

Utah County Attorney's Office

Voluntary Statement / Affidavit



Case Name _____ Case # _____

Name: PAUL BROCKTON Date: 1-21-03 Time: 4:00
 Address: 1314 N. - 70 E. Phone: 786-1761 (hm) 398-1051 (wk)
 City: A.M. FORN State: UT DOB: 3-1-62 SSN: 290-60-3740

NOTICE: Pursuant to Section 76-8-504.5, Utah Code Annotated, 1953 as amended, you are notified that statements you are about to make may be presented to a magistrate or judge in lieu of your sworn testimony at a preliminary examination. Any false statement you make and that you do not believe to be true may subject you to criminal punishment as a Class A Misdemeanor.

STATE OF UTAH)
) : SS
 COUNTY OF UTAH)

I, [Signature], Affiant, being duly sworn by Oath or affirmation, hereby deposes and says:

3/2/03 ATTORNEY

Criminal Complaint:

1. I was one of the best District Managers in the Farmers organization. Having served in that capacity in Indiana since 1997, I came to Utah in January of 2002. I was an agent in Cleveland, Ohio since 1991. I have won numerous awards from Farmers as my attached resume will demonstrate. (**exhibit A**)

2. I exceeded my performance requirements as a new Utah District Manager and was recognized by the executive team for my performance. My main responsibility was recruiting and training new agents. I was only expected to develop one full-time agent in my first 18 months. I developed Todd Searle, Curt Windhorst, and James Dye within my first 9 months (**Exhibit A**). Todd Jaramillo would have converted as well, but he was deterred by the Utah State Office.

I filed a complaint with the company on potential age/religious discrimination based on treatment of some Farmers agents and myself who were being singled out for harassment by Brian Braddock and the Utah State Office. I also e-mailed Marty Feinstein my complaint. He responded by e-mail. (**exhibit B: Farmers complaint**)

2. My complaint also involved my wife's business, Contact Management. Jill Beard, the company's manager, stated to me that she felt that Brian Braddock and other Utah District Managers, were conspiring to destroy the business because of my involvement in its development. I reported this to Farmers Management, as the attached e-mail demonstrates (**exhibit C: Farmer's E-mails**).
3. I documented that I was personally being retaliated against by the company as they conducted their investigation of Brian Braddock, which required me and my witnesses to go through depositions with the company attorney, executive and court reporter. (**exhibit C: Farmers e-mails**)
4. Of major concern was the Colorado Trip scheduled by Brian Braddock, the Utah State Office, and the Colorado state office. I was afraid this trip was designed to personally harm me, or at least,

18. Jill stated that she worked with other Farmers agents and District Managers.

19. I told her that I had developed my own materials and explained my desires to have her use them. I also told her about the sales presentations and scripts I had developed. The entailing conversation led to a partnership. I recommended putting together a corporation. Jill agreed.

11. Kevin Hatton had a close relationship with Douglas Judd and Randy

intimidate me. A YMCA activity was scheduled initially, but changed to "an activity in the mountains". (exhibit D)

5. The stress began to affect my health and I had to stop at a Colorado hospital. (exhibit D)

6. Paul Hopkins, the 2nd in command with Farmers was close with the Braddock's. I felt like I was being targeted by him throughout the investigation. He told me that Brian Braddock's dad, Bim Braddock had retired and would not influence the investigation. He also threatened me with termination unless I attended the Colorado Conference. (Exhibit E)

7. I and my witnesses went through a grueling ordeal of cross-examination by the company's attorney, Kathy Katovich. The company's investigation, designed to dig up dirt on me, while I continued to be harassed and forced to work with the Brian and his staff, failed miserably. (Exhibit F)

8. Farmers, I just learned, hired an internal "fraud squad" that they we sued over. This "squad" functions as Farmers personal secret police. I would like to know what role they played in the investigation. I must assume that, because Farmers settled with me, they failed. (Exhibit G)

9. Kevin Hatton documented that he had been fired wrongfully by Farmers for low production. He had also been rejected for a Reserve District Manager's position after he conducted an interview with Brian Braddock's assistant Todd Brooks. Kevin stated most of the interview centered on his religious experience. So much so, he wondered if Todd was interested in his faith. (exhibit H) ^{Vol 1} G (#7)

10. Kevin, at his request, was moved to Contact Management in the early summer. His testimony and written statements played a crucial role in my complaint. As the complaint progressed in September, Kevin told me he and Jill Beard just wanted to "let the Farmers thing go and get on with building Contact Management." I was extremely surprised at this change of heart. Both Kevin and Jill had been very antagonistic towards Brian Braddock and the Utah State Office and encouraged me to file the complaint on their behalf.

11. Kevin Hatton had a close relationship with Douglas Judd and Randy Tucket and brought their issues to me, explaining that they too, had been victimized by discrimination from the Utah State Office. I am certain that he had some influence on their desire to have me settle with Farmers.
12. John Mitchell, representing Farmers, met with me at 11:00 on October 10th. He told me that that the Farmer's investigation had found no evidence that any of the charges were true. He also said that the company was terminating its relationship with me effective 10/15/02.
13. John Mitchell also said he recognized that I had been an honorable employee with a family and that the company was prepared to give me a check if I signed a settlement agreement. I told him I would not sign such an agreement, but would sue Farmers. I then walked out.
14. I called John back after consulting with Jill Beard, Kevin Hatton, Randy Tucket, and others who raised complaints. I quickly realized there was no support for litigation. I called John Mitchell and agreed to resign, sign the settlement agreement, and move on.
15. Todd Searle, one of the agents whose testimony was part of the complaint (**Exhibit I.**), called me and told me that he had been triple-billed by Jill Beard and Contact Management. He had contacted Jill Beard and Kevin Hatton with no response. Finally, as an act of desperation, he contacted me at 2:00 in the morning on my cell phone. This was after the settlement was signed.
16. Natasha Ireland, my executive secretary, was hired by Jill Beard and Kevin Hatton after I left Farmers. Her husband, James Ireland, had been hired by Jill Beard as well. Natasha was a major witness in my investigation against Brian Braddock.

Contact Management

17. Contact Management was a company that Jill Beard started in her basement. When I met her, she had 10-15 clients and a handful of telemarketers. She called me shortly after I opened my office and asked me to meet with her about her service.

18. Jill stated that she worked with other Farmers agents and District Managers.

19. I told her that I had developed my own materials and explained my desires to have her use them. I also told her about the sales presentations and scripts I had developed. The ensuing conversation led to a partnership. I recommended putting together a corporation. Jill agreed.

20. She then called me and stated that she had found a lawyer to put together the contract for us. She also stated he had said that an LLC would be cheaper than a corporation. I said fine. She brought over some paperwork and explained that it was the LLC contract for Contact Management. (**exhibit 1**)

21. We had agreed that I would provide the over-all business vision and give Jill full access to my marketing programs. My wife, in return would own a partnership in the business. Jill was to be the full-time manager of the business (**Exhibit 1**).

When?

22. Unknown to me or my wife, Jill had actually prepared another LLC agreement and filed it with the state. She took the signature page from the first agreement and attached it to the second one. I never saw the second agreement until I found it this month (December, 2002). (**Exhibit 2**).

23. The second agreement was far more reaching than the first, and was later used by David Williams and the Beards, in an attempt to keep me away from the company and its records.

24. Natasha and James told me they were having "payroll" problems at Contact Management.

25. I asked Jill Beard to let me and my accountant audit the company books. I was told that her "new" bookkeeper, Debbie Haggard, would have everything for me the following week. (I secured the documentation on Debbie after I got the Temporary Restraining Order.)

26. Debbie had set up a payroll system on the "internet", I was told, but would show me the system the following week. **(exhibit 3)**.
27. Instead, I received an attorney's letter stating that I was forbidden to come on the property. The letter also stated that I had done great damage to the company and that Mary should give up her ownership to Jill Beard. **(exhibit 4)**
28. I hired an attorney to try and settle the issue, but Jill and her lawyer failed to provide the necessary documents to establish the financial condition of the company **(exhibit 5)**.
29. Jill offered \$12,500 to buy out our interest. **(exhibit 6)**.
30. I secured the services of a different attorney and was able to get a Temporary Restraining Order. I entered the business about 1:00 PM, on December 3, 2002, and confiscated the facility with all records on the premises. **(exhibit 7)**
31. I was told by Debbie Haggard that I could not have the password to the payroll system. I still do not have the password. Jill Beard called her attorney and left with a big bag full of papers she said was her "personal stuff".
32. The landlord came in and asked me to leave, I was not let back in until he met with David Condie, one of my attorney's, privately.
33. Jill's husband came in as well with a look that implied physical assault. He left after seeing all the witnesses.
34. After securing a Temporary Restraining Order, I was able to copy a significant amount of the company's records.
35. I found that Jill Beard and Kevin Hatton had been offered, and had accepted, a very lucrative contract from Farmers Financial Services, the company's broker-dealer. This contract was entered into by Jill Beard and Contact Management during the same period I was in the process of and had filed my complaint against Farmers Insurance. **(exhibit 8)**

36. Kevin Hatton signed an agreement with Jill to make him the vice-president. I was unaware of this until I got this copy from David Williams. (exhibit 9).
37. Jill wrote down on a sheet of paper, that I obtained through the T.R.O., that she was expecting total compensation from the Farmers Financial Solutions contract to exceed \$63,000!!! (exhibit 10)
38. Contact management appears to have provided little in the way of service on the Farmers account. These are the records I have found so far. (exhibit 10)
39. As soon as I gained custody of the company, Farmers Financial Services cancelled the contract and asked that all records be returned. Clear evidence that they never had any intention of doing business with Paul or Mary Drockton through Contact Management. Also, further retaliation for filing my complaint. (Exhibit 8)
40. I also discovered a check for \$10,000 from Persimmon Investments. The owner of this company came to my office in Provo, after Contact management was evicted from Draper, and explained that this was a loan he had given to Jill Beard against a payment she shortly expected from Farmers Financial Solutions. (Exhibit AA)
41. The gentleman also explained that he had a copy of the loan contract, which had been signed by Farmers Fin. Solutions Chief Financial Officer guaranteeing payment. I told him to fax me the documents.
42. That same day, I received a phone call on my cell phone from a man who identified himself as FFS Chief Fin. Officer. He stated that he had been instructed to return my phone call by company attorneys and find out "what I wanted".
43. I asked him about what was billed and what was still owed. He said he would get me the information. I also asked him if he had signed a loan guarantee on our accounts payable with Jill Beard. He said yes. He also said it was customary practice and "no big deal".

44. I also discovered that Jill and her "new" bookkeeper had intentionally over-billed Farmers Insurance Agents through their credit cards. This created a liability for me I can only estimate in excess of \$20,000 plus legal costs, because all of the charge-backs have not gone through the system yet. **(Exhibit BB)**
45. I was told that the system had \$11,000 being held as security against charge-backs on December 4, 2002. I found documentation that Jill had tried to access this money through her attorney **(Exhibit CC)**.
46. Most of the credit card fraud occurred over the past few months, after I filed my complaint against Brian Braddock. **(Exhibit DD)**
47. Jill had other clients, but it appears that only Farmers Insurance agents were targeted. One of the first ones affected was an agent who was party to the complaint, and in my district, Todd Searle. **(Exhibit BB)**. Jill and Kevin Hatton would not have known about Todd's involvement unless it was communicated to them by someone in Farmer's management.
48. Jill and Michael Beard opened up numerous bank accounts for company receipts using forged signatures or other fraud/deception. They used forgery to have credit card receipts go to different accounts. **(Exhibit EE)**.
49. Jill also fraudulently forged documentation that allowed her to put all company and customer monies into her own bank accounts that only she had knowledge of. I and my wife, Mary Drockton, have not had access to one penny of company money since its initial inception. **(Exhibit FF)**
50. They used these multiple accounts, for check-kiting, which appears to have begun about the time of my Farmers Complaint. This doesn't make sense, as the company had the highest gross receipts during this time period. **(Exhibit GG)**

51. Jill fraudulently maintained an account, in my name, with Choice-point Precision Marketing. She payed for it using checks that misspell my last name as Drocton and don't have a signature. It appears she has not paid this account since the deal was cut with Farmers. I now owe over \$10,000 for the last few months services!(**Exhibit HH**)
52. Jill and Michael Beard also used company money's for his business, Beard Marine, and other personal uses. (**Exhibit II**)
53. They also took numerous cash withdrawals from company accounts. (**Exhibit JJ**)
54. They also wired cash from company accounts.(**exhibit KK**)
55. Jill also embezzled company money to pay off a loan shark. It appears that she set up a marketing scheme with mortgage leads to pay off the loan. (**exhibit LL**)
56. Jill and Michael Beard also were involved in various types of payroll fraud. (**Exhibit MM**)
57. Also, it is impossible to determine what, if any tax contributions were paid on employees.(**Exhibit NN**)
58. One account history we were able to obtain fraudulantly lists my wife Mary on the account. It also shows the history of unauthorized cash withdrawals, bounced checks, and personal payments to Mike Beard's business associate.(**Exhibit OO**)
59. During the months of October and December, they stopped paying people or just wrote them bad checks. James Ireland reported that moral was so low, callers were quitting daily. Yet, they were still able to get compensated on the Farmers Financial Solutions Contract. (**Exhibit PP**)
60. While stealing every penny that wasn't nailed down, the Beard's also stopped paying company obligations. These include:

Rent: about \$13,000 in back rent for last few months. I was evicted from the facility a few days after I got custody of the company.

Monster.Com: \$10,000 owed for an account recently opened but never paid.

Phone system: \$15,000 owed; only \$3000 paid.

Phone Bills, Utility Bills, unpaid.

Payroll: \$40,000, or more in unpaid payroll obligations since I filed the complaint.

I will ascertain the total liabilities after I have the company books audited.

61. Fortunately, I was able to get in with the Temporary Restraining Order and seize the documents I did. Jill Beard, Mike Beard, and Kevin Beard defrauded the company of all its assets and were well-placed to blame me for its total demise and their fraudulent activity.
62. I would have been held criminally liable for actions that I had no knowledge were occurring. Jill could have been easily compromised by a third party because of her credit and loan shark issues.
63. Farmers also had clear motivation, based on the evidence I had against them, to make sure that my testimony was permanently destroyed.
64. Brian Braddock knew about my relationship with Contact Management very early on. Jill stated she knew him before she met me. She also told me that her and Brian were both from Simi Valley.
65. It is also clear that almost all of the criminal activity took place both during and after my complaint with Farmers. The majority coming after Jill Beard and Kevin Hatton entered into the Farmers Insurance Contract.

66. It is also clear that Farmers Insurance was paying for services neither documented nor recorded.

67. It is also clear that the largest payment from Farmers Financial Services, \$10,000, was leveraged. This payment was supposedly earned during a time when Contact Management was laying off employees or not paying them at all. No record of services exists to justify this final payment from Farmers.

68. Since most of the criminal behavior took place after I filed my original complaint against Brian Braddock at Farmer's Insurance; and since Farmers corrupted Jill Beard and Kevin Hatton as witnesses during their investigation of the complaint; and since Jill Beard and Kevin Hatton's actions were personally directed at the destruction of my business and personal reputation, it appears that some type of conspiratorial agreement existed between Jill Beard, Kevin Hatton, and Farmers Insurance.

69. I have been forced to file an E.E.O.C. complaint to protect myself from any further retaliation from Farmers Insurance, its officers, employees or vendors (like Contact Management).

70. Since Jill Beard and Kevin Hatton worked with attorney David Williams to defraud us through a business contract Mr. Williams supposedly developed for both Mary Drockton and Jill Beard's benefit; and since Mr. Williams has refused to excuse himself as Jill Beard's attorney in spite of his obvious conflict of interest; I must ask that this complaint also include Mr. Williams. I would be very interested in knowing what other business his company has with Farmers Insurance or Brian Braddock, if any.

I was told by Paul Hopkins that Bim Braddock had retired and was no longer involved at Farmers. I received evidence that this was totally false and that Bim Braddock was actually up for re-election to the company's Board of Governors at the very time my complaint was being investigated. I must therefore, include Mr. Braddock in this complaint along with the other members of the Board of Governors.

Bim Braddock was in a powerful position to shut-down or otherwise influence the investigation of his son, Brian. The fact that this information was misrepresented by Paul Hopkins, after my written request, gives me great cause for concern.

Conclusion:

1. Jill Beard, Michael Beard, Kevin Hatton, Debbie Haggard, and others conspired to change their testimony against Brian Braddock in exchange for money that was laundered through a contract between Farmers Insurance and Contact Management.
2. Kevin Hatton and Jill Beard influenced others to drop their complaint against Farmers Insurance.
3. Paul Drockton was forced into a settlement arrangement because of Farmer's witness tampering.
4. Jill Beard secured a loan against the FFS contract using the good faith and credit of the company.
5. Jill Beard's, and her associates, criminal activity escalated after she signed the agreement with Farmers. She and others committed a series of felonies placing themselves at serious risk of prosecution at both the State and Federal level.
6. Jill Beard's attorney remains emotionally involved and will not separate himself from this case even though counseled to do so by a judge in a court of law.
7. The Beards would have had the opportunity to blame their felonious conduct on the Drocktons without the Temporary Restraining Order secured by the Drockton's attorneys.
8. Such damage would have bankrupted the Drockton's and led to criminal prosecution.

9. This agenda would be highly beneficial to Farmer's claim of "no evidence" in the Braddock investigation.
10. Farmers agents were targeted for abuse through Jill Beard and Contact Management.
11. Witnesses James and Natasha Ireland were targeted for abuse through payroll fraud by Jill Beard and Contact Management. Possible retribution for their testimony against Brian Braddock.
12. Witness Todd Searle was targeted for abuse during the Braddock investigation by Contact Management to destroy his relationship with his recruiter, friend and supporter- Paul Drockton.
13. A Criminal Conspiracy exists between Contact Management and Farmers Insurance that was initiated to subvert and undermine the Braddock investigation and destroy Paul and Mary Drockton.

S. U. N. K. S.
P. D. R.