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**PURSUANT TO MULTIPLE ACTIONS IN THE THIRD CIRCUIT COURT OF THE  
STATE OF HAWAII, THE UNITED STATES BANKRUPTCY CASE NO. 16-00239  
and ADV. PRO. NO. 16-90015, AND THE UNITED STATES DISTRICT COURT  
CASES CV 15-00186JMS-BMK and CV 16-000666 LEK-KJM**

Re:	STATE OF HAWAII	)	<b>HAWAII CASE C18009739</b>
	v.	)	(Prima facie "2 <sup>nd</sup> Degree
	PAUL J. SULLA, JR., et. al.	)	Forgery"; 1 <sup>st</sup> Degree Real
		)	Property Theft;
	and	)	Racketeering in Drugs and
		)	Public Corruption)
		)	
	UNITED STATES	)	<b>MEMORANDUM ON "INTENT TO</b>
	v.	)	<b>DEFRAUD" (MENS REA) OF</b>
	PAUL J. SULLA, JR., et. al.	)	<b>ATTORNEY PAUL J. SULLA, JR.</b>
		)	<b>PURSUANT TO CRIMINAL CASE</b>
		)	<b>C18009739 FOR "2<sup>ND</sup> DEGREE</b>
		)	<b>FORGERY," 1<sup>ST</sup> DEGREE THEFT,</b>
		)	<b>SECURITIES FRAUD,</b>
		)	<b>RACKETEERING IN DRUGS, AND</b>
		)	<b>MONEY LAUNDERING</b>

Officials Noticed:

Mitch Roth, County of Hawaii Prosecutor  
Russell Suzuki, Hawaii Attorney General  
Kenji Price, U.S. Attorney

**MEMORANDUM ON "INTENT TO DEFRAUD" (MENS REA) OF  
ATTORNEY PAUL J. SULLA, JR., PURSUANT TO CRIMINAL CASE C18009739  
FOR "2<sup>ND</sup> DEGREE FORGERY," 1<sup>ST</sup> DEGREE THEFT, SECURITIES FRAUD,  
RACKETEERING IN DRUGS, AND MONEY LAUNDERING**

**I. INTRODUCTION**

On November 6, 2018, in the Intermedia Court of Appeals in the State of Hawaii, in case number CAAP 18-0000584, Paul J. Sulla, Jr., (“Sulla”) made a written statement that he refused to give Hilo Police Department (“HPD”) investigators questioning Sulla as a suspect in their indictment for “2nd Degree Forgery” in Criminal Case C18009739. The HPD forwarded to Prosecutor Mitch Roth this felony charge after witnessing the prima facie evidence of forgery in a Sulla-filed warranty deed. The alleged “error” converted ownership of this author/Complainant’s million-dollar real property to Sulla’s own shell company, Halai Heights, LLC (“HLLC”). Sulla made the following defensive statement on the record, expressing his opposition to consolidating three pending appeals, the consolidation of which would expose Sulla’s “chain of records” showing his pattern and practice of forging documents. Evidence from public records also proves by clear and convincing evidence Sulla’s pattern and practice in illegal drug trade, money laundering through real estate transactions, tax evasion, and racketeering in fraud and public corruption. In this case, Sulla has been the exclusive administrator of the alleged crimes that feature a white-collar theft real property theft scheme evolving since 2009. Sulla is a widely-recognized drug “king pin” in the lucrative “ayahuasca” (i.e., dimethyltryptamine or “DMT”) hallucinogenic drug trade. His fixation to steal the subject property widely known as the “Steam Vent Inn & Health Retreat” located at the heart of Hawaii’s lucrative illegal drug industry (Pahoa/Puna, Hawaii) raises many issues of social interest. The one-of-a-kind “Property” features Hawaii’s only lava-heated steam saunas adjacent geothermal bathing pools. These features are ideal for drug detoxification and rehabilitation programs. The land, “Inn” and spa facilities was purchased by this “Complainant,” who is a “celebrity doctor,” expert in natural medicine, and internationally renowned drug industry whistleblower at the forefront of serious controversies in public health and consumer safety. The Complainant, a spiritual-religious person, purchased the Property for his ministry with the intent to establish an “International Institute for Native & Natural Healing.” Alternatively, Sulla and his agents in the “hoasca” trafficking enterprise currently holds possession of the Property by reason of public corruption, influencing judges and fellow lawyers in the Third Circuit Court of Hawaii and the U.S. Bankruptcy Court in Honolulu. Sulla et. al. currently advertise their use of the Property as a retreat for “Hawaii Ayahuasca Tourism.”

Sulla stated on page 4 of his appellate court case consolidation opposition:

“The County [of Hawaii] noticed a clerical error on one of the many deeds to the Subject Property. This error in description is not evidence of any ill intent or wrongdoing. . . . The conveyance error has no bearing at all on

any of the lawsuits herein, and in fact, is of no consequence, since it is a clear error. There has been no finding of wrongdoing related to this or anything else related to this case, despite Appellant's fantastic language to the contrary."

## **II. FACTUAL BACKGROUND PURSUANT TO *MENS REA* IN THE COMMISSION OF FORGERY IN THE SECOND DEGREE FOR REAL PROPERTY THEFT BY ATTORNEY PAUL J. SULLA, JR.**

1. The subject property (hereafter "Property") consists of two parcels, TMK (3) 1-3-001:049 and 043. These lots have been burdened by legal contests since 2004. Sulla appeared for his presumed "client" in 2009. Two previously consolidated cases under appeal at the present time involve the same Property, same parties or their privies, and same series of transactions in the long-running dispute.

2. In 2009, a jury trial was held in the initial "Foreclosure" action. The buyers/victims, Leonard G. Horowitz and his ministry, The Royal Bloodline of David ("Royal"), et. al. prevailed in defeating Foreclosure brought by the Seller, Cecil Loran Lee, in Civ. No. 05-1-0196. Seller Lee had granted Buyer Horowitz and Royal a \$350,000 purchase money Mortgage after Horowitz put down \$200,000 to secure the purchase and sale. Then, after the trial in 2009, wherein the jury determined that Lee had defrauded Horowitz, attorney Sulla suddenly appeared for Lee while Lee was on his death bed dying bankrupt in Arizona.

3. Ten months after February 27, 2009, when Horowitz made his final balloon payment on the Note and then demanded the Mortgage Release to no avail, Sulla admitted on December 11, 2009, in opposing Probate case, P. No. 9-1-166 that "CECIL LEE DOESN'T OWN ANYMORE; DUE TO FORECLOSURE. NO JUDGMENT CAN BE ENFORCED AND MR. LEE IS CERTAINLY OUT OF IT." (**Exhibit 1**)

4. Then, on May 15, 2009, Sulla began his pattern and practice of forging and altering documents to acquire the Property for himself. On this date, Sulla fraudulently transferred the fully paid and void Mortgage and paid Note to a not-yet-legally incorporated sham "church" purportedly authorized by Lee titled: THE OFFICE OF OVERSEER, A CORPORATE SOLE AND ITS SUCCESSOR, OVER AND FOR THE POPULAR ASSEMBLY OF REVITALIZE, A GOSPEL OF BELIEVERS (hereafter, "GOB"). (**Exhibits 2 and 3**) The Court had correctly determined that the Mortgage and Note had been fully paid by Horowitz et. al., with no

deficiency remaining. Judge Ronald Ibarra ruled this in the latter of six (6) Final Judgments in Civ. No. 05-1-0196. See **Exhibit 9**, Footnote 1)<sup>1</sup>

5. On May 26, 2009 and May 28, 2009, Sulla belatedly incorporated GOB using two sets of false filings with the State of Hawaii Department of Commerce and Consumer Affairs (“DCCA”). These two sets of fraudulent, forged, altered, and wired (faxed) “Articles of Incorporation” evidence Sulla’s use of photocopied signature(s), presumably Lee’s. This public record obviously shows altered dates, and altered page numbers. And this prima facie evidence of multiple felonies was confirmed by FBI-trained expert forensic document examiner and handwriting expert, Beth Chrisman as shown in **Exhibit 4**. GOB’s Articles of Incorporation, Chrisman declared, “are not authentic in nature but have been duplicated, transferred and altered[.]” (**Exhibit 4**)

6. Following Lee’s death, in order to extend litigation and Horowitz’s maliciously prosecution and obtain the Property, on July 16, 2009, Sulla manufactured a “Substitute Plaintiff” for Lee in Civ. No. 05-1-0196 (by non-hearing motion). Sulla substituted not only GOB for Lee, but also GOB’s purported “Overseer” and Sulla strawman, Jason Hester. Hester, who has a criminal record, having been convicted of drug offenses in Arizona, was falsely claimed by Sulla to be Lee’s “nephew.”

7. On January 26, 2010, Sulla e-mailed Horowitz his “settlement” demand (alleged extortion demand) that Horowitz must pay GOB/Hester \$200,000 more than Horowitz had already paid to extinguish the Note. Horowitz had already used this \$200,000 jury award as a “judgment credit” in making his final balloon payment on February 27, 2009. (**Exhibit 5**) In this mail, Sulla wrote that the full amount of the already paid and void Mortgage for \$350,000 would be called if Horowitz did not pay the alleged \$200,000 extortion. And Sulla made it clear that a “2<sup>nd</sup> Note” for \$25,000 was “a bit confusing” but clearly was not part of the foreclosure matter. This “2<sup>nd</sup> Note” derived from Lee having exercised an “Agreement for Closing Escrow” that was not secured by any property, but conveyed Lee’s alleged interests in a neighboring property titled

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<sup>1</sup> The Fifth Amended Final Judgment issued March 4, 2016, states in footnote 1: “The equities involved with the timely payment, property improvements, balloon payment, and misleading statements by plaintiff, make foreclosure unjust. Foreclosure having been denied the request for a joint and several deficiency judgment was not necessary nor the appointment of a commissioner.”

“Remnant A”—a County of Hawaii road remnant contracted to be granted to Horowitz and his Royal ministry. Sulla wrote:

“I am recommending that we take up the \$25,000 note once we collect on the original \$350,000 mortgage. The \$25,000 note could therefore will be another consideration if we can reach a settlement of the larger note. This means that we will seek \$200,000 on the 1<sup>st</sup> plus \$25,000 principal on the 2<sup>nd</sup> and \$26,000 accrued interest on the 1<sup>st</sup> note for now—a total due and owing thru February 14, 2010 of \$251,000 increasing @10% per annum on the \$200,000 or \$2,000 per month. If we don’t settle than we will probably proceed on the 2<sup>nd</sup> note (including reasonable attorney fees) once the foreclosure of the 1<sup>st</sup> is resolved. Even if you unfortunately lose the property this will not have any impact on the enforceability of the 2<sup>nd</sup> note.”

8. Disregarding process in the res “0196” case that had gone under appeal by Horowitz et. al. for deficiency judgment plus fees and costs in assumpsit, Sulla advanced a “non-judicial foreclosure.” The first appeal regards the \$200,000 “vacated” jury award that had previously been applied as a judgment credit in the final balloon payment on the Mortgage on February 27, 2009. But defying “res judicata doctrine” and Horowitz’s right to due process in the courts, on March 19, 2010 Sulla mailed Horowitz et. al. a Notice of Mortgagee’s Non-Judicial Foreclosure Under Power of Sale” based on the already void Mortgage, and contrary to the foreclosure DENIED ruling in the res case!

9. Subsequently, on April 20, 2010, Sulla committed a “mock auction” of the Property recorded by witnesses as shown on the Internet for review, and Sulla claimed GOB bought the Property with a “credit bid” of \$175,000 (later changed to \$225,000) that Sulla directed GOB’s “Overseer” Hester to make.

10. Subsequently, through the following series of deed transfers, Sulla obtained personal interest in the Property:

a. On May 3, 2010, Sulla recorded a quitclaim deed transfer of the Property from GOB to GOB. Sulla recorded this with the State of Hawaii Bureau of Conveyances (“HSBC”) on May 11, 2010, as Doc. No. 2010-064623 (**Exhibit 6**) This deed shows most importantly “Exhibit A”—the original Property description later to be altered by Sulla.

b. On June 14, 2011, Sulla administered Hester’s recordation of a mortgage “loan” from Sulla to Hester for \$50,000 secured by the Property. This is shown by the false filing with the HSBC of Doc. No. 2011-093773. (**Exhibit 7**) This mortgage contains the same original Property description as aforementioned “Exhibit A.” That is, the original Property descriptions of TMK (3) 1-3-001:049 and 043. It must be noted that the 043 lot is a small lot with a large sinkhole that

is a serious liability. Sulla will later illegally exchange this 043 Property description for a neighboring “Remnant A” lot owned by Horowitz et. al. to consummate Sulla’s land grab.

c. Simultaneously, on June 14, 2011, Sulla recorded a quitclaim deed transferring the Property from GOB to Hester as an individual, under mortgage by Sulla. Doc. No. 2011-093772. This deed too contains the same original Property description as aforementioned in “Exhibit A.” **(Exhibit 8)** Accordingly, Sulla three times (3x) used the true and correct copies of the Property description in three different securities, that he would later change.

d. On February 1, 2016, Sulla formed a new corporation for an alleged fraudulent transfer of the Property from Hester to Sulla’s enterprise—Halai Heights, LLC (“HHLLC”). **(Exhibit 9)** This transfer is alleged to be fraudulent as defined by HRS §651C, Uniform Fraudulent Transfer Act, because Sulla incorporated HHLLC just one week *after* Horowitz’s attorney, Margaret Wille, filed in the res foreclosure case (Civ. No. 05-1-0196) the Proposed Fifth Amended Final Judgment (“FAFJ”) denying Lee’s foreclosure and making Hester/GOB a “judgment debtor” to Horowitz et. al. This “FAFJ” was issued on March 4, 2016. It not only DENIED foreclosure by Hester (and GOB), but also made Hester a judgment debtor. Sulla quickly then formed HHLLC, one week after Wille’s filing, to fraudulently transfer Hester’s liability and loss of the Property to secure Sulla’s mortgage interest filed on June 9, 2011. **(Exhibit 10)**

e. On September 9, 2016, Sulla knowing: (i) Hester and Lee had both lost the 049 and 043 parcels in that FAFJ; (ii) also knowing that 043 was more of a liability than an asset; (iii) also knowing that 043 was not even accessible without the neighboring lot called “Remnant A;” (iv) also knowing Hester was a judgment debtor to Royal/Horowitz; (v) also knowing Sulla maintained a personal secured mortgage interest in the property as shown in **Exhibit 7**, Sulla acted to secure his interest by consummating his land grab and converting private ownership of that Remnant A parcel owned by Royal/Horowitz to Sulla’s own HHLLC. To do this, on September 9, 2016, Sulla filed another forgery, this time of a warranty deed **(Exhibit 11)** containing a retyped land description of Remnant A substituting for the 043 lot. This land description Sulla misappropriated from the County of Hawaii’s Warranty Deed to Royal/Horowitz, **(Exhibit 12)**. By this forged document, Sulla transacted “the sale” of the Property by Hester to Sulla’s own HHLLC. County tax filings claimed Hester sold the Property to Sulla’s HHLLC for \$450,000 on September 9, 2016. **(Exhibit 20)**

f. On April 26, 2017, Sulla filed another mortgage “loan” secured in the Property by forgery registered with the State of Hawaii’s Bureau of Conveyances as Doc. No. 63250845. **(Exhibit 13)** This third in a series of Sulla-forgeries contains the same falsified “Exhibit A” land

description that Sulla included in his forged warranty deed of September 9, 2016 (**Exhibit 12**). This forgery converts the land description of Remnant A (**Exhibit 12**) in place of the 043 land description shown in the original Warranty Deed from Lee to Royal/Horowitz. Sulla knew what the proper land description was by Sulla's three (3) previously filings of the true and correct land descriptions in two quitclaim deeds as shown in **Exhibits 6** and **8**, as well as in Sulla's \$50,000 mortgage "loan" to Hester. (**Exhibit 7**)

g. The very next day, on April 27, 2017, Sulla acted to consummate his land grab. Sulla e-mailed the Director County of Hawaii Department of Public Works stating regarding "Final Plat Map . . . TMK 1-3-01:49 and Government Road" . . . Enclosed please find a copy of the letter from the Planning Board for the County of Hawaii dated January 27, 2004 granting final subdivision approval of the above subdivision . . . to create a public right of way by way of the abandonment and exchange of a portion of the Old Pahoa-Kalapana Road. . . . I would like to have this plan recorded and the exchange completed. It does not look like there is anything else holding it up except the follow through by your department and/or this office of behalf of Loren Lee." (**Exhibit 14**)

h. On September 15, 2017 and October 13, 2017, Sulla again e-mailed the County of Hawaii, requesting action to consummate his land grab. (**Exhibit 15**) Engineering Division official Robyn Matsumoto responded stating: "the attached documents show the completion of the land transfer. Mr. Lee had sold parcels 49 and 43 to The Royal Bloodline of David in 2004 and the land transfer was completed in 2005." (**Exhibit 15**)

i. On October 13, 2017, Sulla falsely replied, "I was not aware of the completion," which Sulla absolutely knew had been completed, because Sulla abused that exact "completion document" to falsify his land description in HLLC's warranty deed, **Exhibit 11**. Sulla made sure that Remnant A would be converted by Sulla's falsification of land description, to supplement control over lot 043. Sulla's "switch" of the land descriptions *increased the value and land mass of the Property* by including the Remnant A access roadway to the landlocked 043 lot. The County of Hawaii had transferred that roadway to Royal/Horowitz exclusively by warranty deed in 2005. (**Exhibit 12**) Sulla abused this original (2005 "source") warranty deed from the County to manufacture Sulla's forged warranty deed transfer of that "Remnant A" land to HLLC. (**Exhibit 11**)

j. On October 13, 2017, Sulla's e-mail to official Matsumoto also misrepresented Sulla's knowledge, that "This lot apparently was not included in the foreclosure." Sulla absolutely knew this lot "was not included in the foreclosure" because Sulla wrote this to Horowitz on January

26, 2010. Sulla stated: “If we don’t settle than we will probably proceed on the 2<sup>nd</sup> note (including reasonable attorney fees) once the foreclosure of the 1<sup>st</sup> is resolved. Even if you unfortunately lose the property this will not have any impact on the enforceability of the 2<sup>nd</sup> note.” **(Exhibit 5)**

k. On February 13, 2018, County of Hawaii Assistant Real Property Administrator, Lisa Miura, noticed Sulla that officials had determined “a discrepancy in ownership” confirmed by Hawaii County Counsel pursuant “Hester’s” warranty deed to HHLLC that officials immediately voided. **(Exhibit 14)** “It appears Jason Hester did not have clear title to the legal description utilized in this document,” Miura wrote Sulla most diplomatically.

11. In-or-about March 2018, Sulla informed his real estate agent, Kelly Moran of Hilo Brokers, Ltd., that Sulla had found a buyer named Mark Shackman (hereafter, “Shackman”), who is the advertised “Property Manager.” Moran then advertised that the sale of the 043/049 Properties was “pending.” **(Exhibit 17)**

12. In March 2018, Horowitz discovered that Shackman had been restrained in 2016 by U.S. Drug Enforcement Agency (DEA) officers in Washington State, precluding Shackman from producing, advertising, and trafficking the illegal Class I Narcotic hallucinogen dimethyltryptamine (“DMT”; a.k.a., “hoasca” and “ayahuasca”) falsely advertised by Shackman as “legal” for his profitable “ayahuasa tourism” enterprise selling “healing retreats.” **(Exhibits 18 and 19)**

13. On March 19, 2018, Horowitz’s partner, Sherri Kane (hereafter, “Kane”) recorded her telephone conversation with Ethan Mcilhenny who is Sulla’s “friend,” fellow “ayahusaca church” member, Shackman acquaintance, and “Ph.D. chemist” specializing in DMT, who stated that Shackman claimed to have purchased the property from Sulla; and that Sulla’s unlicensed ayahuasca enterprise was mass-manufacturing and trafficking (by U.S. Postal Service from Sulla’s 67-acre Honokaa “church” property located at 46-4070 Kahana Drive, Honokaa HI 96727) the lion’s share of illegal DMT “tea” reaching numerous mainland distributors and users. **(Audio available on request.)**

14. On April 5, 2018, Horowitz et. al. filed Hawaii Police Department Complaint #C18009739, for “Poss[ible] Forgery” with Officer C. Kaneko. Subsequently, senior investigator(s) determined

there was ample, prima facie, evidence to sustain Sulla's indictment for "2<sup>nd</sup> Degree Forgery." The investigator(s) witnessed Sulla having "refused to give a statement" in his defense.

15. The(se) felony charge(s) was(were) placed in "the wrong file" at HPD in June, 2018, and remained there until October, 2018, when Horowitz tracked down the "oversight" (similarly committed in 2013), and officials then forwarded this case to the Office of the Prosecutor, Mitch Roth.

16. On November 11, 2018, investigative journalist Sherri Kane discovered the larger enterprise that Sulla/Shackman administer for trafficking DMT. Sulla registered a new "Domestic Nonprofit Corporation" in Hawaii on January 26, 2017, named the INSTITUTE OF DAIME ETERNO ALOHA, with his agent address at 106 Kamehameha Ave, Ste. 2A, Hilo, Hawaii 96720. **(Exhibit 21)** This supplemented Sulla's earlier hoasca "church" registration with the DCCA of the THE ECLECTIC CENTER OF UNIVERSAL FLOWING LIGHT-PAULO ROBERTO SILVA E SOUZA. **(Exhibit 22)** Sulla also registered a company called LILLY AINA, LLC which is in unit 102-377, 475 Kinoole Street, Hilo, HI. **(Exhibit 23)** In the same unit 102-377, 475 Kinoole Street, in box 440, is where Sulla and Shackman have their official mailing address for the NATIVE AMERICAN CHURCH OF HAWAII, INC. **(Exhibit 24)** In 2011, OKLEVUEHA NATIVE AMERICAN CHURCH OF HAWAII, INC changed its name to the NATIVE AMERICAN CHURCH OF HAWAII, INC. **(Exhibit 25)** In 2016, Marc Shackman's church, the OKLEVUEHA NATIVE AMERICAN CHURCH located in Washington State also using the name NEW HAVEN NATIVE AMERICAN CHURCH, **(Exhibit 26)** was shut down by federal agents for illegally commercializing in DMT, then dissolved. **(Exhibit 19)** The 9-23-16 **Exhibit 26** proves Shackman forwarded his business address and mail to Pahoia, Hawaii, where the subject Property is located. This is nearby Sulla's 2008 incorporation of a competing health retreat titled HAWAIIAN SANCTUARY, INC. **(Exhibit 27)** **Exhibit 28** shows three more Sulla incorporations in DCCA records evidencing Sulla's vast enterprise in "Health and Wealth" "Connections" to "Amazonian Forest" DMT production, including a known partner in DMT trafficking to the mainland, and real estate agent, W. Augustuz Elliott. **Exhibit 29** provides a "Cult Education Institute" blog post warning consumers in the U.S. and Canada about how these scam artists, including fellow sham ayahuasca "shaman," work together to defraud the public. **Exhibit 30** graphs Sulla's alleged drug trafficking, real estate money laundering, and racketeering enterprise.

### III. Standards of Review

#### A. *State v. Tanaka*, Haw: Intermediate Court of Appeals 2010 defining “Forgery in the 2<sup>nd</sup> Degree” and “Mens rea” as a required criminal element as follows:

HRS § 708-852. Forgery in the second degree. (1) A person commits the offense of forgery in the second degree if, with intent to defraud, the person falsely makes, completes, endorses, or alters a written instrument, or utters a forged instrument, or fraudulently encodes the magnetic ink character recognition numbers, which is or purports to be, or which is calculated to become or to represent if completed, a deed, will, codicil, contract, assignment, commercial instrument, or other instrument which does or may evidence, create, transfer, terminate, or otherwise affect a legal right, interest, obligation, or status.

(2) Forgery in the second degree is a class C felony.

With regard to the *mens rea* element of the offense, the circuit court instructed the jury as follows:

"Intent to defraud" means that the defendant either, A, intended to use deception to injure another person's interest which had value, in which case the required state of mind is intentionally, or, B, knew that he was facilitating an injury to another person's interest which had value, in which case the required state of mind is knowingly.

#### B. HRS §708-830 Theft. A person commits theft if the person does any of the following [in relevant parts]:

(1) Obtains or exerts unauthorized control over property. A person obtains or exerts unauthorized control over the property of another with intent to deprive the other of the property.

(6) Failure to make required disposition of funds.

(a) A person intentionally obtains property from anyone upon an agreement, or subject to a known legal obligation, to make specified payment or other disposition, whether from the property or its proceeds or from the person's own property reserved in equivalent amount, and deals with the property as the person's own and fails to make the required payment or disposition. It does not matter that it is impossible to identify particular property as belonging to the victim at the time of the defendant's failure to make the required payment or disposition. A person's status as an officer or employee of the government or a financial institution is *prima facie* evidence that the person knows the person's legal obligations with respect to making payments and other dispositions. If the officer or employee fails to pay or account upon lawful demand, or if an audit reveals a falsification of accounts, it shall be *prima facie* evidence that the officer or employee has intentionally dealt with the property as the officer's or employee's own.

(7) Receiving stolen property. A person intentionally receives, retains, or disposes of the property of another, knowing that it has been stolen, with intent to deprive the owner of the property. It is *prima facie* evidence that a person knows the property to have been stolen if, being a dealer in property of the sort received, the person acquires the property for a consideration that the person knows is far below its reasonable value.

## IV. DISCUSSION

### A. 2<sup>nd</sup> Degree Forgery with intent to defraud.

The ruling in *State v. Tanaka*, Haw: Intermediate Court of Appeals 2010 involves the same charge of “Forgery in the 2<sup>nd</sup> Degree” as Sulla is evidenced committing in this case.

According to HRS § 708-852, Sulla’s “intent to defraud” is a most important element that must be proven for conviction. This element is satisfied by the facts as follows:

Sulla falsely made, completed, endorsed *and* “alter[ed] a written instrument, [and] utter[ed] a forged instrument,” *three (3) times* in the instant case, falsely filing with the State three different forged documents. Public records evidence Sulla’s felonious manufacture of: (1) the Articles of Incorporation for the sham “Foreclosing Mortgage” GOB, which Sulla “wired” to the State’s DCCA on two occasions (May 26 and 28, 2009). Sulla thus committed and recorded his first set of prima facie forgeries. (**Exhibit 4**); (2) Sulla’s warranty deed to HHLLC is the second forgery. This document was voided by the County of Hawaii, because it was found to have illegally switched the land descriptions of two properties, a “Remnant A” parcel roadway for a lesser value “043” high-risk landlocked lot. (See: **Exhibit 11**.) That warranty deed fraudulently transferred the Property from alleged Sulla strawman, Jason Hester, to Sulla’s HHLLC. This warranty deed (second) forgery is supplemented by (3) Sulla’s \$150,000 fraudulently secured mortgage “loan” to HHLLC. This document also contains the forged property description switching the Remnant A lot for the 043 lot to consummate Sulla’s land grab.

These facts satisfy the elements cited in HRS § 708-852, especially pursuant to Sulla’s “intent to defraud” by means “calculated to become or to represent if completed, a deed, . . . contract, assignment, commercial instrument, or other instrument which does . . . create, transfer, terminate, or otherwise affect a legal right, interest, obligation, or status” of Horowitz et. al.

### B. *Mens rea* element of the offense of 2<sup>nd</sup> Degree Forgery and 1<sup>st</sup> Degree Theft

Relying on *State v. Tanaka* (Id.) Sulla’s “*mens rea* element of the offense, the ‘Intent to defraud,’” is satisfied by Sulla’s intended use of “deception to injure another [person and religious community, namely Horowitz et. al.’s] interest which had value.” The victims’ estate, without considering the fourteen years of damages, fees and costs to the Complainants, was valued by the courts in-excess of \$800,000, and Sulla advertised the Property for sale for \$975,000.00. These facts additionally satisfy the elements of HRS §708-830 Theft.

Sulla's *mens rea* in the conversion of the Property by forgery is additionally proven by Sulla having prepared his first felonious "049" and "043" lot conversions by a fraudulent security instrument—Sulla's \$50,000 mortgage "loan" to Hester secured by these lots, actually using the correct land descriptions in "Exhibit A" that Sulla would later alter. In other words, the correct "Exhibit A" Property description is attached to Sulla's 2010 quitclaim deed (**Exhibit 6**), and also Sulla's 2011 quitclaim deed (**Exhibit 8**), and also Sulla's \$50,000 mortgage "loan" to Hester as shown in **Exhibit 7**. But later, Sulla altered this land description to switch Remnant A for lot "043", thus illegally securing Remnant A ownership by purportedly Halai Heights, LLC. as shown in **Exhibit 11**.

It is ridiculous, or grossly unreasonable, to presume Sulla simply made an "error" in switching the land description as Sulla now claims. Nor could the "error" have been made by Sulla's subordinates, Hester or Sulla's secretary Notary, Gloria Emery. Emery is evidenced having aided-and-abetted Sulla's real property conversions on several occasions as made known to Prosecutor Roth in past complaints. Enterprise agents and alleged co-conspirators Emery, Hester and Sulla did not simply randomly fetch a completely different land description from a Warranty Deed (accidentally among thousands of land descriptions issued by the County of Hawaii). Sulla directed the making of the forgeries to expressly include this Remnant A land description from **Exhibit 12** that Sulla was aware had not been foreclosed and had been granted by the County of Hawaii in 2005. Sulla knew this to be a fact as early as 2009, according to his e-mail to Horowitz in January of 2010. (**Exhibit 5**)

Further proving *mens rea*, criminal intent to defraud, Sulla, or Sulla's complicit subordinate, *RETYPE*D that land description text. The maker made at that time two clerical errors—typos—in the forged document(s). This RETYPING WAS OBVIOUSLY DONE WITH SCIENTER to defraud the State, the courts, and Sulla's victims.

This fact additionally proves intentionally to defraud. Sulla's act of retyping *concealed the official certification stamp on the original document* that identified and certified the land description by RONALD M. MATSUMURA's Engineering Division. This stamp is obvious on the County of Hawaii's publication of the Remnant A property description. Sulla could not simply photocopy the original for use in his forgery, because the original showed this stamp adjacent the text flow as seen in **Exhibit 12**. (See: Exhibit page 79.) Sulla purposely decided to retype the land description for the act of 2nd Degree Forgery to evade discovery and the identification of the original source document having been issued by the County.

These facts in public records provide prima facie evidence of Sulla's *mens rea* "intent to defraud."

Further evidence of Sulla's *mens rea* includes Sulla's April 27, 2017 mail to the County. (**Exhibit 14**) Sulla mailed the Director, County of Hawaii Department of Public Works, regarding the land Sulla acted to convert. Sulla wrote, "Final Plat Map . . . TMK 1-3-01:49 and Government Road . . . the Planning Board . . . approv[ed] . . . the above subdivision . . . to create a public right of way by way of the abandonment and exchange of a portion of the Old Pahoa-Kalapana Road. . . ." Sulla added, "I would like to have this plan recorded and the exchange completed." But Sulla's warranty deed forgery of September 9, 2016, shows the exact opposite intent. Sulla's 2<sup>nd</sup> Degree Forgery privatized that "public right of way" to preclude Horowitz et. al.'s access to their Property, and convert Royal/Horowitz's ownership of the Remnant A and 043/049 Property to Sulla's HLLC. (**Exhibit 11**)

### **C. Sulla committed several counts of 1<sup>st</sup> Degree Theft, according to HRS §708-830.**

According to HRS §708-830 Theft law, "A person commits theft if the person does" what Sulla did:

(a) Sulla obtained and exerted unauthorized control over Property, including Remnant A, with the intent to deprive Horowitz et. al. of all three properties, 043, 049 and Remnant A too. This satisfies the elements of §708-830(1).

Sulla also failed to make the required disposition of funds, satisfying §708-830(6). This count of 1<sup>st</sup> Degree Theft occurred two times when Sulla: (1) failed to apply Horowitz's payments in full against the original Mortgage and Note, failed to release these securities following Horowitz's payment in full as required by law, and then fraudulently claimed that Horowitz et. al. defaulted on the Mortgage when that was not true; and (2) knowingly failed to apply Hester's judgment debt to Horowitz's judgment credit in Civ. No. 05-1-0196. In fact, Sulla purposely neglected this required disposition of funds.

Sulla also fraudulently claimed \$350,000 was still owed by Horowitz to Hester in 2010 when the Complainant et. al. owed nothing at all. **Exhibit 1** proves this *in Sulla's own words*. Sulla's December 11, 2009, Probate case, P. No. 9-1-166 opposition hearing minutes records Sulla testifying: "CECIL LEE DOESN'T OWN ANYMORE; DUE TO FORECLOSURE. NO JUDGMENT CAN BE ENFORCED AND MR. LEE IS CERTAINLY OUT OF IT." Merely

five (5) weeks later, on January 26, 2010, Sulla claimed by e-mail **Exhibit 5**, that Lee's estate was suddenly owed the full amount of the Mortgage once again--the \$350,000; and

(b) Even if it were to be later determined that Hester and Sulla owes Horowitz et. al. only their previously issued judgment credit from the 0196 case as shown in **Exhibit 10**, this §708-830(6) condition of 1<sup>st</sup> Degree Theft is satisfied by Sulla's failure to administer the original judgment credit still owed to Horowitz et. al. by Hester and his successor-in-interest, HLLC/Sulla. Instead of disposing of these funds properly, Sulla acted fraudulently as aforementioned to conceal these funds in-order-to steal the Property, including Remnant A.

Further clarifying Sulla's violation of 708-830(6), by committing the aforementioned forgeries and fraud, Sulla caused Horowitz et. al. to be ejected from the Property. Thus, Sulla "intentionally obtain[ed] property from [Horowitz et. al.] upon [the] agreement [made by Lee and Horowitz], subject[ing Horowitz] to a known legal obligation [i.e., pay another \$350,000 and more, or otherwise lose the Property]." Sulla's e-mail of January 26, 2010 (**Exhibit 5**) directed Horowitz (pursuant to 708-830(6)) "to make specified payment or other disposition, whether from the property or its proceeds or from the person's own property reserved in equivalent amount, and [Sulla did transact] deals with the property as the person's own and fail[ed to make the required payment or disposition]" to Horowitz et. al. That is, Sulla evaded issuing Horowitz's Mortgage Release, and instead converted Horowitz's real Property, including Remnant A, as well as Hester's judgment debt to Horowitz et. al.

And continuing the §708-830(6) statute, it does not matter that Sulla caused as much confusion about who owned what property as Sulla did in the courts, because §708-830(6) statute adds, "It does not matter that it is impossible to identify particular property as belonging to the victim at the time of the defendant's failure to make the required payment or disposition. A person's status as an officer or employee of the government [as Sulla is known to be as an "officer of the court" influencing judges] . . . is prima facie evidence that the person knows the person's legal obligations with respect to making payments and other dispositions. If the officer or employee fails to pay or account upon lawful demand [in this case of the Mortgage Release], or if an audit reveals a falsification of accounts, it shall be prima facie evidence that the officer or employee has intentionally dealt with the property as the officer's or employee's own." §708-830(6) This is precisely the circumstances here. **Sulla is guilty of at least three (3) counts of prima facie 2<sup>nd</sup> Degree Forgery, and at least three (3) more counts of 1<sup>st</sup> Degree Theft as a Matter of Law, HRS §708-830(6).**

(c ) Moreover, a charge of 1<sup>st</sup> Degree Theft by HRS §708-830(7) is also proven because Sulla, and/or his HHLLC alter ego, is in receipt of the “stolen property.” The Property is currently possessed by Sulla and his drug-trafficking subordinate, Mark Shackman. (**Exhibits 17-19**) Sulla and Shackman’s “ayahuasca” enterprise in trafficking the Class I Narcotic hallucinogen “DMT”—dimehtyltryptamine –is proven by published facts viewable on the Internet. Shackman is proven to be currently in possession with Sulla, aiding-and-abetting Sulla’s theft scheme and/or felonious use of the Property to promote “hoasca tourism” to Hawaii with accommodations provided at the Property. (**Exhibit 19**)

**Exhibits 18 thru 30** evidence the extensive racketeering enterprise administered by Sulla and his subordinate Shackman through several affiliated sham incorporations involving fellow purported ayahuasca “church members.”

HRS §708-830(7) also makes criminal “[a] person [who] intentionally receives, retains, or disposes of the property of another, knowing that it has been stolen, with intent to deprive the owner of the property.” This is precisely the case here with Sulla having intentionally received the Property in the name of HHLLC, and disposing of the Property through Hester, Moran, HHLLC, to reportedly Shackman. Shackman has claimed that he “purchased” the Property from Sulla.

According to HRS §708-830(7), “It is prima facie evidence that a person knows the property to have been stolen if, being a dealer in property of the sort received, the person acquires the property for a consideration that the person knows is far below its reasonable value.” Shackman reported to witnesses having purchased the Property for no money down, only purportedly “monthly payments.” And Sulla knew the “reasonable value” of the Property was \$975,000.00 as Moran had listed the Property for sale. (**Exhibit 17**) Sulla is shown by County Tax Records to have converted the Property to HHLLC’s alleged “ownership” by the forged and void warranty deed (**Exhibit 11**) to HHLLC for only \$450,000 on paper. (**Exhibit 20**) Therefore, both Shackman and Sulla are guilty of 1<sup>st</sup> Degree Theft of the Property as a matter of law under HRS §708-830(7). The facts in evidence show there was no money ever conveyed for the Property at all. Sulla claims to have been owed substantial amounts of money for representing Hester as counsel since 2009. Consequently, a review of Sulla’s bank transactions with Hester in the alleged sale of the Property by Hester to HHLLC is likely to prove not a cent was paid by Sulla or HHLLC to convert the Property.

Accordingly, these facts evidence additional counts of 1<sup>st</sup> Degree Theft in violation of HRS §708-830(7).

Finally, public protection laws HRS § 712-1243 (1985) and HRS § 329-43.5(a)(b) and (d) (Supp. 1990), must also be respected in this case. HRS §712-1243 makes Sulla and Shackman Class C felons for “Promoting a dangerous drug in the third degree. (1) A person commits the offense of promoting a dangerous drug in the third degree if the person knowingly possesses any dangerous drug in any amount,” which Shackman and Sulla are doing by advertising *constructive possession* and sale of DMT/ayhuasca rituals on or about the Property. And HRS § 329-43.5(a)(b) and (d) are also violated by Sulla and Shackman as these laws prohibit the use of the Property as it is being advertised and used to promote the illegal use of DMT for “hoasca tourism.”

Meanwhile, HRS §801D-4(3)(6) requires the expeditious return of Horowitz’s stolen property and prompt prosecution of these suspects and their cohorts.

## **V. CONCLUSION**

Summarily, the aforementioned facts, public records, and governmental actions that voided Sulla’s/HHLLC’s warranty deed but for the discovery of Sulla’s unreasonably claimed “error,” evidence several counts of 2nd Degree Forgery and 1<sup>st</sup> Degree Theft of the Complainant’s real Property. Technically Sulla’s scheme of fraudulently transferring the Property through a series of judgment-proof subordinate parties is called a “vertical abusive trust beneficiary scheme.” The chain-of-records evidencing this theft scheme is listed in the “Chain of Title” chart on the next page.

Given the substantial and irrefutable evidence of the alleged crimes committed by Sulla, law enforcers are required in accordance with HRS § 801D-4: Basic bill of rights for victims and witnesses, to provide Horowitz et. al., with “protection from threats or harm” done by Sulla; and “(6) To have any stolen . . . property expeditiously returned by law enforcement agencies when the property is no longer needed as evidence,” which is the case here.

This public duty and official duty is compounded by Sulla having excused his purported “error” in the forged documents unreasonably, falsely, and recklessly; and also by Sulla having denied HPD investigators a statement in his defense. “Conduct which forms a basis for inference is evidence. Silence is often evidence of the most persuasive character.” *United States ex rel. Bilokumsky v. Tod*, 263 US 149, 154 – Supreme Court 1923.

## **CHAIN OF TITLE FROM CECIL LORAN LEE TO HALAI HEIGHTS, LLC**

5-15-09 Lee to Lee as "GOB" Promissory Note Assignment, \$350,000. Not Recorded In Bureau of Conveyances. Sulla Agent.  
5-15-09 Lee to Lee as "GOB" Mortgage Assignment, Bureau of Conveyances Doc. 2009-136885, Sulla Agent, filed Sept 8, 2009.  
5-15-09 Lee forms "GOB" Articles of Incorporation, DCCA filing 05/29/200920052 Sulla Agent, filed May 26-28, 2009.  
5-03-11 GOB to GOB, Quitclaim Deed, Bureau of Conveyances Doc. 2010-064623, Sulla Agent, filed May 11, 2010.  
6-09-11 GOB to Hester, Quitclaim Deed, Bureau of Conveyances Doc. 2011-093772, Sulla Agent, filed June 14, 2011.  
6-09-11 Hester to Sulla, Mortgage, Bureau of Conveyances Doc. 2011-093773, Sulla Agent, filed June 14, 2011.  
2-1-16 Sulla forms Halai Heights, Articles of Incorporation, DCCA filing 02/01/201648616 Sulla Agent, filed Feb. 1, 2016.  
9-6-16 Hester to Halai Heights/Sulla, Warranty Deed, Bureau of Conveyances Doc. A-60960740, Sulla Agent, filed Sept. 9, 2016.

In light of the prima facie evidence of Sulla's pattern and practice of committing a series of forgeries for unjust enrichment by foreclosure fraud, 2<sup>nd</sup> Degree Forgeries, and 1<sup>st</sup> Degree Theft of the Property, and also by reason of the substantial social interest in the burgeoning illegal drug trade that Sulla and Shackman administer (i.e., their DMT enterprise); plus Sulla's and Shackman's illegal using the Property to promote the illegal use of this narcotic hallucinogen on or about the Property, officials and prosecutors have duties to stop this illegal enterprise, and prevent further criminally-inflicted damage to Horowitz et. al. and society.

### **FURTHER DECLARANT SAYETH NAUGHT**

My signature below declares under penalty of perjury at law that the aforementioned writing in this Memorandum is true and correct to the best of my knowledge and belief, is based upon my personal knowledge, and I am competent to testify as to the truth of the statements contained herein. I also certify that the **Exhibits 1 thru 30** attached hereto, are true and correct copies of the true and correct copies or originals in my possession.

Dated: Las Vegas, NV: November 19, 2018



Signed: \_\_\_\_\_

LEONARD G. HOROWITZ, Complainant/Victim/Witness

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 19th day of November, 2018, I served a true and correct copy of the foregoing **MEMORANDUM ON "INTENT TO DEFRAUD" (MENS REA) OF ATTORNEY PAUL J. SULLA, JR., PURSUANT TO CRIMINAL CASE C18009739 FOR "2<sup>ND</sup> DEGREE FORGERY," 1<sup>ST</sup> DEGREE THEFT, SECURITIES FRAUD, RACKETEERING IN DRUGS, AND MONEY LAUNDERING;** by the method described below to:

Prosecutor Mitch Roth  
Office of the Prosecuting Attorney,  U.S. Mail  
Aupuni Center, 655 Kilauea Avenue,  e-Mail  
Hilo, HI 96720

Office of Disciplinary Counsel  U.S. Mail  
201 Merchant Street, Suite 1600  
Honolulu, HI 96813  
808-521-4591

Department of the Attorney General  U.S. Mail  
State of Hawai`i  
Russell Suzuki, Attorney General  
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United States Attorney's Office  U.S. Mail  
United States Attorney Kenji M. Price  
300 Ala Moana Blvd., #6-100  
Honolulu, HI 96850



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LEONARD G. HOROWITZ  
Complainant/Victim/Witness