinic rollouts is an all-too convenient ploy to redirect the monies paid for the Arch System development project. We fear Londo has plans to manufacture our Arch System for sale to other companies.

Metro Officers entering the BBS fabrication shop to serve the court order to recover our stolen Arch System should be aware of the potential of additional Arch Systems being manufactured. The entire ETC clinic Staff (18) and hundreds of our clients are willing to contribute to the case. A surprising number of these individuals are well aware of the details of the situation as they took part in the ergonomic design process and efficacy testing of the Arch System components.

### **The ETC Chief Legal Officer Brief:**

“The redirecting of good-faith payments presented for the purchase of a specific product to any other purpose or product constitutes a conspiracy to commit criminal fraud. The seizure of the medical device borne of such a project with the claim that the monies were not paid to support the development and purchase of the device compounds the seriousness of this conspiracy fraud crime and grand theft can be argued. Case Law suggests such a blatant effort to steal an innovative design – the first production unit along with the Intellectual Property - for profit is not only civil, but also criminal in nature.”

All statements in this document are true.

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Wellness, etc.

Kaitlyn Bivers: 702.613.8394

Ally Jordan: 855.886.3604