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Former Buchalter lawyer would like an apology

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SANTA ANA — A former Buchalter APC shareholder at the center of a \$200 million fraud and negligent hiring lawsuit said he believes he did nothing wrong and the plaintiff family owes him an apology, according to video depositions played for jurors on Wednesday.

J. Wayne Allen acknowledged lending himself money from the family's business that he didn't repay, but he said the loans were part of a larger financial plan that worked as intended.

"Sure, I wish those were paid, but by the same token, events occurred that inhibited my ability to pay those back. I wish those hadn't happened either, right?" Allen said. "I did what I felt was the right thing to do for my client along the way."

Allen's depositions are among the final evidence Orange County Superior Court jurors will hear before plaintiffs' attorney Robert E. Barnes of Barnes Law LLP, who represents the Stueve family of the Alta-Dena Dairy fortune, rests his case, which he expects to do early Monday.

Barnes' final witness on Wednesday was Mark L. Van Burskirk of Long Beach, a certified public accountant and attorney who estimated multimillion-dollar damages for dozens of transactions using interest rates of 7 and 10 percent.

Jurors also watched depositions of former defendant Raymond "Ran" Novell, a sole practitioner and longtime Stueve family lawyer who settled the claims against him shortly before trial began Aug. 6, as did Allen and Berger Kahn LLP, where Allen worked before joining Buchalter.

Novell began working with Allen in 2001 on an estate plan they told the Stueves would save millions in estate taxes while ensuring lifetime income and big charitable donations. In his deposition, Allen drew a distinction between representing the family and representing the family business.

"Just because I do work for an entity does not mean that I am a lawyer for any of the owners of that entity," said Allen, now a licensed attorney in Fort Worth, Texas.

In his depositions, Novell also denied wrongdoing and said he followed Allen's directions regarding the estate plan. He also acknowledged lending himself money from the estate that he hasn't repaid, but he said the loans paid for property improvements and other estate services.

Asked why he updated the family on business investments if they had no interest in it, Novell answered: "Just a courtesy on my part."

Novell said he had no reason to inform the family he'd sold property, and he emphasized that under the estate plan he and Allen

implemented, "They saw a lot of money. More money than they ever would have seen."

Novell also said the elder Stueves "didn't really want to give it to the children. Wayne Allen came up with that scenario and they went along with it so they could get their charitable donations."

Allen also referenced family rifts and implied the now-deceased family patriarch, Harold Stueve, preferred his fortune go to charity than his children.

"Mr. Stueve did not have a high regard of the ability of the junior generation of family members to manage the assets of Stueve Bros. Farms LLC," Allen said.

The claims against Buchalter include fraud, negligent hiring and violations of the Racketeer Influenced and Corrupt Organizations Act.

The firm's ties to the case center on Allen's activity when he was a shareholder there and what Barnes argues was the firm's compliance and lack of supervision. Allen quit Buchalter in February 2010 after firm leaders learned he loaned himself money from the family in violation of firm rules and in contradiction to what he stated when he joined in 2007.

His departure occurred at the same time the Stueves petitioned to have Novell removed as their estate trustee.

Allen took his office laptop computer and tower with him when he left Buchalter's office

in Irvine, and he testified in deposition that Buchalter officials did not attempt to examine the computer or preserve anything on it. The computer's hard drive became inaccessible after sitting in a garage for months, Allen testified.

When asked if he borrowed money from entities associated with the estate, Allen answered, "I believe the answer is yes," though he said he didn't recall how much.

The last deposition testimony jurors saw from Allen focused on the big picture.

"Is there anything you regret?" Barnes asked.

"What do you mean by regret?" Allen answered.

"Is there anything you're responsible for that you wish you would not have done?" Barnes asked.

"I don't believe that there is," Allen answered. "What I did was what I believed to be the right thing to do following the direction of my client and just generally the right thing to do for them at the time."

"Do you owe the Stueves an apology?" Barnes asked.

"Honestly, no, I don't. I was engaged by Farms and the related entities to do a job. I did that job to the best of my ability," Allen answered.

"Do the Stueves owe you an apology?" Barnes asked.

"Yeah," Allen answered. *Stueve v. Novell*, 10-00411651 (Orange Super. Ct., filed Sept. 24, 2010).