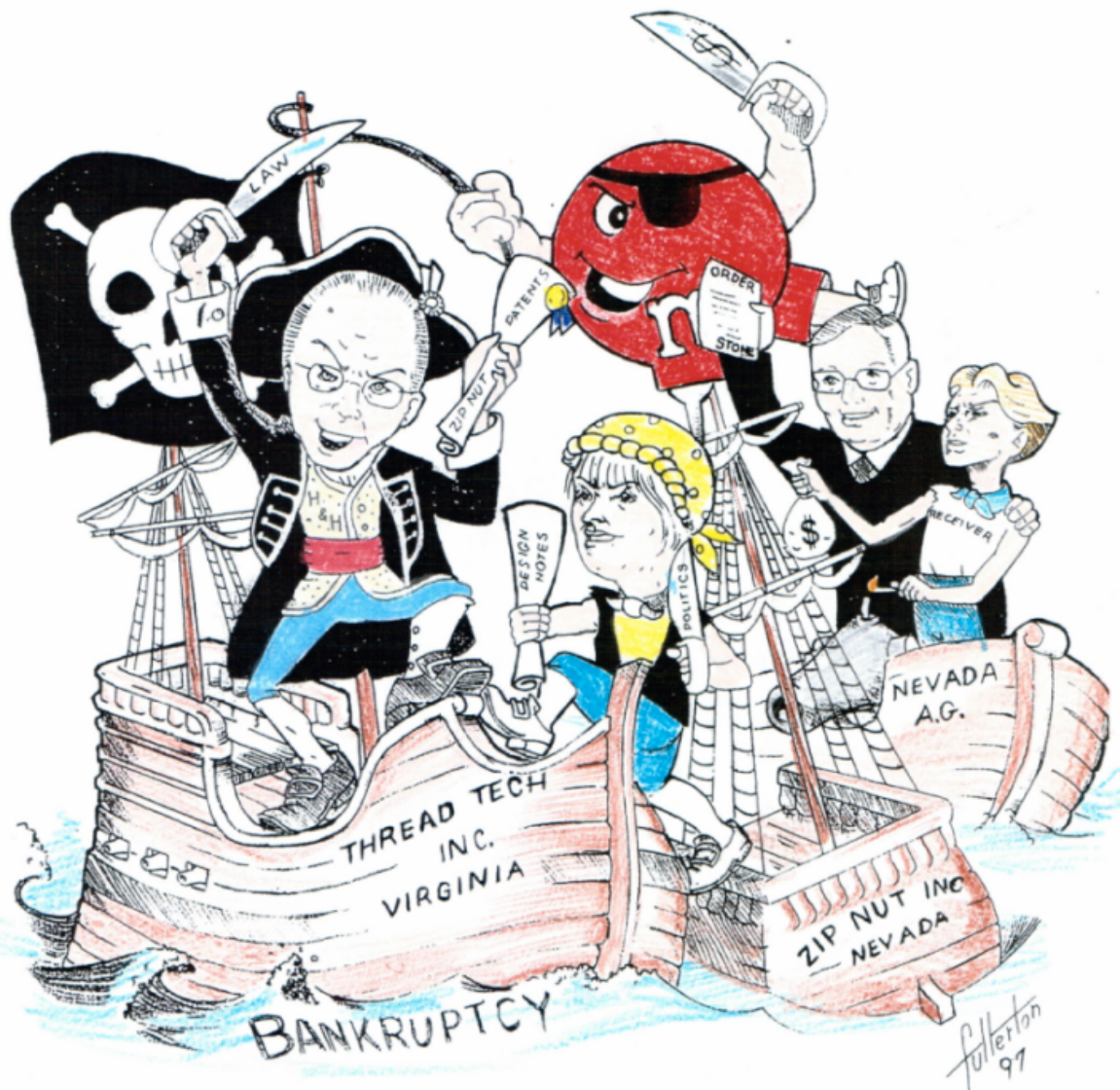


ZipNut™: a "license to steal"©

A historical account of the various lawyers, law firms, court systems, and wealthy owners of large businesses that conspired to destroy the inventor and take his valuable property by using the court system...

The legal history of the patented ZipNut™, its usage by companies; including N.A.S.A. (for the space station).



THE PIRATE JOHN T. SCHELL, ESQ., ALONG WITH HIS FIRST MATE MICHELLE ZIMMER-FORSTER, AIDED BY THE RENEGADES OF NEVADA LAW, PLUNDERED AND THEN SCUTTLED THE GOOD SHIP ZIP NUT, INC. ON THE TREACHEROUS SHOALS OF CAPE BANKRUPTCY. THE INVESTOR LOSS WAS TOTAL.

My name is Robert Fullerton and I have assembled this binder to set forth the events that took place to steal my trade secrets. As of the date of this part of this construe, a convicted felon, I realize that any comment by me to be suspect leading me to thoroughly document my statements.

The phrase “ZipNut™ virus” was originally coined by either Paul Smudde (McDonnell Douglas Head of Shuttle Project Engineer) or Michael Meredith (Ex-NASA Engineer); both (at the time) engineers for McDonnell Douglas’s Space division.

Due to the rapidly expanding interest in the aerospace group designing components for NASA. This phrase would “morph” to a more ominous definition, when the Mars family decided to take my products and enlisted the aid of the State of Nevada.

As you see from the exhibits attached, it took little effort from John Schell Esq., my attorney, to recognize the potential value in joining his “friends”, the three Mars siblings, with the locally (Nevada) powerful William Raggio. Raggio is, and has been, the leading (for many years) State Senator, giving him the position of being the most powerful man in the state. Senator Raggio (also my attorney, at the time) would quickly discard any vow of fidelity for his client when presented with the opportunity to assist and potentially become partners with the Mars Family. The Mars family is also entrenched in Nevada business with their KalKan dog food and Ethyl M. Chocolates operations. This union of powers, as you will read, quickly engulfed a group of disgruntled Nevada investors in ZipNut™ Inc; a Nevada corporation, that I formed in my home state to promote and manufacture my ZipNut™ invention.

With Mr. Schell, and my local attorney Garrett Sutton Esq. (Mr. Schell was an attorney at Hogan & Hartson, Washington D.C.) becoming the conduit between the State of Nevada authorities and the small group (13) Nevada investors led by Mr. Greg McVickers and the, super rich, Mars Family; whereupon the “new” definition for “ZipNut™ virus became, and becomes, alarmingly apparent.

Mr. McVickers, a close and longtime friend of Senator Raggio, first demanded a portion of the ZipNut™ (Fire hose couplers) “for his assistance” to my developing the Fire hose coupler. Mr. McVickers, at that time, was a local Reno fire department battalion fire chief. When McVickers was turned down, he and Senator Raggio crafted an attack that Senator Raggio could control. Mr. McVickers asked for a “finders fee” for stock sales, in the corporation, to his friends and neighbors. There was a new regulation (at the time, unbeknownst to me) in the final throws of being legislated by Senator William Raggio, at the time I asked. As what (I thought) would be prudent diligence, I also asked several people in the differing State departments, about the rules for such action; since this type of regulation knowledge was in their area of expertise. Being a business lawyer, as well as leading legislator, Raggio was drafting the new regulation; which was not yet in print, due to a local State printers strike. All of my attorneys, as well as the person that was the head investigator for the Secretary of State, Mrs. Stecker, would give me the OK regarding my finders fee question. This would include my local attorney, Mr. Sutton, who sent a letter to this effect.

What would later take place would fit well with Justice Black’s statement that “anyone can be convicted of anything, if due process is absent”; as it was in this case. To keep this introduction from becoming a book, in itself, I invite the reader to hold their

first opinion until they read the enclosed. I understand that when I say the local authorities turned justice on her head for money, will be hard to absorb.

Themis, the goddess of justice, is represented in the United States twice without her blindfold; once - a relief carving I did for a Sacramento attorney – Ed Friedberg Esq., and the other is in Virginia City, Nevada. I have now come to believe that, due to the fact that Judge Roy Bean is “alive and well” in Nevada, necessitates her being with clear vision to try and keep order.

In the attached documents you will see the State Attorney General assisting in extortion against the County of Washoe, Federal Bankruptcy Fraud, theft of trade secrets and many other crimes; many under color of law. Accompanying her will be several attorneys that will forget their pledge of fidelity to their client as well as “misdirecting” the law of the State to fit the situation at hand. Were one to look to ([\[ZipNut™ - #121\]](#)) and read the legislative intent behind the regulation that I was accused of violating (remember that State Senator Raggio was the senior senator in passing this document) NRS 90.650 and in particular the word “**willfully**”. It will become clear that a whole gaggle of lawyers (when looking at the potential of an association with the Mars family) will “adjust” the meaning of this word if it becomes cumbersome - as it does in my case. It is interesting that, in the copy of the NRS regulations, that I finally obtained after I was arrested, the word “willfully” is in bold print! It is sad the even the State Supreme court of Nevada will not agree with “Black’s Law” as to the definition. I do not want to blame this on the fact that the Chief Justice, Robert Rose, was Senator Raggio’s chief deputy when he, Raggio, was District attorney for Washoe county.

We are now, hopefully, in our final appeal of the criminal charges, before the Honorable Jerome Palaha. It is interesting that he (Palaha) has twice announced that he had a contact with me. I had tried to hire him to defend me in the case, prior to his becoming judge, and he would go to the length of doing this in open court and on record (June 9th, 2004). However, the Honorable Stephen Kosach would not have to disclose his association with the senior prosecutor, Deputy Attorney General Rhonda Clifton, when she hand picked Kosach to replace the Honorable James Stone, Judge Stone was voted off the bench and later disbarred. Rhonda Clifton was Judge Kosach’s clerk for quite a while, prior to her becoming Deputy Attorney General. Judge Stone was Senator Raggio’s pick to run this case against me.

To fully understand the depth of the actions displayed by these persons, mostly sworn to uphold the laws of the State of Nevada, one has to understand that this action started on April 1st, 1991. The total day count, since that time to date to the culmination of this construct, is 6,270 (six thousand, two hundred and seventy) and counting – until Judge Palaha hands down his order.

The State of Nevada has committed over \$1,000,000.⁰⁰ (one million dollars) in billing hours to prosecute a person for unknowingly violating a regulation, and loosing an exemption, by paying a finders fee - especially after talking to those that wrote, and were the authorities of, the regulation for that very subject. Due to this, the case(s) CR 92-2166A and CV 9105979 would become the longest continuously running case in Nevada’s history; filling 17 volumes. Were one to follow the regulation - a letter to cease and desist would have issued ending of this quandary.

With my understanding of the laws violated by these individuals, I do believe that I have set forth, is true and factual. Due to my felony conviction, I did realize that I needed more than my word; hence the documents presented here.

The three primary actions that I believe were used in violation of my rights are:

- **Civil Rights – RICO:** where I understand one has to prove an individual or, in this case, a group would
 - Use income received from a pattern of racketeering to acquire an interest in an enterprise.
 - Acquiring, or maintaining, an interest in an enterprise through a pattern of racketeering.
 - Conspiring to commit the above.

The parties did, through the commission of the above three acts, constituting a pattern of racketeering activity directly, or indirectly, invested in, as well as maintaining, an interest in, as well as participating in, that enterprise. The activities of which affects interstate as well as foreign commerce.

This pattern of activity included more that two related criminal acts that amounted to the likelihood of, and actually did continue the, criminal activity over many years with the large number of perpetrators involved; some continuously, some intermittently throughout the time of the activities – showing the pattern of criminal activity, in some cases, under color of law.

The due process of law, I believe, requires the government to exercise its powers as safeguard for the protection of individual rights as afforded us by the Constitution of the United States. I believe that this means no person shall be deprived of life, liberty, property, or any of the rights granted him by statute unless those patterns shall have been adjudicated against fairly, according to established rules. That this adjudication shall not be unreasonable, arbitrary, or capricious at a fair trail.

The unlawful taking of trade secrets: these are protected from misappropriation. This is fully explained in my appeal to the Nevada Supreme Court ([\(ZipNut™ - #54\)](#)) that will also show the activities of the various lawyers and law firms in both the taking and transferring of these trade secrets by the Receiver who then transferred these documents most unrelated to ZipNut™ and released by court order to John Schell Esq.

Since the Civil trial, CV 91-5979, concluded after the criminal CR 92-2166A, Judge Kosach followed the wishes of his ex-clerk, Deputy Attorney General Rhonda Clifton, filed an order granting summary judgment (partial) for three activities in violation of NRS chapter 90.

1. That I was liable for the offer and sale of unregistered securities in violation of NRS 90.460. Kosach held that I did not qualify for an exemption due to my paying, as required by McVickers, Greg McVickers a commission thereby eliminating my exemption.

Originally, this was for all sales but would be limited by the Nevada Supreme Court order limiting to just the sales where commissions were paid; making new Nevada law.

2. That I was liable for unlawfully transacting business as a sales representative in violation of NRS 90.310. The issue of exemption was not considered by Judge Kosach but NRS 90.530, the statute that the Nevada Supreme Court said gave me an exemption – except where I paid McVickers a commission.

3. The third liability found by Judge Kosach was for fraud committed in the offer and sale of securities in violation of NRS 90.570. The factual basis that appears from Judge Kosach's order is that I failed to disclose to investors to whom I was selling First Phoenix stock and that I had assigned all rights to the ZipNut™ concept previously to Crescent Products (A company that I was sole shareholder and required when I was in negotiation with Emhart.)

This has been an exercise in law promoting a “perfect storm” of many violations to satisfy pure greed!

In conclusion, I have been asked to compare my first opponents, Joe Bonanno Jr., Tom Castleman and Bill Franson representing the Hell's Angels, Joe Bonanno Jr., the Genovese family as well as the renegade securities promoters from Salt Lake City. To the present cabal, that includes State Senator William Raggio (the most powerful man in Nevada), State Attorney General Frankie Sue Del Papa (the leading law officer for the State), as well as her various Deputy Attorney Generals (Rhonda Clifton and Grenville Pridham Esq.), the Washoe County Sheriff's Office representative Detective Lee Webb, as well as District Court Judges Stone and Kosach.

This would be a simple decision as what all the first group did was threaten to gang rape my assistant and blow my head off with a shotgun. The later group, however, used the treasury of the State of Nevada as well as the highest legal officer, the Nevada District Courts, and the Nevada State Supreme Court (not to forget the actions of a gaggle of law firms and lawyers as well as one of the richest families in the country if not the world). There is no comparison. The first group appears, in comparison, to be gentlemen.

Forward

—My name is Robert Fullerton.

—What I am about to tell you is my story.

—Depending upon point of view, this story will either be about the unwitting violation of a regulation due to misinformation, or the Nevada Securities Crime of the Decade perpetrated by a scheming fraudulent racketeer.

—You will see over one million (\$ 1,000,000.⁰⁰) dollars spent on legal billing time (we don't know the billing hours of the State of Nevada) and over four million (\$ 4,000,000.⁰⁰) dollars of investors money that was lost as well as new securities laws being placed upon the books. It will also be represented to you of the Nevada Attorney General (at the time) condoning her Deputy Attorney General's to commit, or become involved in, bankruptcy fraud, extortion of the city of Reno, condoning perjury to the grand jury while being an officer of the court, and not being truthful with the court as well as private party entrapment. All of this to convict a person who, after asking Securities Experts, the Secretary of State Chief Investigator, the Person in Charge of Securities for the Secretary of State (and many others) would, with their advice, pay a requested finders fee.

Note: The regulation violated, was passed July 1st 1989.
Information sought on the regulation: August 1989.
The First commission check was paid Sept 1989.
The Regulation was printed 1990.
See: chain of events

Note: Conspiracy to commit Bankruptcy Fraud

Note: The Nevada Attorney General aided Greg McVickers in committing Extortion

Note: The Payment of Witnesses by the Attorney General

Note: The Slander and Intimidation by the Attorney General

—This, above action, would take over eleven years of expensive time to accomplish something that could have been corrected with a simple letter requiring a cease and desist. The document you are about to read will take you down many roads to the point that these events may make a consideration of wonder as to whether this could all be true. Since I have lived every excruciating minute of these events, described within this web site, I can assure you that I believe, with witness and evidence, that all I have written is fact.

—You will soon be introduced to, what I have named, the “Deep Throat Group”; a name I adopted; remembering Watergate. The “Deep Throat Group” started as one person, who became incensed at the treatment I was receiving at the hands of state authorities, and soon the collection of informers grew to the point that, I believe, I had

contacts to each of my many opponents within the culminating chain of events; which my family and few friends have coined "The ZipNut™ Virus".

—As the saying goes - you should be careful of what you wish for. In this case, I began to be greedy, wanting all of the information that was out there. This wish would soon be fulfilled; as I received some information that, in a way, I wished I didn't know in total. One example would be the judge on the first criminal trial. This judge is well respected and I actually tried to have her combine the civil and criminal trials at one time. I knew that she could be hard, if she was mad, however, (that above all) she was fair and I respected her. This judge's first Order, granting the motion of habeas corpus, would tell me that I was right; as I waited for her to verbally cut the Deputy Attorney General apart for lying to her and her catching him. This would not happen. So, I wrote the event off (in my mind) as to "my not knowing enough about law"; though, I began to wonder what would happen to me if I had lied and she had caught me would she warn me afterward (as she had warned the Deputy Attorney General).

—The second trial would be a "night and day" event. Different in a very unusual respect; the "Deep Throat Group" called to tell me of her problem. The Judge was running for a seat on the State Supreme Court. What the "Deep Throat Group" individuals were hearing from the Attorney General's office grapevine, (well before my trial and the events shortly thereafter) gave rise to their assistance and warnings for me over concern of my civil rights at the second trial due to requirements of Senator Raggio.

—At this time, all of the information that I received from this group had proven to be about ninety-five percent (95%) accurate; the other five percent (5%) would be my misinterpretation or changing of circumstances. So I had a high confidence level with this information and these sources. In this case, I really wanted them to be wrong; and, with respect about this judge, however I didn't believe they were. One point was not quite correct. They understood that my probation period was to be 20 years - not the 35 years that was handed down.

—The second time I wanted them to be wrong was: when the Supreme Court was about to hand down the order on my criminal appeal. The first word from the group was, "the court was tired of ZipNut™ and was going to, basically, throw it out". This was not to be; when Senator Raggio informed one seated on the Supreme Court, of the State exposure to civil rights violations and the potential damages that may occur from this order. The order then came out - destroying our case. This happened, from a group that I had high regard for; as my grandfather, the first constable of North Hollywood California, had instilled in me "the sense of right and wrong".

—I would, again, advise the reader that I rely heavily on the information provided by the "Deep Throat Group" to fill in the missing parts my story.

—I realize that in a court of law, this would be inadmissible as "hearsay" however, in my life - if someone comes to me with information about rain - I would begin watching sky.

—This information was to prove right, and I would place confidence in it. This is my position with the "Deep Throat Group". However, I would advise the reader to read though, and between the lines, and then make up their own mind as to the credibility.

—The synopsis (Chapter 1) portion of this document is written in the second person, permitting me to try and distance myself from this quandary. My plan had been to, someday, write the "ZipNut™" story; and with that in mind I began to do small "memory joggers" that I would go through when things were actually over (this case seems to have taken a life of its own), I would then enlist the help of a college English major student, and an editor, to assist me and "write the book". I could not get too deep on the differing character plans, as I realize that I was (as a new questionably convicted felon) without civil rights and could be "violated" without warning; giving me great concern of exposing my contacts.

—**Note:** With respect to my Deep Throat Group, I went to the extreme of eliminating gender in my notes - so as to not inadvertently disclose any identity. I can actually go on the stand and testify that I do not know the identity of anyone from the group.

—As the reader will discover, my primary invention is the BioChip, as this is an idea that will help people. Since I am "ego driven", I dream of the time I will see an idea that I thought of and brought to fruition; help someone leave the bed or wheelchair. What a day that would be! The ZipNut™ will, if managed properly, make money however, that is not my basic intent; the BioChip® will make medical history.

—I believe, in all of my heart that if the three men I selected, with their background, had been permitted to run "ZipNut™" - the Company would have made money for all of the investors; as well as financed the BioChip. For my part, I was ready to begin developing the actual "working phase" of the BioChip®. The Toroid wheelchair transmission was already in the final pre-production engineering phase (ready to be made) and would have enabled me to have a prototype within thirty days, with no time lag, for testing. The most exciting part would have been the actual starting of the incubation of the different and unique enzyme structures of the BioChip®. This exercise was "dry run" so many times - that I could do it in my sleep. And I did just that (in my sleep) many times, in order to eliminate any production errors or engineering design "oversights".

—To illustrate that place I was at (in product development); permit me to paint a picture. An adult male is riding a 10-speed bicycle, hard, on a city street. To have a "time" reference, lets make it September 11, 2001; a euphemism, making it easily a day we all remember (and, ironically, very similar to this event in my life). The bicycle rider, concentrating on speed (his head down), does not see a parked car and an accident occurs in which he breaks his neck; paralyzing him from the neck down. Theoretically, had I had been permitted to continue with my prototype schedule at the pace I had been going prior to the ZipNut™ problem, I feel, that today, that person would have primary and secondary motor control of most of his body movements; not a total repair but, an

acceptable mobility ability control. That, to this inventor, would have been the big payday.

—I realize I did not have diplomas on my "I love me" wall, proclaiming achievements with prestigious academia.

—I, In fact, remember being brought to task, by the state's receiver, during my patent arbitration hearing my ex-engineer, under the guidance of John Shell [in my opinion, the epitome of an unethical attorney] , was contesting my "inventor" position on one of my ZipNut™ patents. I was asked "how could I believe that I could invent such a creative device, when I didn't even finish high school then challenge a young (that used to work for me before John Schell instructed him how to challenge me for John Schell's endeavors) engineer with a college degree". I declined to answer.

—**Note:** See Alan Virdee Affidavit

—As my grandmother told me, many times, don't argue with a man that uses (or misuses) words for his living. I will say, however, that the college didn't come first; the thinker did! Leonardo DaVinci didn't have to graduate from MIT, prior to having his ideas. All my life, I have had to justify my abilities due to my lack of a formal education. I did not graduate from photography school, however I have many photographic awards. The same is true with my wood sculptures. I remember then Governor Ronald Reagan's acceptance of my 10 ft. by 10 ft. redwood carving of the great seal of California, in 1969. I, also, have many other awards for various works of art. I, doubt any of my opponents in this action, have Patents covering such a wide area of subjects in their own name, not to mention, as well as having mechanical parts, now, in space that are unique and of their own creation (without their having to steal them).

—**Note:** See Issued Patent List.

—**Note:** See Wood Carvings; Also under Creative Works.

—As the reader goes through this odyssey, the reader will have to wonder how all of these, otherwise normal, people seemed to change in the myriad of short coursed events; or is it just my "sour grapes" version of what has, I believe, occurred. Others have labeled it, and I agree, the cause is a "ZipNut™ virus"; a person introduced to a mechanism that is so simple that it falls into the "why didn't I think of that" category - having a large, if not huge, financial potential".

—The initiation of the (at First) honest small contributor is that he is introduced to the insidious verbal onslaught of THE lawyer, or the promoter. The lawyer, or promoter, soon seduces the group mentally into a round table coupling of "this can be wealth". With practiced skill the lawyer (or promoter) transmogrifies the individuals into the "hey I'm a businessman" and the groups mental mastication begins. The seed from the lawyer (the promoter) has been introduced and the virus has found it mark. Invariably the lawyers' (promoters') virus quickly mutates into its "we can just "take it because we earned it" delusional manifestation and a fever greedily begins to set. The virus's fever rises exponentially and the lawyer, or promoter, introduces the smell of blood, setting the

inevitable “there's nothing he can do about it” shark feeding infestation and the groups greed raises its ugly head in defiance of any learned or moral ethics. The sloshing blood in the business water creates an outsiders observation that the infectious virus is now 100% infectious and is totally capable of infecting any normal investor with a ferocity that is most prominently evident within just a few hours or a day of the lawyers' or promoter's kiss of death. It appears that the virus transmogrifies the infected with the illusion that the "whole" person now feels that they are all really just entitled and, possibly, that they will begin to feed on the first opponents head that pops up if (it appears) that opponent gets in their way of “their device”. This feeling grips their very soul and persona, while the lawyer sings his own praise at “what a good job he has done”. The lawyer is pursuing the approbation from the other several seats of lawyers and the odd court appointee (as long as they get fed too), are themselves busily emptying the bank and implementing the practice of wrestling the lollypop from the baby.

—When they fail, and they all do, they must blame someone for denying their “rightful” opportunity at riches; of course, this virus might have had its effects of me also. It must be kept in perspective that the regulation, I am accused of violating, did not concern the public health or welfare. I did not sell “hand grenades or adulterated drugs”. I paid a finder’s fee.

—The reader will, ultimately, have to make up his or her own mind as to who is right and truthful.

ZipNut[™]: A "License to Steal"

The ZipNut[™] saga actually begins prior to the invention of the ZipNut[™].

In 1956, Mr. Fullerton was assigned to the technical intelligence branch of the United States Army. At the initial induction and testing phase, at Fort Ord California, it was discovered that Mr. Fullerton had two talents that were of interest to the intelligence group. One, the ability, on short notice, to illustrate complicated mechanical devices to scale and, two, that he possessed a photographic visual memory. Due to these unique abilities, Mr. Fullerton was soon assigned to the Ordnance Electronics school, at Fort Monmouth NJ, to study atomic weapon electrical assembly with a secondary requirement; to familiarize himself with cryptography.

While studying atomic structures, Mr. Fullerton began formulating a theory on enzyme structures with the possibility of controlling, as well as producing, synthetic enzymes.

After his technical schools, in 1958, Mr. Fullerton was attached to an intelligence group at White Sands Proving Grounds, New Mexico, where he was introduced to a group of German scientists; brought the United States shortly after World War II. This group was assigned to the White Sands proving ground facility due to of their experiences and expertise with the V2 program; the forefront development of rocket technology that was amassed in Germany during the war. Mr. Fullerton was assigned as a liaison to illustrate their concepts for the Army.

Upon finding out that two of the scientist, within this group, also had an interest in enzymes as well as synthetic enzymes, Mr. Fullerton began spending at great amount of time learning about and trading theories with his new mentors.

Mr. Fullerton, after being discharged from the Army, continued to contemplate and work on the enzyme project. The scientists from White Sands had introduced Mr. Fullerton into the habit of documenting his thoughts and results of experiments into scientific notebook form. Mr. Fullerton would soon discover two problems with his interest in the enzyme project. One: his lack of a "formal education" (all of his German friends had Ph.D.'s and could explain their terms and thoughts, into a proper "mathematical and technical" language that could be technically proven or disproved by others with the same technical abilities) where as he had to rely on everyday terminology and none of his family or friends, outside of this very selective and evolved technical community, had any idea of what he was talking about when he tried to brainstorm and develop these ideas; towards furthering the development and theories of these enzymes.

During 1960, the enzyme project had progressed to a point that Mr. Fullerton had a theoretical concept that had evolved into clusters of enzymes that could "link" and "cross talk" using photonic structures of light instead of electricity; the conventional switching methodology utilized by most computational machines that were being developed at that time. The reason for the use of photons was Mr. Fullerton's concern of mechanical/electronic resistance and thermal reluctance that was associated with electron

travel through a metallic conduit, which he had observed and contemplated about during his military electronics training exposure. Mr. Fullerton had selected, after long hours of discussion with his German technical friends, the possibilities within the carbon element and to use this as a primary elemental structure. This formalization of the primary structure would lead to the mental experimentation of the now named "BioChip®" and his thirst for any and all carbon atom information.

In 1968, Mr. Fullerton invented a Toroid Automatic Transmission; which he would later received a patent for in 1973, ([patent #3,727,474](#)).

Mr. Fullerton met with Otto Albrecht von Bolschwing in Sacramento California. After many meeting about the transmission Mr. von Bolschwing would become the president of a corporation, formed in Nevada, to develop the Toroid transmission. Mr. Fullerton and Mr. von Bolschwing found that they had many things in common during these meetings; such as Mr. von Bolschwing had also been involved with the intelligence group of the United States Army.

Foot Note: Mr. Von Bolschwing would later be accused of being the assistant to Adolph Eichmann, a member of the German S.S. as well as serving the office of the Strategic Services (O.S.S.); the forerunner of the CIA.

Mr. Von Bolschwing came from an aristocratic Prussian family that could trace his ancestry back to the fourteenth century. His background included a position as General Manager in Germany of the Warner Lambert Chemical Company as well as being the Director of German operation of Cabot Oil Company which placed him in a position, in this country; of a top executive with multinational companies, developing close ties to senior officers of the Chase Manhattan Bank. Mr. Fullerton's interest in Mr. von Bolschwing had developed from Mr. von Bolschwing's close connections to the Cabot family. The Cabot family were heavily involved with carbon black. Mr. von Bolschwing arranged for Mr. Fullerton to meet with a senior investigator, with in the Cabot group, who would assist Mr. Fullerton in answering questions Mr. Fullerton had about the carbon molecules sub atomic structure.

Mr. Von Bolschwing would also have many discussions with Mr. Fullerton about the German V-2 scientist that Mr. Fullerton had worked with at White Sands, as they too were old friends. Mr. von Bolschwing was in management at the Peenemunde Missile sites in Germany during WWII.

Mr. Fullerton continued to work on the "BioChip®" while developing the Toroid transmission concept. The Toroid transmission was developed into a working pre-production prototype and then was subjected to testing at Stanford Research Institute (S.R.I.), which resulted in an S.R.I. report predicting an efficiency rating of the Toroid transmission in excess of eighty-two percent (82%); unusually high for any first iteration.

Foot Note: Today's automotive automatic transmissions nominally produce, at best, only sixty to seventy-five percent (60% - 75%) efficiency and seventy to eighty five percent (70% - 85%) [for a Borg-Warner T-10; as an example] efficiency rating for the

manual shift transmissions. A bolted shaft loses two percent (2%) of the output; for reference comparison. The Automatic Toroid Transmission will show the bicycle transmission; not the automotive transmission (patent #3,727,474).

In the mid-1970s, Mr. Fullerton met with Mr. William Lear in Reno, Nevada. Mr. Lear was interested in the Toroid transmission design, as it was a design that could correct the problem Mr. Lear was having with his use of the turbine engine in buses and automobiles. Mr. Lear, upon hearing of Mr. Fullerton's artistic talents, then began to take an interest with respect to Mr. Fullerton's other projects. Mr. Lear advised Mr. Fullerton, in their many conversations, "that an inventor would have two problems, one to fall in love with "your" invention and two, to spend too much time perfecting a particular portion of invention; to the exclusion of all of the other components". When Mr. Fullerton displayed the "BioChip®" to Mr. Lear, Mr. Lear advised Mr. Fullerton to keep outside influences away from the concept until it was in the production form, and that production form was tested to completion, then sell the "BioChip®". The market for the "BioChip®", as Mr. Lear saw it, was too large for any single person to handle.

When Mr. Fullerton asked "how a person funded such a project", Mr. Lear gave Mr. Fullerton the example of his selling the automobile eight track tape deck to Motorola which financed his Learjet, and that Mr. Fullerton should sell, or license, one of his inventions to pay for prototyping of the "BioChip®".

Chapter 2: The "ZipNut™"

In 1981, while watching the Indianapolis 500 race on television, Mr. Fullerton noticed that, mid-race, the television commentators concentrated on individual cars in the pit and that they were interested in the amount of time involved with each of the pit stops. It became obvious that the commentators were describing wheel changes as the biggest user of time, by the end of the race Mr. Fullerton had figured out the components of a flexible thread fastener that would hold the wheels on the racecar and reduce the pit times. This would be the beginning of the "ZipNut™".

In 1982, a story ran in the Sacramento Union with the heading "[Citrus Heights Man Invents A Fortune From A Nutty Idea](#)". This would be the beginning of the [ZipNut™ Odyssey](#).

Shortly after the Sacramento Union article appeared, there was a flurry of interest and everyone seemed to have a way for Mr. Fullerton to raise funds to continue the development of the ZipNut™. By this time, a working prototype had already been constructed. Mr. Larry Burton, owner of the Roseville racetrack (where Mr. Fullerton took photographs of race cars) was growing tired of hearing Mr. Fullerton's constantly boast of "a nut that one can push on" and he, Mr. Burton, made an offer to pay for the construction of a working nut with the agreement that if it did not work he, Mr. Burton, would hear no more of it. The nut was constructed and it worked first time. When it was applied the new nut went on with a "zipping" sound, thus, and lead to the name "ZipNut™".

A very short later, a small group of Sacramento investors would form a limited partnership to produce a second iteration of the Zip-Nut™ that the newspaper would do the story on. From this exposure Mr. Fullerton's next-door neighbor, Tom Castleman, approached Mr. Fullerton stating that he had a contact that could raise the funds needed for production. Mr. Fullerton was interested and agreed to a meeting. That meeting would be with a Jerry Gatto, of Salt Lake City, and a second person; that Mr. Fullerton would later find to be Joseph Bonanno Jr., "The son of the Godfather".

What would follow is covered in [the F.B.I. report](#).

When, after just a few meetings and the discovery who these two individuals were, things began to get out of hand, as the F.B.I. report will disclose, Mr. Fullerton began to fear for his life. Mr. Fullerton soon felt that he would have to confront Mr. Castleman; who, Mr. Fullerton was then told, was the assistant to Sonny Barger (Who, at that time, and still is, the president of the Hell's Angel's Motorcycle club). Mr. Bill Franson, a fellow Biker (6'-6", 250 lbs, and very physical) and Mr. Castleman were claiming positions as the enforcers for Mr. Bonanno Jr. as well.

Mr. Fullerton felt, as he would not give up his invention, any refusal to this group would soon result in a shoot out against Mr. Fullerton. Mr. Fullerton had been informed that both of these individuals were always armed. Falling back on his intelligence training, Mr. Fullerton knew the only way of survival was the element of surprise, and

even then retaliatory retribution would be swift, as any proposed meeting would include the Godfather's son.

Mr. Fullerton then contacted Mr. Bill Timm; a California Highway Patrolman whom Mr. Fullerton met during his school days at South Lake Tahoe. (Mr. Fullerton was involved with building Hot Rods, as well as street racing, during his youth.) They became long and trusted friends. When Mr. Fullerton told Mr. Timm of the predicament, Mr. Timm suggested that Mr. Fullerton should meet with two of Mr. Tim's friends.

Taken back, Mr. Fullerton (at first) resisted this idea and contemplated the many permutations of any kind of meeting at all with anyone; as he needed the element surprise and feeling that Mr. Franson's father (a Judge in Stockton California) may alert Castleman or Franson and (Mr. Fullerton felt) compromise his position. Mr. Tim assured Mr. Fullerton that this would not occur. Mr. Fullerton agreed and a meeting was arranged. Mr. Fullerton soon discovered that this meeting was with FBI agents Jim Widick, and Bill Benick; the individuals responsible for authoring the FBI report that until later described this situation in its entirety. Mr. Fullerton also discovered that, from that point on, he would be asked, when contacting Mr. Castleman and others, to wear a body monitor to record any and all conversations.

The Bonanno group, from Salt Lake City, then called a meeting to be held in Sacramento. And from the tone of the call, as well as the differing events leading up to this meeting, Mr. Fullerton felt that the group was going to attempt to "convince" him to his giving up his stock ownership in the ZipNut™. The Salt Lake City caller stated that the group would pick the day of the meeting but (luckily) gave Mr. Fullerton "the option" of choosing the location. Due to the many threats against his life, by this time, Mr. Fullerton was cautious (terrified), even with the assistance of the FBI.

Mr. Fullerton informed the FBI agents of the proposed meeting with the Bonanno group resulting in an FBI operation, under the direction of these two FBI agents, against the investment group from Salt Lake City (Mr. Bonanno, Mr. Castleman, and others in Sacramento group). The location for the meeting, chosen by Mr. Fullerton, was to be the offices, which were used earlier by the early Sacramento promoters that assisted Mr. Fullerton, on Howe Avenue, in Sacramento California. The FBI acquisitioned a meeting room and cleared the building prior to the meeting, placing agents in and around the building; with the intent of establishing the appearance of normalcy prior to the meeting. The FBI then proceeded to "wire" the room with a plethora of video and sound recording equipment.

Mr. Fullerton was to engage the Bonanno group in a conversation covering the FBI list of "target" conversation subjects that would invoke their necessity of going into action. He was then told that agents would enter the conference room by bursting into each of the opposing conference room doors and yelling, "Freeze". At that time, Mr. Fullerton was instructed to move against the windowed wall of the room, and with his back against the wall, sit down on the floor as quickly as possible. When Mr. Fullerton asked why, he was told that all the agents busting into the room would have shotguns!

Knowing the room to be about 15 feet by 30 feet, with doors at both of the long ends of the room, Mr. Fullerton was concerned and contemplated the force needed for a body to exit the window into the parking lot.

The Sacramento group began to gather and the meeting soon started. The meeting produced nothing due, primarily; to Mr. Fullerton quickly forgetting the situation he was in and beginning to actually negotiate with the group as he normally did. While this was going on, Mr. Fullerton's assistant was moving the contents of the duplex, where Mr. Fullerton was living at that time, directly next door to Mr. Castleman, into a contracted movers van. This move was under FBI supervision and naturally was initiated in a hastened manner.

A phone call from outside abruptly broke the meeting up and as Mr. Fullerton left the Howe Avenue meeting, he knew that he had failed to record the information the FBI requested and that he had wasted the time of most the agents from the Sacramento office that attended the meeting as well as the two agents that were guarding the move at his former duplex.

When Mr. Fullerton arrived at the duplex, shortly followed by Mr. Castleman and Franson. Mr. Castleman and Franson slammed on their brakes violently as they drove into Mr. Castleman's driveway. A short verbal confrontation ensued between Mr. Castleman and Franson and Mr. Fullerton and his assistant in Mr. Fullerton's garage and then the kitchen doorstep as the agents observed and waited nervously. Mr. Castleman observed that the FBI were present and cautioned Mr. Franson that "this was not the time, or the place, and that they should leave, that there would be another time". Mr. Castleman and Franson angrily left the garage. The agents informed Mr. Fullerton of Castleman and Franson going next-door, to Mr. Castleman's Duplex, and did he want to try again? Mr. Fullerton said yes, that everyone would have to leave the duplex if he, Mr. Fullerton were to entice Mr. Castleman out. The agents left after replacing the body monitor tape on Mr. Fullerton, assuring him that they, the FBI, would be in constant monitoring of his conversations, close by. A short confrontation took place in the driveway almost immediately after the FBI left and, this time, all target subjects were recorded, as Mr. Castleman used threats against Mr. Fullerton's life, the lives of his family as well as close friends. Mr. Castleman yelled at Mr. Fullerton that they knew the meeting was "bugged" when Joe Bonanno saw a gardener talking into his sleeve as he, Joe Bonanno, was about to drive into the parking lot. This caused Joe Bonanno to drive on to the Sacramento Air Port to leave town, contacting Castleman at the meeting by cell phone.

Note: Transcripts of the recordings ([Recording #1-dated 20 Apr 1983](#)), ([Recording #2-dated 23 Apr 1983](#)), ([Recording #3-dated 03 May 1983](#)), and ([Recording #4-dated 04 May 1983](#)).

After getting Mr. Castleman's statements on tape, Mr. Fullerton left his duplex to meet with the FBI. While driving on Interstate 80, Mr. Fullerton became acutely aware and alarmed as a car pulled alongside of his carrying two large, mean looking, individuals. Mr. Fullerton, who is still "wired", exclaiming into his microphone, "If you

are the good guys, pull up in front of me"; and feeling that if they did not he would have to destroy his car during an attack that could, possibly, cost him his life. They quickly pulled in front. He would later find out that they were Sacramento County Sheriff's officers.

After meeting with the FBI, there would still be more taping required - as agent Widick always seemed to want more. Later, Mr. Castleman would be tried for assault and extortion and convicted of extortion. Mr. Fullerton would be the primary witness in a trial that was traumatic. Mr. Fullerton then moved to Reno, Nevada; to be close to his childhood home, Lake Tahoe.

While developing the ZipNut™, Mr. Fullerton had decided that the ZipNut™ had the market potential to be the "rainmaker" that Mr. Lear had earlier described to fund the finalization of the BioChip; now near the point in its development of actually being built and tested.

Mr. Fullerton began to notice individuals, he described as "biker looking" around his residence and contacted the Reno Police Department. Officer. Jake Whiskerchen became his contact with the Reno Police Department and he suggested that Mr. Fullerton compile a list of sightings.

This list was dated October 25th, 1987.

One entry on the list, to give an example of the psychological warfare Mr. Fullerton was being subjected to, was as follows:

July 23rd, 1988 a drive-by while walking on McCarran, by Longley lane. Two men, hairy, with "granny" glasses, drove towards me in an early Ford Bronco, coral/cream (faded). The passenger, right hand comes out the window with large caliber short-barreled revolver and point's the revolver at me (distance 10 to 20 feet). I reached for my gun (left it at home), passenger squirts me, one shot hits me in the chest, one misses since driver takes off fast upon seeing me reach for a gun. Time: 9:30AM.

Another; Phone calls would be equally threatening as:

August 14th, 1988: Phone call, early morning, man calling, "we're going to take your little lady on a run to angels camp, by the time we're through with her, she'll have a _ _ _ _ _ the size of a sleeping bag".

Several calls, and sightings, would continue for about a year.

The threats would include an incident on November 6th, 1988 when an individual would attempt to enter the residence through the backyard. Mr. Fullerton's Malamute dog would attack and chase the intruder away. (RPD report No. 889).

A later event would cause physical damage to Mr. Fullerton's car.

Mr. Fullerton, a performance car collector, had parked his Porsche 935 while shopping at the “Old Town Mall” parking lot. When Mr. Fullerton returned, he noticed that the car was now parked at an angle from where it was originally parked and, now, on top of the curb and the back end of the Porsche was heavily damaged (the car is extremely low to the ground and equipped with wide tires). A lady walked up to him, and after inquiring if it was his, told him that she saw a Toyota pickup drive past his car, stop, backed up, then ram the rear end of the Porsche with a considerable force. Mr. Fullerton remembered seeing a Toyota pickup several times earlier and thought he saw Castleman driving.

Since Mr. Fullerton's house had a two-car garage and Mr. Fullerton had three cars with him at that time, he accepted an offer from a neighbor, Joel McVickers, who live in the house across from his, to keep the 935 Porsche in Mr. McVickers garage; Mr. McVickers had only one car and a similar two-car garage.

Meanwhile, Mr. Fullerton had been perfecting the ZipNut™, sent samples to potential customers, including Lockheed aircraft, in early 1998. Mr. Fullerton received a phone call from Thomas Grubbs, a Lockheed employee at the NASA Johnson Space Center (JSC), and the conversation revealed that NASA had a problem that Mr. Grubbs felt the ZipNut™ might resolve. Mr. Fullerton flew to JSC the next morning and, in three days, [developed the S.H.A.R.E. tool](#). Competing against three aerospace companies, with the assistance of [NASA engineer Charles Alton](#); Mr. Fullerton's Design won a flight. The Reno Gazette-Journal then ran an article, on [March 14th, 1989](#); talking about the Discovery launch, the first since the Challenger disaster, and in [a second article “Reno Inventor Made Tool Taken Along”](#); thus Mr. Fullerton, again, became a “mini-celebrity” on the strength of a news article.

Mr. Fullerton had formed a corporation in Nevada by this time to handle the ZipNut™ business. In 1989, Mr. Fullerton was introduced to Mr. John Schell III Esq. By Mr. Russ Pearson. Mr. Pearson (an investor in the ZipNut™ when he, Mr. Pearson, lived in Sacramento; some time earlier) now transferred to Washington D.C. as the head lobbyist for J.C. Penney, had made contact with Emhart; a company interested in the ZipNut™ to add to their product line. Mr. Pearson felt that Mr. Fullerton needed legal representation and asked Mr. Pearson's neighbor, John Schell III Esq. – a lawyer at Hogan & Hartson, Washington D.C.

In the talks with Emhart, it was brought out that Emhart favored talking to a corporate entity, not an individual, and thus Mr. Schell and Mr. Pearson formed Crescent Products; to be the vehicle to place the ZipNut™. Mr. Fullerton owned 97% of Crescent, with an option on the remaining 3% held by Mr. Pearson - when Mr. Pearson was repaid for a previous loan. These talks would end with Emhart being bought by the Black and Decker Company.

Now, with the notoriety of having a part accepted by NASA and actually being flown in space on a specific mission, Mr. Fullerton wanted a simpler version of the ZipNut™ to show potential customers the everyday usage of the device. Mr. Fullerton's neighbor, Joel McVickers, interested in buying stock in Mr. Fullerton's

corporation, suggested that Mr. Fullerton meet his (Joel McVickers) brother who was a Battalion Chief for the Reno Fire Department as Mr. Fullerton had decided to adapt the design to a fire hose coupling.

Mr. Fullerton met with Greg McVickers who agreed to consult with Mr. Fullerton on the Fire Hose conversion. A fire hose coupler was constructed that performed well; and later was to be demonstrated by Mr. McVickers, to several fire departments on the West Coast.

The McVickers brothers then became investors in the Nevada corporation named "First Phoenix"; as it was the corporation that followed the failed California ZipNut™ Corporation.

Mr. Greg McVickers comes from an old northern Nevada family and his mother-in-law was the first female Deputy Sheriff in Washoe County and as such met Mr. William Raggio; then the Washoe County District Attorney. Mr. Greg McVickers, who counts Mr. Raggio (now the leading State Senator) as one of his closest friends, used this contact to assist Mr. Fullerton in clearing up and closing the Sacramento/Utah Corporation and bringing the ZipNut™ device to the Nevada Corporation. Mr. Fullerton and Mr. Greg McVickers then entered into an agreement where Mr. McVickers would receive a commission on any successful contacts in the fire industry. Mr. McVickers, frustrated with the Reno Fire Department, decided that he would like to have a bigger part of the ZipNut™ company Mr. Greg McVickers told Mr. Fullerton the he wanted Mr. Fullerton give him the rights to the fire industry, as payment for his assistance. Mr. Fullerton declined but offered to license this use to him. By this time the fire coupler was in final pre-production prototype form and the total ZipNut™ concept was at a point that Mr. Fullerton felt that it would be time to bring in qualified business help to run the company and for him to step back into the more creative Research and Development role.

Note: See McVicker [compensation \(03 Aug 1989\) agreement](#) and [compensation \(09 Oct 1989\) agreement](#)

Mr. Greg McVickers had convinced a few of his relatives and neighbors that an investment in the company would make a lot of money. In late 1989, the friends and neighbors of MR. Greg McVickers began to buy stock. In early 1990, Mr. Dirk Hinton, a neighbor of Mr. Greg McVickers – as well as an Equitable Finance company employee, made contact with the Equitable subsidiary, Donald Lufkin and Jenrette (D.L.J.), in Los Angeles, with respect to taking the ZipNut™ company public. When the answering document came back, outlining what DLJ would do in the offering as well as the required finders fee, Mr. McVickers asked for a finder's fee also for any stock he sold. Mr. Fullerton then asked Mr. Greg McVickers to check with his, Greg McVickers, many contacts as to legality, Mr. Fullerton then asked Mr. Hinton, who held a securities license and who was to be the securities expert in the proposed Corporation, who told him that not only was it OK but, that he also wanted a finder's fee for the sales he felt he would make with his contacts.

Note: See [D.L.J. IPO report](#).

Mr. Fullerton then went to the Secretary of State, in Carson City Nevada to ask Ms. Helen Stecker (Ms. Helen Stecker knew of Mr. Fullerton from a previous meeting – assisting with the closing of the Utah Corporation). Ms. Helen Stecker said that the laws were recently changed, confusing, and not yet in print however she felt that it was OK but to be sure, took Mr. Fullerton to meet Ms. Cindy Woodgate (Ms. Woodgate was in charge of that department, Ms. Helen Stecker was chief investigator). Ms. Cindy Woodgate agreed that the new laws were confusing but that she also felt that it was OK. Mr. Fullerton then went on to ask his local legal representative that specialized in corporate securities, Mr. Garrett Sutton,. Mr. Garrett Sutton not only agreed but also went on to represent Mr. Fullerton on a “Finder’s Fee” agreement and to then sent correspondence affirming the matter.

Note: [Savage investigation report.](#)

Note: See [A copy of a "Finder’s Fee" agreement](#)

With all of this confirmation, Mr. Fullerton went on to pay the requested finder's fee. Later, at a meeting with Mr. Greg McVickers and Senator Raggio, Mr. Fullerton would bring up the subject of finder's fee with Senator Raggio; as Senator Raggio was advising Mr. Fullerton, as his attorney, on other security matters Senator Raggio made no comment, other than a head nod of agreement, on the “finder's fee” question and went on to advise on the contact he, Senator Raggio, had made with D.L.J. for Mr. Fullerton.

Note: A ["Raggio memorandum"](#) of the meeting.

Mr. Greg McVickers was now becoming hard to work with, due to his demanding ways resulting in Mr. Fullerton terminating his association with Mr. Greg McVickers.

For this action, Mr. Greg McVickers, aided by Senator William Raggio, went to District Attorney Dorothy Holms-Nash to report Mr. Fullerton. Ms. Nash told Senator Raggio “That, at best, all Senator Raggio and Mr. McVickers had had was a misunderstanding between business associates”. Senator Raggio would fare better with State Attorney General Frankie Sue Del Papa; who’s political financial requirements Senator Raggio controlled. While this activity was unknowingly going on, Mr. Fullerton was preparing to hand over the ZipNut™ endeavor to businessmen and return to his primary invention, the BioChip®.

One evening, while shopping at the Old Town Mall, Mr. Fullerton noticed a man in a wheelchair. The man was wearing shorts (it was summer) and Mr. Fullerton noticed that his leg muscles were in good condition. Fullerton, accompanied by his assistant, struck up a conversation with the man, Joe Bohl; a Reno resident. Mr. Fullerton's interest in Mr. Bohl was the BioChip's® theoretical application that could aid as a treatment for spinal cord injuries and now that Mr. Fullerton, after thirty odd years of concept, was ready to actually build and test the unit and would need a test person.

Mr. Fullerton felt, due to his experience in receiving blank looks when he tried to describe the actions and construction of the BioChip's® theory and possible function

(especially at the quantum level), that he would first try to gain Mr. Bohl's confidence with a second invention; the Toroid transmission being used on a wheel chair.

While, many years earlier in Sacramento, Mr. Fullerton felt that the Toroid transmission would work well in a wheelchair (at the time the prototype of the automotive unit was being tested at Stanford Research Institute [[SRI](#)]), Mr. Fullerton asked one of the investigators about the torque load required for a bicycle and also a wheelchair wheel. Mr. Fullerton would then go on to develop working prototypes for both uses.

~~(~~**Note:** The SRI report would give an excellent report and rated the unit as exceeding 82% efficiency)~~)~~

—Mr. Fullerton then later met with a plastic manufacturer, in Santa Rosa California, that made plastic wheelchair wheels. Knowing this Mr. Fullerton felt that with little effort, a successful wheelchair wheel could be produced and Mr. Bohl was the man to test it. Mr. Bohl agreed to deliver three wheelchair wheels to the Fullerton Design facility to enable Mr. Fullerton and his engineers to become familiar with requirements and operational parameters of the wheelchair.

Mr. Fullerton had just received machining equipment, at the Fullerton Design facility, which would enable him to produce prototype components for any potential licensors of the Zip-NutTM product and also enabling Mr. Fullerton to begin the final prototyping of the wheelchair transmission. As the lathe and mill were being wired, by an electrician, Mr. Fullerton, aided by his assistant, were installing ceiling light bulbs when two uniformed police officers and a civilian came into the shop and informed Mr. Fullerton that he was being closed, by court order, for violating Nevada securities laws. When informed of this, Mr. Fullerton contacted John Shell Esq. to ask his assistance in the matter.

Just prior to this event by the police department, Mr. Fullerton had been to Washington D.C. to show the fire coupler to the United States Navy. The Under Secretary of the Navy, Mr. Tausig, met with Mr. Fullerton expressing an interest in retrofitting the Navy with ZipNutTM fire couplers. Mr. Fullerton then met with Mr. Schell to tell him of the possibility of fire couplers for the Navy as well as the expressed interest from the Army on assault bridge construction and about the Air Force's interest in fighter aircraft canopy installations and the many aircraft hydraulic fittings. Mr. Schell asked Mr. Fullerton to leave his demonstration units with him (Mr. Schell) as he (Mr. Schell) felt he (Mr. Schell) might have an area of interest. Mr. Fullerton agreed.

Mr. Schell then demonstrated these units while being accompanied by his close friend Philip Forestr. Mr. Forestr is the highest non-family member with the Mars Candy Corporation. Mr. Forster then showed the ZipNutTM demonstration units to the Mars family who then asked Mr. Forestr to do a market survey to find the market potential of the ZipNutTM with Mars involvement. The market study produced exciting results. Mr. Schell called Mr. Fullerton from a party celebrating the news. Mr. Schell told Mr. Fullerton that the market study showed that the ZipNutTM potential, annually with Mars participation, to be \$1 billion when in full market penetration and that the

Mars wanted to buy the patent rights. Mr. Schell would later make an offer to Mr. Fullerton that the Mars family would pay him \$1 million over ten years at \$10,000.⁰⁰ per month and that that price would include Mr. Fullerton as a full-time consultant. Mr. Fullerton declined the offer.

Note: [Court transcripts of Mr. Schell talking about this subject](#)

It was at this time that the State of Nevada closed Fullerton Design Facility.

Mr. Schell did come to Nevada to address “the problem” and represented to the McVickers group and that he, Mr. Schell, could run the company better than his client, Mr. Fullerton; as “Mr. Fullerton was just an inventor”. Mr. Schell accompanied by Mr. Garrett Sutton, Mr. Fullerton's local Council, would meet many times with the McVickers investors to advise them of the potential of a Mars relationship with the Company and the resulting extreme rise in stock value. The marriage in Hell was consummated

Note: Mr. Schell’s court testimony and [affidavit](#)

The Reno McVickers investor group, numbering 14 of the total of over 100 investors, held less than 1% of the shares of stock. The Reno McVickers investor group, now, with the control of the Nevada Court assured as well as the potential of a partnership with the super rich Mars Family, continued their quest for control of the ZipNut™ Company.

Senator Raggio, using his local political power, had his friend Hon. Judge Stone appointed to the case. They then appointed a friend and colleague, Senator Matthew Callister, as the receiver to the case, as well as another friend - Detective Lee Webb, of the Washoe County Sheriff’s office, to be the primary investigator. Detective Webb, accompanied by investor James Hackbarth, had earlier visited the Fullerton Design premises to “tape Mr. Fullerton’s pitch” as the court had been told that Mr. Fullerton supposedly had not informed the investors of the “Utah problems”. Mr. Fullerton, unknowingly being recorded, described all of the Utah problems to these individuals posing as possible investors. What “pitch”?

The court, under the guidance of Senator Raggio and Receiver Callister, now, would close and lock the Fullerton Design Facility, with the receiver going through and then confiscating all documents on the premises. Mr. Fullerton, when ordered to unlock a large safe, at the time of the “lock down”, informed Receiver Callister that the safe contained many different design packages not involved with ZipNut™ and that the material was, in many cases, in pre-patent form and therefore sensitive. Receiver Callister then told Mr. Fullerton that he had the authority to cut the door off the safe. Mr. Fullerton opened the door and was then ordered out of the building, along with his assistant.

Note: [Arreche affidavit \(dated: 11 Jan 2001\)](#)

After a court appearance, Mr. Fullerton (**now in receivership**) was allowed access the building, only to find the Receiver had cleaned out the safe, leaving a portion

of his important company papers and documents on the office floor. Receiver Callister then ordered Mr. Fullerton to pack the remaining binders, papers, and important folders (etc) into three “bank storage” boxes that Mr. Fullerton had on the premises – along with a large group of classified sealed envelopes. The sealed envelopes were “poor man” patents; a method used by inventors prior to the implementation of the provisional patent application. The inventor would describe, in writing, his invention and, as witness, a second party; not related to the invention, would sign and date that the inventor did have the idea and the US postal registered date should, along with the witness’s signature, provide proof. The “poor man” patents in question here, numbered approximately 200 – 300 witnessed and documented inventions; filling the “sales-man” cases where they were to be placed. The other documents from the 3-ring and spiral binders filled the other three boxes to their capacity.

The contents of the data, combined, covered all of Mr. Fullerton’s notes, pre-patent descriptions, mechanical engineering drawings, studies and concept exercises made by Mr. Fullerton; which covered a period of 35 years of his research and development. The majority of the 3-ring binders were dedicated to the growth of the BioChip®. The majority of the mechanical engineering drawings would be extensive and various iterations of the Toroid transmission studies and other various mechanical devices.

After, again, being informed of the sensitive nature of the contents of the safe and the files by Mr. Fullerton, the Receiver said that they would be segregated from the ZipNut™ data and be held securely by the Receiver until such time as the court decided to release the documents back to Mr. Fullerton.

When first notified of the alleged “Securities Violations” by his client, Mr. Schell felt that, at best, it was a misunderstanding of a regulation and could be easily corrected by Mr. Fullerton agreeing to a “cease and desist request with the added possibility of repaying any investor their investment. This could be accomplished, as a new investor (Mr. Louis Arreche) wanted to invest more that Mr. Fullerton had scheduled, availing Mr. Fullerton the ability to propose (and Mr. Arreche agreed to the plan) to “buy out” any Reno investor that was interested.

What was unknown, to Mr. Fullerton (or anyone else, except Mr. Schell, at that time) was that his attorney, Mr. Schell, was about to be released (fired) from Hogan & Hartson; an incentive for Mr. Schell to seek other means of available “retirement” income. The ZipNut™ suddenly became available to Mr. Schell’s vast Washington DC experience and expertise within the realm of “Business” law and influences. The “cease and desist” (original) plan would suddenly take a turn for the worse for Mr. Fullerton. Mr. Schell brought the ZipNut™ “predicament” to the attention of the Mars Family and the opportunity of resolution of a simple situation became very politically involved and would change with the Mars group assisting Mr. Schell towards “convincing the Reno investors to join” Mr. Schell in taking over the ZipNut™, with Mars helping financially and the Reno investors handling the “local” politics.

The “takeover” begins, and the beginning of -

Chapter 3: "The Takeover"

"The Takeover ...Schell."

Early court hearings produced a slow, but steady, shifting of power with Mr. Schell convincing "his client" (Mr. Fullerton) that the "best for the company approach" was drafted and presented as was the assurance, to "the client", that the changes were for "the appearances only"; to keep the Reno investors happy. Soon Mr. Schell was in total control. While 'advising' "his client" of the necessity to agree with the Receiver and Court, assuring "his client" (Mr. Fullerton) of the necessity to prevent the sale of the patents.

Mr. Fullerton then contacted three businessmen; he had previously selected to run the ZipNut™ business, and held a meeting to explain the ZipNut™ quandary – to make sure they were still interested in the management positions. They were.

Note: a copy of the Fullerton [MEMO 18Dec1991](#)

Note: [Gene Anderson](#), [H.L. Williamson](#) and [C.A. Lynch](#) resumes.

Then Mr. Fullerton contacted the Receiver (Callister) , to inform him of the plan. The Receiver (Callister) assured Mr. Fullerton that his plan was possible and that he would assist. Mr. Fullerton, again, made the offer to the Receiver (Callister) to repay the investor, including interest, to eliminate the problem before it got out of hand. The Receiver (Callister) made the comment, "you know who is behind this don't you?" Mr. Fullerton replied, "Greg McVickers?" The Receiver (Callister) answered, "NO, Bill Raggio! (Senator William Raggio)" Mr. Fullerton couldn't understand, how or, why Mr. Raggio would be so mad at him; also why the investors were refusing the return of their investments.

Mr. Schell had previously "advised" Mr. Fullerton to retain a lawyer with local political connections; as Mr. Schell "felt" that this case was politically driven. Mr. Schell proposed one of his partners at Hogan & Hartson, a Mr. Frank Fahrenkopf. Mr. Fahrenkopf, prior to joining Hogan & Hartson in Washington DC, had been one of the more prominent lawyers in Northern Nevada. Mr. Fahrenkopf did agree to represent Mr. Fullerton in his Nevada predicament, agreeing with Mr. Schell that the "problem" seemed to be politically based.

Note: A copy of the H&H ["engagement" letter](#):

A meeting was scheduled for the proposed transfer of power from Mr. Fullerton to Mr. Schell, at the Fullerton Design facility. Mr. Schell accompanied by Mrs. Michelle Zimmer-Forestr (the wife of the Mars executive; Philip Forestr), along with the Receiver (Mr. Callister) and Louis Arreche.

Mr. Fullerton had been warned that Mr. Schell was not looking out for his clients' interest, as Mr. Schell proclaimed, but about enriching himself at his clients' expense.

Mr. Fullerton told his attorney of this information and, with concern about Mr. Schell, was only reassured by Mr. Fahrenkopf; that he, Mr. Fahrenkopf, was a senior partner at Hogan & Hartson and as such would “set Mr. Schell straight” if Mr. Fullerton concerns were realized.

Mr. Fullerton had also asked Mr. Gene Anderson if he, Mr. Anderson, would mind attending this meeting; as one of his (Mr. Fullerton’s) choices of three to run the new ZipNut Corporation. The meeting began with Mr. Schell informing all gathered, that he, John Schell, was to be the president, Mr. Arreche - as board member, Mrs. Zimmer-Forestr – as vice president and that the company would move to his (Mr. Schell’s) home location of McLain Virginia (which was also the home of the Mars Family). Now with Mr. Fullerton’s fears realized, he placed a call to Mr. Fahrenkopf, as they had planned. When he (Mr. Fullerton) informed Mr. Fahrenkopf of Mr. Schell’s activities, Mr. Fullerton was told to put Mr. Schell on the phone. After Mr. Schell talked to Mr. Fahrenkopf, in an adjoining room, Mr. Schell told Mr. Fullerton that he was now wanted on the phone. Mr. Fahrenkopf told Mr. Fullerton that he (Mr. Fahrenkopf) would no longer be able to represent Mr. Fullerton in the Nevada action.

Note: A copy of Mr. Anderson’s [1st resignation](#) and [2nd resignation letter](#)

Note: [A copy of one of the attendees letter](#)

Mr. Fullerton would be told, later, that Mr. Schell, by his actions, was committing malpractice leaving Mr. Fullerton to seek legal advice from a local firm (Mortimer, Sourwine, & Sloane), that had close connection to Mr. Fahrenkopf as he, Mr. Fullerton, did not wish to sue Hogan & Hartson as well as a well-respected Mr. Fahrenkopf. He (Mr. Fullerton) just wanted them to control their employee, Mr. Schell.

The local firm provided an attorney, Julian Sourwine Esq., to represent Mr. Fullerton. All communication with Hogan & Hartson, as well as Mr. Fahrenkopf (well known to the Sourwine firm) provided no answers or assistance.

The first action against Mr. Fullerton was Civil; stating that Mr. Fullerton had violated Nevada Securities laws, commenced September 5th 1991. At this time the Mars/McVickers group had all their forces in place to begin what they felt was to be a short one-sided battle, as Receiver Callister had advised them of Mr. Fullerton’s financial position.

Mr. Schell, due to his conversations with Mr. Fullerton while going and returning from the Emhart meeting (about three hours total) knew that Mr. Fullerton gained strength from his position of being on the side of “right” in his contest with the Bonanno/Salt Lake City group as well as the ability to fall back in his art and mechanical inventive skill to provide income, as needed, conveyed this information to the Receiver (Callister) and the Mars/McVickers group so as to eliminate any such escape mechanism by Mr. Fullerton.

The State of Nevada, later aided by the Receiver (Callister), would commit extraordinary time and effort to a criminal investigation that would take the better part of a year. The case would now be placed before the Grand Jury, where it would be noticed that an alarming number of Jurors knew Mr. Greg McVickers, some on a personal basis.

Deputy Attorney General Grenville Pridham would present a case that would show Mr. Fullerton to be as an alleged seasoned scammer (Mr. Fullerton was 58, at the time) cohabiting with a younger woman (his associate was in her early 30's) spending the investors' money on high living.

Deputy Attorney General Grenville Pridham, with the Receivers (Mr. Callister's) assistance, would talk of Mr. Fullerton's multiple "high dollar" automobiles but, with the "FBI" report (just the stipulated a fact that he had one) however, (Deputy Attorney General Grenville Pridham) did not explain the circumstances of Mr. Fullerton's automobile ownership; leaving the Jurors with a deceptive impression. The receiver (Callister) would also testify, an outrageous total disregard for the Utah court order without, again, explaining circumstance. In general, Deputy Attorney General Grenville Pridham and the Receiver (Callister) would create a false picture of Mr. Fullerton, by this intent, using half-truths and innuendo.

Deputy Attorney General Grenville Pridham would spend many hours prior to meeting the grand jury, coaching the various McVickers witnesses, directing witnesses on what, and what not, to say to create the desired illusion before the grand jury jurors. This effort lead Deputy Attorney General Grenville Pridham to complain to fellow workers as how could he (Deputy Attorney General Grenville Pridham) be expected to get a silk purse out of this collection of sow's ears.

Mr. McVickers would begin his testimony, under the guidance and coaching of Deputy Attorney General Grenville Pridham, reciting in proper "lawyer-ease" (using words like "facilitate") to describe his activities under the "direction" of Mr. Fullerton. Mr. McVickers was being very careful, for a short time, in following the directions of Deputy Attorney General Grenville Pridham; with respect to selling stock to raise money when asked about his duties. Soon in testimony, under oath, he would counteract his earlier statements.

Note: [A transcript of Mr. Greg McVickers testimony](#)

Note: [See Greg McVicker Requirements](#)

Receiver Callister in his sworn testimony would use innuendo, speculation, and half-truths to paint an unflattering picture of his receiveree; stipulating falsely to the jury about Mr. Fullerton's "disregard for the Utah court order", and "the disregard - a flagrant contempt action without cause".

The Receiver (Callister) would overlook facts:

1. That Mr. Fullerton had been ordered by the Washoe County Judge to hold the shareholder meeting; requested by a Nevada shareholder (Dr. Brinkley), due to the fact that years had passed with the Utah company doing nothing (due to a lawsuit by three Utah shareholders) that enticed Mr. Fullerton into entering into an agreement that would place the ZipNut™ into this public trading company and

2. —That the Receiver (Callister) knew the three Salt Lake City individuals involved in this action; Blane Taylor (a convicted securities trader) Mr. Nick Julian (a securities promoter) and James Averelle Esq. (whom would be later convicted of securities violations in a promotion after the ZipNut™) .

3. —That he, Receiver Callister, had in his possession the file, including correspondence, between Mr. Fullerton's legal counsel that represented him in this action as well as the shareholders meeting, Kelly Watkins. This correspondence, with Mr. Frank Wilkins Esq. (an officer of the Utah court) notified the Utah Receiver of the meeting, the amount of monies owed Mr. Fullerton by the Utah Company (totaling over one and one half million dollars [at the time of the letter – the Utah Company had less than five hundred dollars in the bank with little hope of more]).

Receiver Callister is from, and still has family in, the Salt Lake City area.

Note: A copy of the [Watson \(03 Aug 88\)](#) to Frank Wilkins letter.

Note: [Matthew Callister's](#) request (1992 Jun 18) of Judge James Stone.

Deputy Attorney General Grenville Pridham would also structure the indictment with half-truths and outright false hoods and false entries to create the illusion that Mr. Fullerton, and his assistant, was living “high” on the investors monies. Deputy Attorney General Grenville Pridham failed to report to the grand jury that (due to the State having the bank records and books of Mr. Fullerton's Fullerton Design business [as well as the assistance of the Receiver Callister]) that it could be pointed out that the salaries of Mr. Fullerton, and his assistant, were \$3,500 and \$2,500 per month respectively; hardly living “high”. General Grenville Pridham failed to report to the grand jury that the other expenses, as displayed by “the books and bank records of Fullerton Design, were properly accounted for and were within normal business activities.

Deputy Attorney General Grenville Pridham reported to the grand jury that Mr. Fullerton had expensive automobiles in possession and falsely claimed to the court that the vehicles were an illegal gain. Deputy Attorney General Grenville Pridham reported to the grand jury that car number one would be a 1979 Mercedes Benz 450 SL.

NOTE: This car (the 1979 Mercedes Benz 450 SL) has been owned by Mr. Fullerton for almost ten years prior to Deputy Attorney General Grenville Pridham's actions.

Mr. Fullerton retired the vehicle, for daily, use when the mileage of this car reached and exceeded 200,000 miles, and while it was still in good condition (despite the

high mileage) gave the car to his assistant. At that time the car was a metallic green with wire wheels. When the assistant received the car she painted it a shade of red and exchanged the wire wheels for stock Mercedes wheels; she didn't like the "high maintenance" upkeep of the other wheels.

Deputy Attorney General Grenville Pridham would report this vehicle (without the change in color of the vehicle), and "his exemplary investigatory work" to the court as two vehicles and reported a "third" vehicle as the 935 Porsche; "that was stored in Mr. Joel McVickers garage" as being hidden out. Deputy Attorney General Grenville Pridham created the illusion to the jury of a second "scam" in progress. Deputy Attorney General Grenville Pridham reported to the court that a "number four car" as a 1986 Mercedes Benz 560 S.E.C.; the replacement for the 450 SL.

—Deputy Attorney General Grenville Pridham would "forget" to mention that he had the purchase and repair records of Mr. Fullerton's 560 SEC Mercedes and that this car (the 560 SEC) was purchased from an insurance company as a "total".

Deputy Attorney General Grenville Pridham, also, would "forget" to mention that Mr. Fullerton had repaired this (the 560 SEC Mercedes) car at Mr. Fullerton's own expense. Deputy Attorney General Grenville Pridham "forgot" to explain that this Mercedes had to have all of the body panels repaired and that major repairs were performed to the formerly junked vehicle. No one brought out that all of the automobiles (described as excessive) above were either owned or paid for prior to the McVicker problem by other personal funds. (especially in the case of the 560 S.E.C. which was highly flaunted, by Deputy Attorney General Grenville Pridham, as a personal and excessive "expense")

A number "five car", a blue 300 S.E.L. Mercedes Benz, had the misfortune of being parked in front of the next door office building and was included in the "exemplary investigative" "Ill-gotten autos' list"; this vehicle was added to the "list" without the investigator looking at the Vehicle Identification Number plate and checked through DMV for verification of ownership; a basic investigation tool.

Note: [See Initial Court Indictment showing "list"](#)

All of these facts would be mentioned in the brief to the grand jury and the lack of other facts, were to create the illusion of a "seasoned crook" by Deputy Attorney General Grenville Pridham and Receiver Callister; creating the illusion to the grand Jury that Mr. Fullerton, using his young girl friend, was out to "scam a bunch of nice local people to support an extravagant lifestyle".

Mr. Schell did, prior to the court problem, spend several hours with Mr. Fullerton, at Mr. Fullerton's office in Reno, on the three trips Mr. Schell made to Reno. The two would go over all of the designs and concepts in Mr. Fullerton's safe, so that Mr. Schell could develop a plan on "the best procedure to present"; a "global picture for the Mars group; that if the ZipNut™ worked as well as expected, the Mars group would like to enter into total license of all of Mr. Fullerton's creative endeavors – as well as the

possibility of being a patron for his artistic products. Mr. Schell knew just what to say and also how to psychologically attack his "client" opponent. This [information would be transferred to the Receiver](#) (Callister) **who, then in turn, advises the State prosecutors.**

Note: [See Ex Parte Application \(1996 Aug 28\)](#)

Callister applies to Prosecute Fullerton (as a receiver). This hearing is applied for and set in a period of 5 days (over a long weekend).

Note: [\[Examine the file date at the top of the document and then Examine the hearing date in the body of the document -- page 2 and page 3\]; also seen under Court.](#)

Note: [See Callister Letter \(Receiver\) threatening prosecution of Fullerton; a receiver is not a prosecutor.](#)

The Receiver (Callister), for his part, would attach all documents, described to him), by Mr. Schell, as well as informing Mr. Fullerton that any activity by him (Mr. Fullerton), either by consulting or art that produced money would require the Receiver (Callister) to confiscate all funds and also notify any parties of the charges against Mr. Fullerton, that Mr. Fullerton would have to get by on his consulting agreement with ZipNut™ and concentrate his creative energies to that project for the benefit of ZipNut™ (under the control of Mr. John Schell) and the Nevada investors.

On October 24th, 1991, a proposed settlement agreement was entered into with the approval of the counsel for the State of Nevada, counsel for Mr. Fullerton and his assistant, the Receiver, and ultimately the blessing of the court. It was understood that the settlement agreement would "temporarily" take Mr. Fullerton from any control of ZipNut™ Incorporated; the newly formed Nevada Corporation, until the corporation was "up and running well", that Mr. Schell would run the Corporation, and that the Reno McVicker shares would be modified (increased significantly) to reflect "[a fair investment](#)" (the amount of share to accomplish this "fair investment" would come from Mr. Fullerton's holdings), that this settlement was constructed for the benefit of the "Reno investors" and, [as the court would say, a "total and" fair to all](#)". The original agreement would let Mr. Fullerton have a board position (it was after all his company) due to his percentage of ownership (9.25 million shares of 13.5 million – as well as his assistant's holdings of 1 million shares). The "Fullerton" shares were placed in a "Class – A", with a restriction that Mr. Fullerton could vote for a minority of board members, and thus all other shares (including his assistant's) could be "Class – B" and vote for a majority of board members.

On November 7th, 1991, the court would now order that Mr. Fullerton, and his assistant, must obtain "approval" from Receiver Callister to vote any of their shares in ZipNut™ Inc.

Note: A copy of the Nevada State Supreme court [Order \(1991 Nov 15\)-Judge Stone, is also included under the Court section.](#)

On February 21st, 1992, the court filed an order formalizing the Court "License" of the ZipNut™ patents, and even though Mr. Fullerton was theoretically a board member, Mr. Fullerton and his assistant were forbidden "from taking any action or making any representation in connection with the business of or any investment in ZipNut™".

An important **FOOT NOTE:** The local Judge, (Honorable?) Judge Stone, that ruled in this case (a close personal friend of, and assigned to the case by, Senator William Raggio) was removed from the bench a couple of years later by local election and then disbarred due to client financial irregularities...

On April 15th, 1992, this court prohibited Mr. Fullerton, and his assistant, from voting their shares at the annual shareholders meeting.

On December 16th, 1992, the court suspended Mr. Fullerton from ZipNut™ Incorporated Board of Directors and that his "Class – A" positions were "not to be filled". The court then allowed Mr. Schell to pledge the "Court License" to a group of Virginia residents that would include the Mars Family and their friends for debenture loans.

Mr. Fullerton would protest, to no avail.

Later, late April 1994, Mr. Schell approached the court with a proposal to raise two million dollars from a Virginia Corporation (Space Vest) due to the company [ZipNut™ Inc.] now being insolvent; after Mr. Schell had been busy spending the Debenture holders' investments/loans, which were totaled at the \$650 thousand dollar amount. The ZipNut™ insolvency came about at a time Mr. Fullerton, or his assistant, hadn't any managerial or directing role influence to save their company and couldn't – Since 1991.

The Receiver (Callister) and ZipNut's™ attorney represented to the court that the Space Vest funding was "vital to the survival of ZipNut™ Inc. and to deny the investment would doom the Reno McVickers' investment." At no time were any pleadings, motions, or papers filed and served in which the State of Nevada Receiver (Callister) or ZipNut™ Inc. asked for any relief from the court.

Again, Mr. Fullerton would protest, to no avail.

Note: [A copy of the "Space Vest" requirements](#)

However, On May 6th, 1994, the Receiver (Callister) changed his position due to Mr. Fullerton not voluntarily agreeing to give away his, and his assistants, assets – as demanded by Space Vest. The Receiver (Callister), now, orally sought a court ordered divestiture of their assets without the benefit of filed pleadings, motions, or other papers, and without notice that the Receiver (Callister) would do so. The Receiver (Callister) asked the court to approve the Space Vest deal as a "Sale" of receivership assets. Receiver Callister stated that "if Mr. Fullerton relinquished all of his interest in the patents, and pending applications, as well as his and his assistants stock in the ZipNut™

Corporation that he [the Receiver (Callister)] would see to it that Mr. Fullerton would receive approximately \$77 thousand now due, and owing, as consulting fees"~~—~~".

In other words, the Receiver was giving Mr. Fullerton a "lollypop" and told to walk away from his 45 years of creativity as a result from the Receiver (Callister) asking the court to "take" ownership of the patents and company with the presentation of the "lollypop" as if it were the corporate watch.

Mr. Fullerton had not received any royalties or any consulting fees – as the "court ordered" "License" had blatantly called for: as was the agreement to Mr. Fullerton.

In further testimony, by Mr. Schell, it was brought out that the "debentures were convertible, at \$0.50 per share, placing a conversion value on Mr. Fullerton's shares of \$4.25 million (four and one quarter Million dollars) and his assistants at a \$ 1/2 Million (one half million dollars).

At this point, the court and the Receiver (Callister) – who met privately and ex-parte' [over the objections of Mr. Fullerton's counsel] were to, now, retire to chambers and, off the record, to engage in a conversation with Space Vest.

On March 17th 1994, the court would enter an order, after numerous ex-parte' meetings with the Receiver (Callister) [over the explicit objections of Mr. Fullerton's counsel], meetings of which the legal and property rights of Mr. Fullerton were the subject but at which neither Mr. Fullerton's, nor his assistant's, counsel were allowed to attend. Mr. Fullerton would now be faced with an order that would result in his being permanently deprived of his and his assistant's stock, legal claims he (Mr. Fullerton) may have against the Corporation, its Directors – including a malpractice claim against Mr. Schell as well as Hogan & Hartson and a drastic reduction of any royalty; all as a requirement of Space Vest.

—This order would be granted by the court and then later overturned by the Nevada Supreme Court (No. 26078) on March 30th, 1995 - concluding that Callister has acted beyond the scope of the Receivership in an attempt to force the "Sale" of Fullerton's shares and Mr. Fullerton's patent rights, and moreover the District Court lacks authority to order such a sale."

Note: A copy of the [Nevada Supreme court order](#) - overturning [Judge Stone](#).

Now, the Mars/McVickers group, led by Senator Raggio, would begin a "Scorched Earth" campaign against Mr. Fullerton. The group felt that Mr. Fullerton was mocking their "Superior" positions.

On, July 7th, 1992, Mr. Fullerton received a telephone call (at 3:10 AM) from an unknown party. The caller told Mr. Fullerton that he, the caller, was personally familiar with what was going on with ZipNutTM and would talk to Mr. Fullerton just this one time. The caller instructed Mr. Fullerton to take notes of the conversation, as he was only going to say things once. Mr. Fullerton began to take notes of the conversation and it soon became apparent that the caller, truly, did have an "insiders' knowledge" of what

was going on – especially with respect to the Nevada Attorney General. The caller would talk about the Receiver (Callister) going to Virginia, at the request of Virginia Mars who told the Receiver that she was tired of waiting for things to get started. The Receiver was reported to have assured Mrs. Mars ‘that it was under control and that the following weeks would make her happy’. She then told the Receiver that Mr. Fullerton had to be under control or that she would be out of the deal. The Receiver (Callister) then met with John Schell, in Virginia, to discuss Mr. Schell’s plan. This plan was, now, to charge Mr. Fullerton, and his assistant, criminally. Mr. Schell knew that this would exhaust any funds Mr. Fullerton may have but, more importantly, due to the previous Emhart conversations with Mr. Fullerton, how much importance Mr. Fullerton placed on being in the "Right".

When Receiver Callister returned to Nevada, he contacted Deputy Attorney General Grenville Pridham, and told him that they now had to go to the second stage of the plan that had all previously agreed to; for the State of Nevada to charge Mr. Fullerton criminally.

Deputy Attorney General Grenville Pridham told Receiver Callister that the State was ready to quit, as the Deputy Attorney General in charge of the civil case, Phil Burns, felt that the case was weak and they, the State, should settle.

The Receiver (Callister) told Deputy Attorney General Grenville Pridham that **the Mars Family wanted Fullerton under control and that would require criminal charges – with the threat of jail.**

Deputy Attorney General Grenville Pridham said that the particular securities involved denied jail time in this situation. The Receiver (Callister) assured him that it would all work out.

Deputy Attorney General Grenville Pridham then, in two days, filed a complaint that would have enough charges to produce a threat of a long jail term. The State then agreed that Mr. Fullerton, and his assistant (who lived with him), would be arrested. The arrest was to be as rough as possible, with as much mental discomfort as could be brought about. The bail must be high and the charges would scare any of Mr. Fullerton’s friends away from helping. With his assistant in jail, they (the State and the Mars) felt that Mr. Fullerton would, surely now, fold under the pressures. Deputy Attorney General Grenville Pridham said he would need help from Mr. Schell (a Securities specialist), since Deputy Attorney General Grenville Pridham was unsure of the security requirements to go into R.I.C.O.

As Schell said that it would take R.I.C.O. to make it work.

They all felt that Mr. Fullerton would "agree" to a deal that the State was to propose. The State demanded a pleading of guilty and the acceptance of two years in prison (and the assistant would be set free if agreed), Mr. Fullerton was also to agree to forfeit all stock and receive a fine of \$250,000.⁰⁰. They thought such an acceptance

would make the Deputy Attorney General (Grenville Pridham) look good. The State of Nevada would then have a sealed bid for all of the patents.

Note: A copy of [settlement offer number 1](#) and [settlement offer number 2](#), between Deputy Attorney General Grenville Pridham and Mr. Fullerton's criminal attorney, [is also attached under Letters](#).

The Receiver (Callister) agreed to lower the value of the patents, by talking in open court about "NO FOREIGN PATENTS", the "Lack of Enforceability", other inventors claims and so on. The Receiver (Callister) due to his relationship with Judge Stone would convince the court that it was "the only way out". The Judge, on the Receivers (Callister's) advice, will take the deal for the patent and stock, the Reno McVicker investors, with the Receiver (Callister) talking about bankruptcy, also, would lower the stock to pennies on the dollar; leaving the Mars Family and their friends with the whole deal at a Super Bargain.

Mr. Fullerton, alarmed at this information, was interested in talking to the caller again. The caller agreed to consider, and if more information came his way, would make a decision.

Deputy Attorney General, Grenville Pridham, would cause the arrest of Mr. Fullerton and his assistant early on a Friday morning, prior to a long weekend, ensuring a long stay in jail prior to bail. The four arresting officers, all male (even though they knew well that Mr. Fullerton's assistant was a young female) did appear at the Fullerton residence. They arrived very early in the morning, planning to catch the two in bed. When Mr. Fullerton answered the door, the "rough arrest-" began by one officer rotating Mr. Fullerton's handcuffed arms behind Mr. Fullerton's body to a point of tearing a rotor cuff in Mr. Fullerton's right shoulder. Once they had the assistant up and dressed, the group of four officers, two from the Nevada Deputy Attorney General's (Grenville Pridham) office, two from the Reno Police Department, then presented a show while placing the two into the patrol cars.

When the arresting group arrived, that early morning, each had a separate car that they parked a few houses away. Needless to say, two black and white patrol and two black unmarked cars were to make an enhanced and desirably remarkable sight within the normally quiet neighborhood. The parade of Mr. Fullerton, and his assistant, in handcuffs, to the two black and white patrol cars would make a desired commotion with Mr. Fullerton's neighbors; satisfying Mr. Schells' request to "embarrass Mr. Fullerton", and his assistant, who would then face a bail requirement of \$200,000.⁰⁰ each, filling Mr. Schells' requirement of "high bail".

Previously, at a court hearing, Deputy Attorney General Grenville Pridham was observed talking to Mr. Schell. Deputy Attorney General Grenville Pridham was seen holding a two-page computer printout form for Mr. Schell to read. Mr. Schell was heard saying, "This is good,--- this is good---." † "This is real good!"

Later, Mr. Fullerton was given a two-page computer printout sheet that listed his arrest charges.

It had been decided in Virginia that Receiver Callister, addressing the wishes of Virginia Mars, would connect John Schell with Las Vegas attorney Dominic P. Gentile. Mr. Gentile specializes in defending white-collar charges in the Las Vegas area, and as such, was well known to Receiver Callister.

Virginia Mars concern was that lack of experience Deputy Attorney General Grenville Pridham had in security violation prosecutions and since this case was described as "weak" by the civil prosecutor, Phil Burns, all felt that the assistance of Mr. Gentile would provide the needed expertise with the Receiver and Mr. Fullerton's ex-attorney, John Schell, assisting.

The engagement of Mr. Gentile was accomplished on November 13th, 1992, due to Mrs. Mars advancing Mr. Schell \$35,000.⁰⁰ (thirty five thousand dollars) on November 12th, 1992. The same day, Mr. Schell would transfer the funds to Mr. Gentile as per his agreement with Virginia Mars.

Note: A copy of Mr. Schell's ZipNut Inc. bank records; are also displayed in the Affidavit.

Mr. Gentile's first act, after conferring with Mr. Schell for instructions, would conference with Deputy Attorney General Grenville Pridham (November 12th, 1992) to research the "problem" as well as the criminal charges filed by Deputy Attorney General Grenville Pridham. Mr. Gentile would then meet with Deputy Attorney General Grenville Pridham at the Nevada Attorney Generals office (November 13th, 1992) to review the Deputy Attorney General Grenville Pridham's witness list, as well as the original draft of the proposed indictment. Mr. Gentile would then eliminate most of the alternative R.I.C.O. counts... settling on one, or two, small counts.

After many conferences with John Schell and Deputy Attorney General Grenville Pridham, Mr. Gentile would draft new R.I.C.O. counts and appropriate Jury instructions, and then send the new document to Deputy Attorney General Grenville Pridham to substitute as a modification of his (Deputy Attorney General Grenville Pridham's) own.

For all intents, Mr. Gentile would now be the author of the "Fullerton" indictment.

Mr. Gentile would then fly to Reno (November 24th, 1992) to meet with John Schell and the McVicker shareholders to discuss strategy on the oncoming arrest of Mr. Fullerton and his assistant.

Note: Mr. Gentile's billing statements; are also included in the Affidavits.

During Mr. Fullerton's, and his assistants', arrest and stay in jail over the long weekend, Mr. Fullerton was visited by two Nevada Attorney General Investigators. Mr. Fullerton felt relieved, at first, as he felt now he could explain his position to "the misunderstanding" however this was not to be. Mr. Fullerton was taken to an interrogation room at the jail. The larger investigator told Mr. Fullerton that they had his assistant in a cell with a convicted murderess and stated, "you know what happens with pretty girls in a cell with someone like that". Mr. Fullerton asked what he could do. The answer was, "sign over your stock and patents".

Note: Deputy Attorney General Grenville Pridham would later, on January 20th, 1993, makes the same demand to Mr. Fullerton's criminal defense attorney, Mr. Pinkerton: [Demand #1](#) and [Demand #2](#) ; also included under [Letters](#).

When Mr. Fullerton, and his assistant, finally went to a bail reduction hearing, they were both chained, hand and foot, and wearing bright orange overalls. The other prisoners were wondering and worried about these two that were in their midst - why all of the attention, by the burliest of the guards, around them. The bail was reduced to \$100,000.⁰⁰ (one hundred thousand dollars) on Mr. Fullerton and \$75,000.⁰⁰ (seventy five thousand dollars) for his assistant. All of this due to Mr. Fullerton following the advice of several lawyers and security specialists with respect to paying a "finders' fee" to the very person that would then report him after threatening him to give up the stock – or else, with the assistance of the legislature (Senator William Raggio) whom was instrumental in having the law passed. (If you recall) when asked Senator William Raggio gave a "noddled approbation" to the finder's fee payment in question to Mr. McVickers [the very person that would report Mr. Fullerton because Mr. Fullerton would not give in to Mr. McVickers, earlier, stock demand]. Bail would be paid by an old personal friend of Mr. Fullerton's, Mr. Fred Allen and his new friend, Mr. Louie Arreche.

Mr. Fullerton, and his assistant, would go before the court with a motion to dismiss. On April 1993, the judge would throw out 64 "stock fraud" related charges and criticize the Attorney Generals' handling of the case, stating that the consultations between Mr. Gentile and Mr. Schell would inure to the benefit of John Schell. These consultation in the criminal prosecution is an attempt by the State to satisfy civil litigations and to obtain for them by the criminal action in the civil case". This [order would be signed May 3rd, 1993](#).

[Chapter 4: "The Deep Throat Group"](#)

Chapter 4 "The Deep Throat Group"

In early May, Mr. Fullerton was, again, contacted by the "phone caller" who had more information to pass on. The early part of the phone conversation was dedicated to establishing a security system. Mr. Fullerton, remembering his training in intelligence, suggested that it be kept simple and to that he, Mr. Fullerton had obtained the phone numbers of three pay phones at the parking entrance of the Sparks Nugget casino.

Mr. Fullerton's plan was to use the last number of each telephone. The second part of the plan would be for the caller to call the Fullerton house and ask for a person, then ask if "this is...", and the caller would give a number. The last digit in the number would tell Mr. Fullerton which of the three pay phones the caller would call in ten minutes. All parties were worried that, due to the extraordinary effort the State of Nevada was exhibiting in this case, a "taped phone" was not out of the question.

It was decided that if Mr. Fullerton needed to contact the caller, Mr. Fullerton would place a "day glow" sticker, the size of a quarter, on a street light pole at the side walk entrance to the State Capitol Building. This pole was directly across the street from the State Attorney Generals building. Later the plan was modified including other parties; now known as "The Deep Throat Group". If Mr. Fullerton now needed to make contact with Las Vegas, a dot would be placed on the right pole and if Carson City, a dot would be placed on the left pole. This system would be used for several years.

"The Deep Throat Group" would grow to enable Mr. Fullerton access information on virtually all activities against him by the State of Nevada (Deputy Attorney General Grenville Pridham, John Schell, Receiver Callister, Mr. Gentile, and the Mars [of the Mars Candy Corp.] Family).

An example of this would be the time, in distant Virginia at the John Schell ZipNut™ Inc Facility; Mr. Schell had hired a one eyed machinist to operate the new lathe and Mill. While Mr. Schell was at lunch, the machinist ran the cutting tool into the chuck of the lathe damaging the lathe to a point that the lathe was inoperable. The Mill and lathe was originally from the Fullerton Design Facility owned by Mr. Fullerton and confiscated by Mr. Schell during the Receiver's invasion of the Fullerton Design Facility.

Mr. Fullerton knew of the damage to the lathe before Mr. Schell had returned from his lunch.

At the beginning of the "Deep Throat" assistance, Mr. Fullerton would keep written records of each contact however, all became concerned of a "search" by Receiver Callister to the point that even the indication of gender was eliminated from the notation to try to keep the identity of the informers secret.

An example: of the "The Deep Throat Group" assistance to Mr. Fullerton. When the "criminal" trial court granted the writ of habeas corpus, due to the Deputy Attorney General Grenville Pridham's actions, Mr. Fullerton felt that this action was the elimination of the most troubling charges, from Deputy Attorney General Grenville Pridham's actions and accusations, but this was not to be. The State of Nevada then

appealed the dismissal of the State Supreme Court, who would "reinstate" the action against Mr. Fullerton and his assistant. The first news from the "Deep Throat Group" was that the State was excited at the prospect of "having another go at Fullerton"; feeling that the defendants would not have the funding to continue. The State's "prosecution team" was right. The attorney for Mr. Fullerton's assistant was brought back with a loan from the families of the assistant and Mr. Fullerton.

During the first hearing, the assistant's attorney disclosed a strategy of attacking the prosecution and that he had a tactic that he would use - if he were paid a bonus. This could not be done as the defendants had exhausted all funding sources at that time.

Upon notification that the State Supreme Court had overturned the Writ, sending the case back to trial, Mr. Fullerton suffered a stroke. Mr. Fullerton's habit, when under stress, was to drive to Lake Tahoe, Incline Village in particular, to meditate and calm himself. On this trip however, the stress was too much and he suffered a stroke at the top of the summit. Mr. Fullerton was now faced with the dilemma of should he continue on to Incline or go back to Reno. He decided on Reno but then passed out. An off-duty sheriff found him in his car. An Emergency room nurse, heading to work in Reno, would soon join the sheriff. The officer wanted to know where Mr. Fullerton was shot, owing to the large amount of blood on Mr. Fullerton's face. Mr. Fullerton would then be flown from the Mount Rose summit, by "Care Flight" helicopter, to St. Mary's Hospital, in Reno.

In preparing for the second trial, the attorney disclosed the concept of the Deputy Attorney General Grenville Pridham's misconduct with the Grand Jury. This time the attorney would find the court (the same court that was so outraged at the Deputy Attorney General Grenville Pridham's tactics in the prior hearing) was now cool to the defense.

When Mr. Fullerton contacted the "Deep Throat Group" to find an answer to this dramatic change by the court, Mr. Fullerton was told troubling news. The news was that the court was now considering running for a seat on the State of Nevada's Supreme Court and did not want State Senator William Raggio's wrath brought against her. All agreed that Senator William Raggio had now taken a "special" interest in this case well above helping a close friend. Now, it was reported, it was personal. It was also reported that Senator Raggio would not stand for someone of Mr. Fullerton's standing to oppose him and his obvious superiority. Mr. Fullerton, alarmed by the news, questioned the source as to its accuracy. Mr. Fullerton had developed confidence with all of the information given to him by the various members of "Deep Throat Group" and the information had proven to be highly accurate however, this disclosure was particularly disturbing especially in conjunction with the confidence he placed in the court. The source again verified the information as accurate and felt that there would be more forthcoming - soon.

Mr. Fullerton, and his assistant, now went to a settlement hearing. At this hearing would be the assistant's attorney, the public defender (who would represent Mr. Fullerton due to lack of funds) and Deputy Attorney General Grenville Pridham. The court would tell the State to modify their case or they would lose. The court then told

Mr. Fullerton to accept a "nolo-contendere" plea to a gross misdemeanor and Mr. Fullerton, and his assistant, would not have of a threat of a felony conviction.

Mr. Fullerton's concern was that he felt this would be a plea of guilty; and Mr. Fullerton was not guilty, or "found" guilty, of what he was being charged with. (The State needed a guilty plea to escape a "problem" of its indelibly indissoluble actions against the good of public welfare). Mr. Fullerton asked, and was granted, a twenty-four hour stay for him to make up his mind. That evening, Mr. Fullerton made an emergency request to the "Deep Throat group". When they made contact, Mr. Fullerton told them of the day's events in court and Mr. Fullerton was told that Deputy Attorney General Grenville Pridham office was excited; as they felt that they had Fullerton in a box that he could not get out of. When Mr. Fullerton asked why, Mr. Fullerton was told that, due to the court's new interest in the State's position, the State was confident of the courts assistance that would produce the nolo-contendere plea from the defendant; the State would then be able [due to the "close relationship" between the civil court and the Receiver (Callister), Mr. Schell, and the Deputy Attorney General Grenville Pridham's office] to ask for and receive a "Summary Judgment" in the civil trial – due to the defendants "Guilty Plea" in the criminal trial. This would enable the Deputy Attorney General Grenville Pridham' to fulfill the wishes of the Mars Family with the sale of all ZipNut™ material at "Fire Sale" prices.

When Mr. Fullerton appeared before the court, the following day, Mr. Fullerton refused the plea, promoting the court to admonish him with "This is not a TV program" response. It was obvious to all that the court was furious with Mr. Fullerton's decision.

NOTE: The court did run for, and win, the seat on the Nevada Supreme court with little resistance.

The criminal court would now change its position and determined that "this is a strict liability crime that would preclude a defense". The trial that had previously been scheduled for three weeks would last one day.

Note: [Study on legislative intent is located in the Court index.](#)

The jury selection would actually take longer than the trial. The defense would be limited to basically answering, "did you pay this finder's fee" to each "charge". The deliberation was hurried, resulting in convictions of twenty-one (21) counts of "securities violations". The sentencing would include jail time (suspended) and the longest probation in Nevada history for such crime... thirty-five (35) years.

Note: [A comparison study of similar sentences is included as Criminal Enforcement Actions study ; also under the Excerpts Index.](#)

As On queue - The State of Nevada, who in a prior civil action determined that no fraud existed, would now renew charges and summarily convict Mr. Fullerton and his assistant. This would fulfill the "Deep Throat Group" prophecy.

Mr. Schell would travel to Reno, Nevada, to meet with Mr. McVickers' 12-member shareholder group to discuss "the problem" of Mr. Fullerton's control of the company, caused by Mr. Fullerton's majority share ownership. Due to the Mars family's preparation, this "problem" was about to be "fixed".

A problem that confronted Mr. Schell was a small percentage of ZipNut™ Inc. stock, held by the McVickers shareholders, even after "Raiding" Mr. Fullerton's holdings; to bring their shares joined "equitable" number. Receiver Callister would assure Mr. Schell that an "informal" meeting would be used to eliminate the need of contacting the other shareholders (around one hundred) and also permitting the meeting to be kept secret. Receiver Callister would contact Mr. McVickers to enlist his help in contacting his (McVickers) shareholders and setting a convenient location. The Receiver (Callister) was busy due to his having to keep Judge Stone apprised of what was going on.

Judge Stone demanded that he'd be kept in the loop due to his promise to Senator Raggio that he would look after the McVickers investors.

—The "informal" shareholder's meeting was held at the Airport Plaza, next to the Reno airport, located on Plumb Lane. Attending this meeting were the McVickers shareholders, William Grenier, Ray Grenier (an employee of ZipNut™ Inc.), John Schell, Michelle Zimmer-Forestr, (and some unusual guests) Virginia Mars (to show the interest and backing of the Mars family for the next venture), Deputy Attorney General John Cunningham (to show the backing of the Nevada Attorney General's office), and Matthew Callister (representing the receivership and as an officer of the court).

This cadre had one reason for meeting - to eliminate the shares of Mr. Fullerton, his assistant, family, and close friends; knowing that in the process a large number of innocent investors would also lose their investment. Some of these investors, elderly, would have a large portion of their savings invested, due to their friendship with Mr. Fullerton. The purpose of the meeting, as brought out by Mr. Schell, was to indicate to the McVickers' shareholders that they, (John Schell, the State of Nevada, the court, and the Mars family) all agreed that to eliminate Mr. Fullerton from ZipNut™ they would have to place the company into bankruptcy. When Mr. Schell was asked how much the company was in debt, his answer was - that by the time the year period was up the company would be ready and that he and the debenture holders controlled that. Mr. Schell was also asked, if this was workable. Mr. Schell assured them that he had experts in bankruptcy laws advising him. Receiver Callister also confirmed the plan saying, that he specialized in bankruptcy law and knew it would work.

The McVicker's shareholders then agreed to the action. The next day, Receiver Callister and John Schell would conference call Judge Stone with the news, as they were ordered.

NOTE: The Receiver would charge Mr. Fullerton for his time in this exercise.
[The Callister billing of this time charge; is also under Affidavit Section.](#)

Note: [Grenier Affidavit \(96-1064-A\); also under Affidavit Section.](#)

Receiver Callister would later, in open court, [deny any knowledge of ZipNut™ bankruptcy](#); as well as Judge Stone, who would forget the Callister call telling him that his friends, the McVickers investors, were taking care. Mr. Schell and the debenture holders in Virginia would now create a company that was first incorporated in Virginia and called "[ZipNut™](#)" Virginia Inc. [incorporated on May 15th, 1995 - The resident agent, Randall Bowen, the incorporators Donald Bartling, H.S. Hulme Jr., and Melinda S. Mattax (Norton)]. The "ZipNut™ Virginia Inc" name would quickly change to Thread Technology Incorporated (TTI).

Note: [Hulme declaration \(23 Jan 2003\)](#)

ZipNut™ would, on queue through Mr. Schell's dealings, become indebted to Thread Technology Inc.

During the entire period, as well as previously (prior to the "Airport Plaza meeting), the Receiver would turn a blind eye to the financial picture of ZipNut™ Inc.; knowing that ZipNut™ had not only failed to pay any of the court ordered five (5%) percent royalty on product but also the Receiver knew that ZipNuts™ were being produced in large numbers.

NOTE: Not only was this payment (to pay) a court ordered restitution to the McVicker "victims" but, ZipNut™ Inc. had also failed to pay the court ordered consulting payments to Mr. Fullerton, the Receivers' receiver!

All of this while the Receiver had firsthand knowledge of the status of the Corporation as well as Mr. Schell's future plans. ZipNut™ Inc. would file for bankruptcy in 1995; just passed the one-year requirement to eliminate the debenture holders from "insider" status. Mr. Schell would lead ZipNut™ into the bankruptcy while getting no resistance to the debenture holders (his friends) in bankruptcy court. Thread Technology would take control of a bankruptcy court ordered list of assets (by Mr. Schell's creation) that included an "exclusive license" to take the ZipNut™ patent.

Note: Triam Letter [\[16 Nov 1994 \(current state of ZipNut™\)\]](#) and Triam Letter [\[17 Nov 1995 \(possible bankruptcy fraud\)\]](#).

Mr. Fullerton, due to the Receiver's non-interest into bankruptcy, would hire a large Chicago law firm (Kate, Mahin & Cate) to represent him in this action. This firm would come to the attention of Mr. Fullerton through one of his old Sacramento shareholders having a relative, a Mr. Salansky, that was a lawyer for this firm. Mr. Salansky, after being contacted by the relative, said that he would like to meet Mr. Fullerton on his holiday visit to the relative over the Christmas holidays. This was arranged. When Mr. Salansky met Mr. Fullerton, in Reno of Nevada, a day was spent going over the particulars of the case ending with an agreement of representation as well as an estimate of costs to be in the ten thousand dollar to fifteen thousand dollar (\$10,000.⁰⁰ - \$15,000.⁰⁰) range with a request for an advance of five thousand dollars (\$5,000.⁰⁰) that was paid.

Note: K.M.C engagement letter.

(As "KMC" investigated the case, they became myopic about the financial potential of the ZipNut™ product to the point that many "multi-partner" conferences were dedicated to market, and all of the time billing the hours to Mr. Fullerton). The case would be assigned to Judith A. Hogan to prosecute, with Mr. Salansky assisting. Mr. Salansky would, upon hearing from the ZipNut™ counsel, the \$1 billion potential of the ZipNut™ with the Mars family participation, now change strategy with Mr. Fullerton. When Mr. Salansky first came into the case, he was aghast at the Schell, Nevada, and the Mars tactics against his client however, the "Billion dollar" figure created a new picture for him. Mr. Salansky would now strongly advise Mr. Fullerton, his client, to, now, accept the negotiations settlement with the Mars (the cost, at \$400.⁰⁰ per hr. for KMC, would total in the one hundred twenty-five thousand dollar (\$125,000.⁰⁰) to one hundred forty thousand dollar (\$140,000.⁰⁰) range with KMC requiring fifty percent (50%) of the ZipNut™ patents as security. Mr. Fullerton would decline this offer, suggesting that KMC do what they had contracted to do...and at the contracted price.

Note: [Schell Bankruptcy court transcript](#) on one Billion; [is also seen under Court.](#)

Mrs. Hogan, with Mr. Fullerton's assistant in Washington D.C. as a witness, represented Mr. Fullerton at the ZipNut™ bankruptcy trial however, without the "fire of conviction" that she and Mr. Salansky first showed.

At the end of the first hearing, as dates were being set for a second, and final, hearing (some 30 days off), Mrs. Hogan told Judge Mitchell that the appointed date would not work for her as she had a "reunion" on the West Coast that would conflict. Judge Mitchell's answer was, that KMC was a large firm and someone could replace her. This "replacement" did not show and Mr. Fullerton lost his position with respect to the ZipNut™ license.

NOTE: Later KMC would file for bankruptcy and list Mr. Fullerton as a debtor for the amount of one hundred thirty-three thousand two hundred nineteen dollars and five two cents (\$133,219.⁵²).

Mr. Fullerton would contact Mr. Doug Cole, a Virginia attorney that had been assisting Mr. Fullerton on the Virginia action Mr. Schell had filed claiming that Thread Tech actually owned the ZipNut™ patents at the same time he was suing Mr. Fullerton in Nevada and saying he was licensee of the ZipNut™ patents.

NOTE: This was part of the Mars plan of multiple court actions to "whipsaw" and drain Mr. Fullerton of any financial resources.

Mr. Cole assured Mr. Fullerton that he, Mr. Fullerton, would not be standing alone before the bankruptcy court in Chicago, as Mr. Cole had attorney friends in the area and failing that, he would come. At this time Mr. Fullerton's bill to Mr. Cole was high however, Mr. Cole assured his client that he could not let Mr. Schell, and the Mars "checkbook" Mr. Fullerton into oblivion.

Mr. Fullerton would stand alone in Chicago; and understandably lose even with his proper testimony. A judgment was entered for the full amount plus \$150.⁰⁰ attorney fees. Mr. Fullerton would, later, negotiate and pay the five thousand dollars (\$5,000.⁰⁰) that he felt he owed over the original deposit. Malpractice was out due to KMC's bankruptcy.

With respect to Mr. Cole, he first came to the attention of Mr. Fullerton while representing an engineer that was originally with Mr. Fullerton and then moved to Virginia with Mr. Schell. Mr. Schell filed suit against this engineer, claiming among other charges, that the engineer sent evidence to Mr. Fullerton, including bank statements, which Mr. Fullerton would then use in court against Mr. Schell. Mr. Cole would then agree to represent Mr. Fullerton against Mr. Schell; proclaiming a dislike for attorneys that malpractice their clients. Mr. Cole would file a series of defensive actions against Mr. Schell, as well as Hogan and Hartson, patent infringement claims, and "cease and desist" demands. The Virginia court would affirm Thread Technology's right to use the "license", due to the confusing Nevada court order.

At or about this time, the early ZipNut™ investor, Mr. William Grenier (now disillusioned by Mr. Schell) met Mr. Ron Cheney. Mr. Grenier carried a small 1/2 1/2-inch ZipNut™,™; given to him by Mr. Fullerton many years prior. Upon showing the ZipNut™ to Mr. Cheney, Mr. Cheney quickly saw the market potential and wanted to contact the inventor - Mr. Fullerton; explaining to Mr. Grenier that he, Mr. Cheney, represented Mr. Warren Buffett as a finder. Mr. Cheney, when contacted by Mr. Fullerton, would then go on to explain that his family was close to the Buffett family in Omaha Nebraska and that they usually had Thanksgiving dinner at the Buffett house as well as Mr. Cheney looking for "deals" that would interest Mr. Buffett and Hathaway. Mr. Fullerton then read all of the information he could find on Warren Buffett, finding that the names and locations brought out in conversations with Mr. Cheney would coincide with the information Mr. Fullerton would find in his research. Upon hearing the John Schell/ZipNut™ story, Mr. Cheney felt that they had to "clean up" this story prior to approaching Mr. Buffett. To do this, Mr. Cheney began to develop information from John Schell by, posing as a potential investor to Thread Technology, telling Mr. Schell that he, Mr. Cheney, was answering and Internet add for investors.

NOTE: Mr. Schell had eliminated the Mars family by this time and, again, was low on funding.

Mr. Cheney's incriminating evidence against Mr. Schell's actions (regarding ZipNut™, Crescent products, and first Phoenix dealings) included bankruptcy fraud; by finding that Mr. Schell and the Virginia debenture holders basically "laundered" the license through the Virginia bankruptcy court. By now, the Nevada Supreme Court would overturn 17 of the 21 security violations counts against Mr. Fullerton and its assistant; holding only the convictions that Mr. Fullerton actually paid a finder's fee to Mr. McVickers, lowering the criminal restitution to a manageable forty thousand dollars (\$40,000.⁰⁰).

This would create new Nevada Securities Law.

Mr. Cheney, by this time, had acquired many documents from Mr. Schell as well as creating a "like" situation where Mr. Schell was paying a finder's fee in Nevada.

Mr. Cheney first had Mr. Fullerton make contact with Mr. Larry Burton (The individual that paid for the original ZipNut™ Mr. Burton was now living in Carson City Nevada). Mr. Burton would pose as a potential investor who had access to other investor's. Mr. Burton, as reported to Mr. Schell by Mr. Cheney, wanted a finder's fee for this investment. Mr. Schell said "no problem and ordered Mr. Cheney to relay a business plan to Mr. Burton to expedite the potential investment. This was done.

When Receiver Callister and the Nevada Attorney General (Rhonda Clifton) were notified of this activity. There was no interest or action by these officers of the court.

Note: [See Grenier \(01 Sep 1999\) Affidavit](#); talking to John Schell about Schell paying a finders fee to William Grenier.

Mr. Fullerton would now make contact with [Jergens Inc.](#), via the company Web site. Mr. Fullerton had developed the routine of periodically doing this, to be kept abreast of ZipNut™/Thread Tech activities on the market. The West Coast sales manager for Jergens then contacted Mr. Fullerton by telephone to follow this interest. Mr. Fullerton told the Jergens sales manager that he, Mr. Fullerton, was a designer interested in using the ZipNut™ on a project that he was involved in at that time and would [appreciate some brochures on the fastener from the Jergens Corporation](#). The sales manager informed Mr. Fullerton that the president of Jergens, Mr. Schron, had just met with the owner of the ZipNut™, Mr. John Schell, at an equipment show on the West Coast (West-tech?) and the two (Mr. Schell and Mr. Schron) had concluded a sale of the ZipNut™ to Jergens. The Jergens sales manager then went on to say that Jergens would now be changing their catalog and brochures to reflect this new change and the [renaming of their part to "Jergens - Kwik-Thread"](#) however, [that all the dimensions and part numbers would remain when the part was listed as ZipNut™](#).

NOTE: The court ordered "license" prohibits sublicensing and sales. The examples of these two product sheets ([Jergens "Kwik Thread, Superior Products Inc.](#)); [are also included under Exhibits](#).

NOTE: Fastorq Bolting [[puller.htm](#) and [autozip.htm](#)] systems and [Nova machine](#) [ZipNut.htm] products also have an "Exclusive license".

At a later date, Mr. Cheney would contact Mr. Don Mattinger of [Superior Products Inc.](#) Mr. Mattinger informed Mr. Cheney that [Superior Products](#) was in the final stages of completing a purchase of that portion of the ZipNut™ patents that they had been previously licensing from Thread Tech. Both Mr. Mattinger and Mr. Schron knew previously that the patent(s) ownership was in question; as they had talked to Mr. Fullerton about that subject when they were having problems in manufacturing their separate components with little input from Thread Tech or Mr. Schell.

Mr. Mattinger and Mr. Schron would contact Mr. Steve Hinsley, of the Bundy Corp, (a Company that supplies fasteners to the automotive industry) to seek his

assistance in their ZipNut™ manufacturing problems. Mr. Hinsley happened to be a close neighbor to Mr. Bill Grenier, in Sanford (Florida), as well as the plant manager to the Florida Bundy plant.

Mr. Hinsley talked of the ZipNut™ to Mr. Grenier, who told him that he (Mr. Grenier) was involved in the early development of the ZipNut™ and was a friend of the inventor, Mr. Fullerton, and that Mr. Fullerton could possibly assist with the problem.

Mr. Fullerton, when contacted, would fly to Sanford, Florida, to talk with Mr. Hinsley.

When Mr. Fullerton discovered Mr. Schell was sublicensing to both, Superior Products and Jergens Inc., he (Mr. Fullerton) told Mr. Hinsley of the court order "license" restriction of sublicensing as well as the lack of royalty payment from these two parties.

Mr. Fullerton was confident that this sublicensing violation issue would be what he (Mr. Fullerton) needed to have the court rescind the court order. He (Mr. Fullerton) also knew that the court and the State Attorney General would want the payment of what they (the State) felt was owed for restitution. To this end, Mr. Fullerton would talk to Mr. Hinsley about the possibility of interest from Bundy for automotive fasteners. Mr. Hinsley felt that this could be a win-win for both of them (funding for Mr. Fullerton and production for his Florida facility; not to mention a feather in his cap with the Bundy executives). Mr. Hinsley and Mr. Fullerton would come up with three uses that would solve problems with the Bundy automotive customers, Ford, Chevrolet, and Chrysler. One problem area was connecting air-conditioning drier units (which frequently cross threaded during the manufacturing processes), hydraulic brake vacuum units, as well as the brake master cylinders. Testing by Mr. Hinsley would show that the ZipNut™ could not be cross thread - even when trying. Mr. Hinsley connected Mr. Fullerton with Mr. Jim Davis, president of Bundy of North America in Warren Michigan.

Mr. Fullerton felt that these problems with the courts were now solved, as Mr. Davis was interested in talking of a major license for the automotive industry. Mr. Fullerton would advise his attorney, Mr. Sourwine, of these events; feeling that he, Mr. Fullerton, would now be able to recover his ZipNut™. This would not be.

Mr. Sourwine would advise the court, the receiver, as well as the Deputy Attorney General Rhonda Clifton. His "Deep Throat Group" would inform Mr. Fullerton, that receiver Callister immediately contacted Mr. Schell and Mr. Hank Hulme with this news. Mr. Hulme contacted both the Bundy corporate offices as well as Mr. Hinsley talking of filing lawsuits for the vast financial damages that were now occurring due to the Bundy interest.

Note: [Callister billing showing Hinsley Letter \(see the last page of the Callister billing\).](#)

Deputy Attorney General Clifton did her part as well, when contacted. Deputy Attorney General Clifton talked about Mr. Fullerton's "vast record of fraudulent activities

especially when dealing with the elderly" and noting her long personal investigation of this man and that the State had been trying to put him away for years.

The Bundy deal evaporated.

Note: Sourwine Letter Re: Bundy

Note: "Nondisclosure Agreement" signed by Mr. Hinsley for Bundy; is also included in the ZipNut™ Exhibits Index.

Mr. Cheney would now begin to collect incriminating evidence of Mr. Schell's activity with the Receiver (Callister) as well as to the Attorney General (Rhonda Clifton). Mr. Cheney told Mr. Fullerton of his dislike of the business strategies of Mr. Schell and that most people from the area of his "hometown" did things differently, using Mr. Buffett as an example. Mr. Warren Buffett would come in to their conversation many times; from "folksy" little tidbits, to national business proposals or potentials to be completed as soon as "things were cleaned up". By this time, "according to Mr. Cheney", Mr. Buffett was well aware of ZipNut™ and had placed Mr. Cheney in weekly, if not daily, contact with Mr. Buffet's assistant, permitting Mr. Buffett to be kept up to date on progress.

[Chapter 5: "The Sacramento Group"](#)

Chapter 5 "The Sacramento Group"

Mr. Fullerton, through Mr. Bill Grenier, had made contact with a friend of Mr. Grenier; who was living in the Sacramento area. Mr. Fullerton was interested in establishing a Delaware corporation to place the ZipNut™, now that things look as though the court issue was coming to an end.

Mr. Cheney had advise Mr. Fullerton that Mr. Buffett would be more interested if the ZipNut™ patents were placed in corporation enabling Mr. Buffett to purchase a controlling position in that corporation. Mr. Milton Boatwright Sr., as well as his son, Milton Boatwright Jr. ("JR" to his friends) had heard of the ZipNut™ for many years from Mr. Grenier and were interested in investing. Mr. Fullerton, upon the advice of Mr. Grenier, then made contact with the Boatwright's. Since Mr. Fullerton was in receivership, as well as now being a "convicted" felon. Mr. Michael Fullerton now had the position of president of Fullerton Design, due to his knowledge of the various mechanical concepts as well as his knowledge of the BioChip®.

Mr. Robert Fullerton would enter into a loan agreement with the Boatwright's to cover the expense and developing the Delaware corporation as well a Regulation 'D' offering document being, developed by in his Virginia Council, Mr. Doug Cole Esq..

A small group of Boatwright's friends began to have interest in the ZipNut™ project; the new corporation would be named Zip-Tek.

In the initial structuring of Zip-Tek, Mr. Fullerton would plan to have the patents that were now assigned in controlled by Fullerton Design, placed in a trust. Since this trust would control the Zip-Tek Corp., Mr. Fullerton knew, from his previous experience, that investors would go after any large groups of stock; feeling that one large block of stock was intimidating. Due to this, Mr. Fullerton broke the large block of future Zip-Tek stock, to be held by Fullerton Design, into three smaller blocks held by the Trust. The trustee would be Mr. Eugene ("Gene") Anderson.

Mr. Fullerton felt, with Mr. Anderson's business background, the other shareholders also would be comfortable with Mr. Anderson having control vote, as opposed to having Mr. Fullerton, an inventor, having control.

This was all done with the knowledge of the Boatwright investors. They all felt, that when the corporation was up and running, a larger future investor would want "one of their own" in control. Mr. Boatwright had a financial adviser; Mr. Robert Daly, who would supervise this corporate construction. Mr. Daly had the confidence of Mr. Boatwright, as well as a securities license, giving Mr. Fullerton confidence the new corporation would be trouble-free; permitting him, Mr. Fullerton, to be able to finally begin the BioChip®.

Mr. Fullerton would arrange a meeting between Mr. Anderson, Mr. Daly, and Mr. Cheney (Mr. Cheney was monitoring and attending the meeting by telephone), and himself, Mr. Fullerton, to be sure all could work well together. The meeting went well.

Mr. Fullerton began having concerns about Mr. Cheney's actual "connection" to Mr. Buffett; it had been over two years of talking without an actual "Buffett" contact for Mr. Fullerton. Mr. Cheney, for his part, always had a reason and Mr. Fullerton understood, from conversations with his friend (Mr. Anderson) a "normal" businessman's reluctance to enter into such a "can of worms" mess such as was the ZipNut™.

Mr. Cheney would offer a "shortcut" to engage Mr. Buffett; that being to make Mr. Cheney in charge of Zip-Tek to alleviate any concern.

Mr. Fullerton would continue to resist this request.

Mr. Fullerton now felt that the ZipNut™ problem was coming to a conclusion, due to Deputy Attorney General Rhonda Clifton's interest in the payment of restitution.

One problem was the inability of Mr. Fullerton to receive a definite restitution figure from the State. Mr. Fullerton would then contact "Deep Throat" to find an answer to this question, only to be told the Attorney General's office had a "strong request" from Senator Raggio to deny Mr. Fullerton any opportunity to regain his ZipNut™ invention in any fashion. Mr. Fullerton, upon hearing this, decided upon the strategy of having a second party pay the restitution, thus clearing this problem - with the understanding that Mr. Fullerton would not be in a "front" position and as Mr. Fullerton's preference would be on the "creative" leaving the business to those better equipped for that task.

Mr. Fullerton was beginning to have "uneasy" feelings about Mr. Cheney's quest to have control of the Corporation; causing Mr. Fullerton to deny Mr. Cheney's repeated request. Mr. Bill Grenier, upon hearing of Mr. Fullerton's desire to finally create a Corporation in Delaware (and clear the quandary in Nevada), made a connection with Mr. Fullerton and an acquaintance of Mr. Grenier's, a Mr. Warner Willis. Mr. Willis, of Richmond VA, is a business consultant and as such has many contacts that were of interest to Mr. Fullerton.

The first contact between Mr. Willis and Mr. Fullerton was by telephone.

Mr. Willis had seen the ZipNut™ sample, carried by Mr. Grenier, and felt that he could place the faster with one of his many contact. The "quagmire" in Nevada would prove to be a "deal killer"; due to the state of Nevada's caustic description of Mr. Fullerton and "his activities" to anyone doing due diligence. Mr. Willis would try, and fail, to gain entrance to companies, such as Stanley Jore and Tachen, and these companies would show interest, early on, and then cool suddenly. One company that would prove to have more intestinal fortitude would be S.P.S. Mr. Fullerton was excited about [S.P.S.](#), since he (Mr. Fullerton), in doing earlier market studies, felt that this would be his number one target; due to the companies long history and secondly - having been started by an inventor trying to correct problem. Mr. Fullerton (until Mr. Willis came along) would have no access to this "Dream Company".

In initial talks, with Mr. Willis, Mr. Fullerton disclosed that his desire would be a master license to S.P.S. - with Mr. Fullerton consulting. Mr. Willis would nickname this

activity "Skunk Works"; after Lockheed aircraft's similar facility. Mr. Fullerton would now contact his potential investors with the news of a possible relationship with this company (S.P.S.) [something of a combination due diligence/fact-finding survey] and all like the idea.

Mr. Fullerton now would receive news, from Mr. Cheney, of Mr. Shell's business dealings due to Mr. Cheney informing Mr. Schell of possible investment interest from "Warren Buffett".

Note: An [affidavit](#) from Mr. Grenier; is listed also under [Affidavits](#).

Of primary interest to Mr. Fullerton was a copy of "[request for bid](#)" from United Defense. This request for bid was for (a given number of) fasteners; required to hold tank tracks on the vehicles (such as the Bradley fighting vehicle, which is manufactured by the Food machinery and chemical [F.M.C.]). Mr. Fullerton was familiar with F.M.C. and the critical position a fastener played with "track layers". Mr. Fullerton's knowledge about track layers stemmed from his uncle, Frank Holt; who was an engineer at F.M.C. working on fighting vehicles, and Mr. Fullerton's own working knowledge; having developed his own track layers. Mr. Fullerton, some time earlier, had discussed "track layer" concept with the Bundy executives; causing Mr. Fullerton to begin the start up of the track layer nut concept, which is inclusive amongst the differing ZipNut™ iterations.

Mr. Cheney (always speaking to "add to the Buffett presentation" package) then contacted Mr. Charles McCraw at United Defense, Steel Products Division Anniston Alabama. Mr. Cheney would tell Mr. McCraw of Mr. Schell and how Mr. Schell "acquired" the ZipNut™ from his client, and then he, Mr. Cheney, represented the inventor, Mr. Fullerton. Mr. McCraw would then tell Mr. Cheney of United Defense's interest in the ZipNut™ and provide him, Mr. Cheney, with a second larger Request for Bid.

Note: A copy of the [Request for Bid](#) by United Defense: is also listed under [ZipNut Exhibits Index](#).

Mr. Fullerton would then develop an On/Off design for this application. Now Mr. Fullerton had fulfilled all of Mr. Cheney's requirements for his, Mr. Cheney's, contacting Mr. Buffett; however, this was not be the time. Mr. Cheney now felt that the ZipNut™ products must be placed in a corporate structure, to produce some history, and then be presented to Mr. Buffett and that this would boost the price of the shares and Mr. Buffett would, then, purchase. Mr. Fullerton would now agree to Mr. Cheney's request for Mr. Cheney, and Mr. Cheney's lawyer, to contact the Attorney General Rhonda Clifton and Receiver Callister in Nevada with **the intent of establishing a hard figure of restitution and settlement.** Mr. Fullerton was relieved that Mr. Cheney was no longer "pestering" Mr. Fullerton on controlling the Corporation – "Zip-Tek".

Mr. Fullerton's close friend, Eugene Anderson [having met Mr. Daly at that meeting and talked by telephone over speaker during the meeting to Mr. Cheney] had advised Mr. Fullerton to be wary of Mr. Cheney. What Mr. Cheney was doing to John

Schell could easily be done to Mr. Fullerton. Mr. Fullerton, having had similar feeling, agreed.

Mr. Cheney would then have telephone conversations, with both the Attorney General Rhonda Clifton and Receiver Callister, outlining the agenda of the upcoming Nevada settlement meeting. Mr. Cheney, assuring the two (the Attorney General Rhonda Clifton and receiver Callister) that Mr. Fullerton's position in the company would be of a paid consultant, that Fullerton would own no shares. This would be true.

These shares would be placed in a trust, controlled by Mr. Gene Anderson. Mr. Fullerton would arrange and pay for Mr. Cheney's and Mr. Hanson Esq. to fly to Las Vegas for the settlement meeting.

Note: The memo of the meeting, by [Jeff Hanson Esq.](#); is included in the Letters Index.

Mr. Fullerton would be told of how Mr. Cheney controlled and directed the meeting, by Mr. Cheney, but would later hear of a second meeting between Mr. Cheney, Receiver Callister, and the Deputy Attorney General Rhonda Clifton. The Deep Throat group would contact Mr. Fullerton, a few weeks' later, with the news of the second meeting and subsequent activities. Mr. Cheney would approach Receiver Callister and Deputy Attorney General Rhonda Clifton with the statement that he, Mr. Cheney, had to get Mr. Fullerton under control to eliminate him to bring capital into the Corporation. Mr. Cheney then would go on to explain the proposed structure of Zip-Tek, with the Sacramento shareholders, as well as Fullerton and his friends shareholders. Mr. Cheney would then tell of his desire to pay the "poor victims" of Mr. Fullerton's activities. Receiver Callister, after listening to Mr. Cheney's proposal, suggested that Mr. Cheney, on his visit to Reno Nevada, contact Mr. Raggio's law firm (Jones Vargas), that Receiver Callister would make contact and arrange for an attorney to assist Mr. Cheney in his quest for control of Zip-Tek.

Mr. Cheney would then spend one week, in Reno Nevada. Mr. Cheney spent that week talking to the attorney's arranged for the Receiver Callister, Ms. Janet Chubb Esq., and Ms. Amy Tiere. Ms. Amy Tiere would be the actual working attorney, supervised by Ms. Janet Chubb. Mr. Cheney would, later, visit Mr. Fullerton while in Reno - with the understanding between he and Mr. Fullerton that he, Mr. Cheney, would advise Mr. Fullerton on the electrical requirement's of a newly leased building; that Mr. Fullerton was to establish as an R&D prototype facility; or, as Mr. Willis refers, "Skunk Works". Mr. Fullerton, previously to Mr. Cheney's Las Vegas trip, had meetings with the Sacramento investors group with respect to the potential of funding to eliminate the Nevada issue; as well as potential of a relationship with S.P.S. It was decided that Mr. Fullerton would establish an R&D prototype facility and began to bring his equipment to that facility; eliminating downtime when either of the potential sources of finances became available. Mr. Daly, now the leader of the Sacramento investors, would tell Mr. Fullerton of investor interest of their own.

Mr. Daly would have a large contact base; due to his position as an investment counselor at River City bank in Sacramento. Boatwright Jr. also had several parties interested in smaller investments, under the guidance of Mr. Daly. Mr. Fullerton felt relieved that he would have no financial responsibility for this venture, just conceptual requirements of the various ZipNut™ iterations. Mr. Fullerton would now find that his original building, which the Receiver closed at the beginning of the Nevada problem, was now up for lease. Mr. Fullerton was excited; as this building was exactly what he needed (as he had designed it originally, after selecting the two units from the, then, new empty [no internal walls] stripped building). Mr. Fullerton then contacted the company now leasing the unit to check its condition, price, and particulars of a sublease.

When Mr. Fullerton reported back to Mr. Daly, it was decided, at the shareholders meeting, to go ahead with the lease and bring up the operational functioning the Zip-Tek Corporation; which was still in its early state of formation. Mr. Daly and Mr. Cheney felt that Zip-Tek could not, at this time, enter into a lease. Mr. Fullerton's brother, Michael, would then enter into a lease - with the understanding that Zip-Tek would take over; covering any "-Fullerton" expenses as soon as Mr. Cheney finished the regulation "D" offering for the Delaware corporation. Mr. Cheney was now in charge of the Delaware offering; due to his "history with Mr. Buffett". All felt that the offering must confirm to Mr. Buffett's outline; provided by Mr. Cheney.

When Mr. Cheney gave Mr. Fullerton an estimate, of over twenty thousand dollars (\$20,000.⁰⁰) to wire the billing, Mr. Fullerton was confused; as he, Mr. Fullerton, would tentatively be replacing the same type of equipment that was in the same unit prior to Mr. Schell taking the equipment to Virginia.

Mr. Fullerton refused.

Mr. Cheney would then spend the next week in Sacramento, with Mr. Daly. Mr. Fullerton would, later, notice an abrupt change in Mr. Daly attitude. Prior to Mr. Cheney's visit to Sacramento, Mr. Daly (due to his relationship with River Citibank) established the corporate account with that bank as well as the ability use the bank branch conference room for Zip-Tek corporate meetings. Mr. Daly expressed the interest River City bank had in being involved in the banking/investment areas of Zip-Tek and was willing to provide any assistance. Mr. Fullerton, as well as Mr. Daly and Sacramento investors, now felt it was time to add officers to the Zip-Tek company; as well as directors. Due to Mr. Fullerton's "Nevada history", as well as not wanting outsiders know of Mr. Fullerton's involvement, it was decided that, by all, that Mr. Fullerton not be placed as an officer or board member. Mr. Fullerton had the understanding with the group, of Mr. Anderson's being trustee of the Fullerton trust. When Mr. Cheney questioned Mr. Anderson's involvement, as well as a Fullerton's early shareholders, Mr. Fullerton told Mr. Cheney then he felt he owed those that had held stock in the earlier years (Mr. Grenier, Mr. Arreche, etc...).

Mr. Cheney then proposed a plan that he said would eliminate all of them as investors leaving only he (Mr. Cheney) and Mr. Fullerton to deal with Mr. Buffett; as long as he, Mr. Cheney, was in control. Allegedly Mr. Buffett was concerned about Mr.

Fullerton having any control; due to what, Mr. Cheney claimed, Mr. Buffett had read on the Nevada Attorney General's web site.

Mr. Fullerton then refused.

Zip-Tek would then have a shareholders meeting at River City bank, in Elk Grove California, Mr. Daly's branch. Mr. Fullerton would invite Mr. Anderson to this meeting, hoping that he, Mr. Anderson, would agree to be placed on the board. Also at that the meeting would be Mr. Robert Luna and Mr. Michael Singer. Mr. Luna and Mr. Singer were there; at the initiation of Mr. Fullerton from a meeting that took place prior, between the three. Mr. Fullerton learned previously of Mr. Luna's and Mr. Singer's background and expertise in manufacturing and in sales, in areas Mr. Fullerton felt that the company needed the assistance. Mr. Cheney would become aggressive to Mr. Fullerton at the meeting. Mr. Cheney challenged Mr. Daly offering the board members voting on financially supporting Mr. Fullerton until the restitution was resolved and the company could begin production of ZipNut's™.

Mr. Cheney suggested to the board, in the midst of voting of giving a monthly survival wage for Mr. Fullerton that Mr. Fullerton should be under Mr. Cheney's control when there were any meetings with potential customers and that he, Mr. Cheney, should be also funded to chaperon Mr. Fullerton at any potential meetings.

In short, Mr. Cheney wanted to control the invention and the inventor at every level. Mr. Fullerton strongly challenged Mr. Cheney's ploy to divide and conquer the board members and Mr. Cheney verbally retaliated. Mr. Daly became cold and distant. Mr. Anderson, after the meeting, stated that he wanted nothing to do with the board seat, but that he would look after the Fullerton trust and that he had reservations about both Cheney and Daly.

It was decided to have three vice presidents, Mr. Daly in finance, Mr. Luna in manufacturing, and Mr. Singer with sales. This would not set well with Mr. Cheney.

Mr. Fullerton would now find out, through a new Sacramento Deep Throat, of Mr. Cheney now linking up with Mr. Daly, using the old promise of "Warren Buffett". Mr. Fullerton thought of this as déjà vu, remembering John Schell using the potential of the "Mars money" to entice the Reno investors and the state authorities. Now, he felt, Mr. Cheney was doing the same thing.

Note: See [ZipNut™ Iteration](#) list; also included under [ZipNut™ Exhibits Index](#).

Mr. Fullerton, upon hearing this, would go to the Design Facility alone and late at night to ponder this new chain of events. Being at the Design Facility gave Mr. Fullerton a "controlled peace" in a quiet atmosphere where he felt comfortable which would allow his thought processes to ponder decisions on events that he had no control or input to; away from phones and prying questions. Under the immense pressures he would suffer a major heart attack. The attack started with pain in his left arm, as well as a loud blood pulse that he could hear in his head. Knowing that something was drastically wrong, he headed to the back door of the shop to retrieve his cell phone;

located in the car which was parked outside at the rear of the shop. The pounding in his chest became uncontrolled, similar to having an out of balance load in a clothes dryer that was spinning at high spin. Then quiet set in; as he slumped to the cold concrete floor and thought that this was how it would all end.

Mr. Fullerton pondered that his life was at an end; as though his head had been removed from his shoulders with his hands tied behind his back and the futility of not being able to fight for his life, to regain his liberty, nor his property. When Mr. Fullerton awoke he was looking out of a hallway through the entrance windows to observe the darkened sky and the shimmering of the street lights that were just across the street. Mr. Fullerton tried to move however, nothing worked. Everything appeared surrealistic; as though he was watching the passing of events through a video surveillance camera scenario. Mr. Fullerton wondered if he had actually died but was confused as he could see light movement from the cars that would occasionally pass traversing the highway just outside the shop window. Time appeared immeasurably long. It slowly became light, as dawn overcame the darkness, and he found that the numbness in his body tingling was giving him an impression that he could awkwardly begin trying small body movements. With great pain and effort he crawled across the 4,000 square foot shop floor and eventually pulled himself up into "Old Blue"; his one ton truck that he had parked at the back of the shop. Mr. Fullerton had no idea as to how much time had gone by nor had spent on the floor. Mr. Fullerton, however, was cognizant of the fact, no matter of the time, that he required immediate medical attention as he scrunched a moving blanket, from inside the cab of the truck's floor, under his head and began to ponder as to how he was to ask for the help. No one knew where he was, or what was occurring to him at that early hour. The best that Mr. Fullerton felt that he could do was to regain, or to partially gain back as much of, his strength as best as possible prior to attempting to [traverse](#) the distance to his car, parked just outside the rear of the shop, to retrieve the cell phone.

An unknown amount of time slowly passed and later he was able to accomplish the distance to the car. Getting into his car, and retrieving the cell phone, called his brother to take him to Saint Mary's hospital but did not disseminate, in the short plea, as to why. He decided that since he was in the car, he drove home (just a few blocks away) and when Michael arrived at his house, he didn't want to alarm his brother and declined to tell him what the problem was; and just disseminated, in a weakened voice, to take him to the hospital. Mr. Fullerton did not want to start a battery of questions; as he was too scared of what had just taken place and of his inability to "take care of himself".

When Mr. Fullerton arrived at Saint Mary's, he was immediately admitted and directly sent into surgery for a multiple angioplasty operation. Mr. Fullerton had four shunts inserted in the emergency operation. Mr. Fullerton spent the rest of the time intensive care cardio ward unit where his doctor attimately expressed his grave concerns that the pressures the State and his ex-business partners putting on his patient were going to kill the patient; especially when the State previously knew of Mr. Fullerton's health history from earlier that summer. The States only concern was to gain the prize; even if it cost Mr. Fullerton life was inconsequential bonus to their conspired plans.

Mr. Fullerton would now worry about his relationship with the Sacramento investors.

Mr. Daly had, earlier, assured Mr. Fullerton that Zip-Tek had enough in the bank to cover Mr. Fullerton's monthly expenses, mostly charged to his brother Michael's credit cards; due to Mr. Fullerton having a bankruptcy filing earlier in the Nevada issue, were now over burdened, beginning to eliminate Michael Fullerton's once stable and hard earned credit rating.

Mr. Daly and also assured Mr. Fullerton of the availability of funds to cover the restitution requirements. They would now be able to start Zip-Tek properly funded however, now there seems to be resistance in making payments to the credit cards, causing more stress.

Mr. Robert Luna and Mark Singer, showing concerns of Mr. Daly and Mr. Cheney, would now begin to take control of the Zip-Tek Corporation; or so they would tell Mr. Fullerton. Through their activities, letters of manufacturing interest in China and Mexico that would be produced.

Note: See [Breedlove \(2002 Nov 06\) Singer](#) (China) letter and [Conner \(2002 Nov 02\) Singer](#); also under [Letters Index](#).

Mr. Fullerton would now be relieved that the, now forming, Zip-Tek Corporation would have two manufacturing sources.

Mr. Fullerton would inspect the facilities of the China Compart Group, in Chino California; as well as the Fab-Mac Mexico facilities.

The new "Deep Throat" Sacramento member would now introduce himself to Mr. Fullerton. Mr. Fullerton had disclosed the "Deep Throat" connection, in talks to the Sacramento investors; naturally withholding any clue to their identities. The new member would come with alarming news.

Mr. Cheney, as well as Mr. Daly, had linked with Mr. Luna and Mr. Singer, using the "Warren Buffett" potential, appealing to the ego as well as the greed of both newcomers. Mr. Cheney would tell the assembled group of his conversations with receiver Callister and the Callister promoted meetings with the Jones Vargas law firm. When he told of Senator Raggio being the senior partner at Jones Vargas, Mr. Cheney was asked about "conflict". Mr. Cheney answered that, with the assistance of the attorney general, Senator Raggio, as well as the receiver, Callister, where would Fullerton go and who would listen?

They (Mr. Cheney, Mr. Daly, Mr. Luna, and Mr. Singer) then devised the plan to eliminate the Fullerton trust majority ownership of Zip-Tek. Mr. Luna was assigned to create a Fullerton license and consulting agreement that all knew Mr. Fullerton could not, and would not, accept; including such draconian measures as having to create four new patents per year, and the added restriction of the patent filings having first being approved by this board. Mr. Fullerton would, also, be required to work a 40-hour

workweek as well as being available for any outside activities; such as trade shows, and license customer consultations. This "40-hour minimum workweek time" requirement would be open and at the pleasure of the management group and at Mr. Fullerton expense.

This newly formed group then decided to have "a management group award" mutually, in which they granted each other with "employment agreements". All agreed to award each other a like compensation plan with the subject employee abstaining on each of the four votes.

Note: [Luna letter](#) dated November 19th, 2002; also seen under [Letters Index](#).

It is to be noted however that this mutual admiration society was granting itself gross and obviously thoughtless financial benefits, at a time when the corporate account would be less than ten thousand dollars (\$10,000.⁰⁰).

Mr. Cheney would, upon acceptance of his secured corporate position, would now give the good news from the Receiver and the Deputy Attorney General (Rhonda Clifton). Mr. Cheney, with the assistance of receiver Callister, had made contact with John's Schell and Hank Hulme. The reason was, due to Mr. Callister informing Mr. Cheney that he, Mr. Callister, had informed Mr. Schell of Deputy Attorney General Rhonda Clinton's desire of closing the ZipNut™ problem, due to a new attorney general being voted into office at the recent election. Deputy Attorney General Rhonda Clinton, feeling that her new boss would not have the "get Fullerton at any cost" fever; displayed by his predecessor, now wanted the matter settled. Deputy Attorney General Rhonda Clinton assured receiver Callister that she had talked to the Civil Judge about this matter resulting in a decision to settle. When receiver Callister asked Deputy Attorney General Rhonda Clinton how she could be sure of the courts' cooperation, he was told that Deputy Attorney General Rhonda Clifton had a long history with this judge dating back to her days of being a court clerk; prior to joining the attorney general's office.

When Mr. Cheney went on to relay what receiver Callister had placed in motion with Mr. Schell, Mr. Cheney brought out that Mr. Callister had told Mr. Schell that Mr. Schell was going to lose the court ordered license, that he, Mr. Schell would have to take what he could get and go on with his, Mr. Schell's, life. Receiver Callister then conferred with Mr. Cheney on the possibility of Mr. Cheney buying "The Schell position". Mr. Cheney would then begin discussions with potential outside investors to provide bridge loan investments prior to the "Warren Buffett" takeover.

The assembled group was excited with this news and now was only concerned with the threat of Mr. Fullerton to be on the "loose" and able to compete. Mr. Cheney would now give his final piece of "good news". Mr. Cheney had made contact with Alan Virdee (the one-time Fullerton Design engineer that had gone over to John's Schell during John's Schell's takeover). Mr. Cheney, showing a copy of the "Fullerton/Virdee" patent (#5,427,488, issued June 27th, 1995) felt that they did not have to have an expensive patent attorney option, and that it was his, Mr. Cheney's, opinion (and those collected) that "obviously" the patent was for the ZipNut™ and as such, Mr. Virdee ("as

co-inventor") could license Zip-Tek the use of this patent; eliminating the need of Mr. Fullerton. Also Mr. Cheney, and Mr. Daly, had copies of various ZipNut™ iterations, by Mr. Fullerton, that were (when funding permitted) to be patented and (prior to the Cheney "Schell" maneuver) expected to be assigned to Zip-Tek by Fullerton. Mr. Cheney told the group of Mr. Virdee's acceptance of a position as consultant to the company and Mr. Virdee's first requirement would be to begin familiarizing himself with the various iterations; which theoretically was to enable him to file, in his name, patents that would be assigned to the company.

Note: [See ZipNut™ Iterations Page.](#)

Mr. Fullerton, upon hearing this, would suffer his second heart attack. As was Mr. Fullerton's usual custom, when faced with insurmountable problems requiring contemplation, Mr. Fullerton drove to Incline Village to meditate and calm down however, he would not complete this particular trip. Again Mr. Fullerton felt the terrifying "out of balance dryer" thumping deep within his chest as he crested the Mount Rose summit. Fearing a repeat of his recent "shop experience", he immediately turned his car around at the mountain summit; ironically at the same location of his long ago stroke. Mr. Fullerton parked the car to decide if it was safe to drive, feeling a short rest would answer the question. Mr. Fullerton's first thought was to call 911 on his cell phone however, felt this would possibly do more harm than good since he knew that Greg McVickers had amazing powers within the Fire Department. Mr. McVickers had previously warned Mr. Fullerton early in his confrontations with Mr. Fullerton that if Mr. Fullerton ever needed the Reno Fire Department, that they would show up to pour gas on the "fire" and then watch. Also, Mr. Fullerton knew that Greg McVickers mother-in-law now worked as a 911 dispatcher, and as such, would just cause problems (possibly similarly to the incidence when a patrol car had stopped while Mr. Fullerton was walking his dog on the street where Mr. Fullerton lived). This incident, Mr. Fullerton recalled, was when a patrol officer would demand Mr. Fullerton, over the patrol cars loud speaker, to stop and place his hands on the front fender of the patrol car and then demanded, over the loudspeaker to be heard throughout the neighbor hood) to know, in a demanding controlling tone, if Mr. Fullerton had any weapons. When the patrol woman (previously the bailiff for Judge Stone, and knew well of Mr. Fullerton; from the many court appearances) got out of the patrol car, and went into a well practiced "gun slingers stance" with her hand on the weapon ordering that "if Mr. Fullerton's dog were to even look in her direction that she would shoot it". (This event occurred at 9:00 AM only four houses away from Mr. Fullerton's house; giving Mr. Fullerton the impression that the incident was well designed to give his neighbors something to discuss over their lunch). Mr. Fullerton remembering the "first arrest and rough treatment" would reflect back, longingly, to his teen years (at the South Shore of Lake Tahoe) where it was not unusual to see a California Highway patrolman, in full uniform, assisting Mr. Fullerton in adjusting the six carburetors on the manifold he had just made for the Cadillac engine installed in the little Ford coupe, and of the embarrassing times he was "pushed" home by the CHP, or the local Sheriff's, cruiser during one of his vehicle breakdown's. That, now, seemed as another life; long ago and very distant. Mr. Fullerton decided, then, to drive to the hospital (some thirty miles away); feeling that, as a last resort, he could use his cell phone. The trip, with many stops to rest and reorient, would take over three hours to

accomplish. By the time Mr. Fullerton reached the Hospital parking lot, Mr. Fullerton had used every reserve of his strength; a monumental challenge - as he would not want to be embarrassed by parking crooked in the parking lot. When Mr. Fullerton tried to leave the car, he found tat he had "over taxed" his strength reserves which left him unable to move his body. Mr. Fullerton would then resort to 911, telling the operator that he was in the hospital parking lot and was unable to travel any further. The emergency operator would then notify the emergency staff who in turn notified hospital security. The hospital security asked the operator to ask Mr. Fullerton to use his flashers to pinpoint his location. Using the security cameras trained on the parking lot, they found him; permitting him to "let go and sleep".

On February 6th, 2003, a hearing for rescinding the court ordered license from John Schell was to be heard. Mr. Fullerton, knowing what was in store (due to "Deep Throat group") convinced his assistant to not come to the hearing, he would be there to represent them. Mr. Sourwine would be under the belief that the hearing would be for the subject stated on the notice. He did not know of the activities of Deputy Attorney General Rhonda Clifton. At the hearing, it was a continuation of the negotiations ongoing between Sacramento and Mr. Schell and Hank Hulme.

NOTE: See State License [Termination Request](#) (10 Jan 2003); also under [Court Index](#).

NOTE: [Sourwine letter](#); RE: Termination of License hearing; also under [Letter Index](#).

Prior to the hearing of February 6th, 2003 (scheduled to answer the State's request for termination of the "exclusive license"), Zip-Tek responded with an answer.

NOTE: This document will list [Amy N. Tierre Esq.](#) of Jones Vargas (a member of Mr. William Raggio's firm); also see in [Court Index](#).

At the time this response was written, Zip-Tek and ZipNut™ Inc. had not joined forces; as will be evidenced by the content.

ZipNut™ Technology LLC (John Schell's company) will answer with interesting points. The document, as well as the adjoining "[Hulme Declaration](#)" will talk of their being "victims" and investing large sums of money that would be now at risk; creating the illusion that they were unaware of their "risky position".

This "unknown position" is not so; as confirmed by [the Miles & Stockbridge letter of May 4th 1995 by David Kennedy Esq.](#), informing Mr. Hulme of his "position" with respect to the "ZipNut™ License".

NOTE: [Hank Hulme Declaration](#) (23 Jan 2003); also under; also under [Declarations](#).

NOTE: [Kennedy Letter](#); also under [Letters Index](#).

Also the debenture holders, previously enjoyed at the Bankruptcy tactic of MARS, Schell, and the State of Nevada"; engineered by Mr. Schell, and Mr. Manson (who would be disbarred and jailed for financial irregularities with clients funds) now find themselves on the receiving end of a "Schell Bankruptcy strategy" and they don't like the feeling of hopelessness.

Mrs. Mars, and the "more preferred" debenture holders, will ignore the plight of the "less fortunate" debenture holders, only to be eliminated in their time.

—When this group of "more preferred" threaten suit, they are reminded by Schell, an attorney, of their exposure to Fullerton for their activities being "Deep Pockets"; the MARS group meekly goes away.

NOTE: Triam letters: [November 16th, 1995](#) and [November 17th, 1995](#); are also listed under [Letters Index](#).

Prior to this disclosure Amy Tierre Esq. would request and be granted a position of "being a party in interest for the Sacramento group".

The court would then have the Sacramento and Schell group retire to final "negotiation".

Mr. Fullerton, upon being notified of the new legal representation of Schell/Hulme, notified Mr. Sourwine that the firm representing his two opponents had a senior partner, Kelly Watson, who represented Mr. Fullerton in the closure of the Utah Corporation. It would be decided that since this was a hearing to "rescind the Schell license" not to delay things. Mr. Fullerton had unique experience of every attorney at both tables, other than Deputy Attorney General Rhonda Clifton, having, at onetime, representing him personally, only in Nevada.

At a recess of the hearing, Receiver Callister would reveal, when asked by Mr. Sourwine, of the location of the items held in trust by him, Receiver Callister (Items that were not ZipNut™ related) and the Receiver Callister stated that these items had been disposed of – either by transfer to Schell, or other unknown methods. And then further stated, perhaps by Detective Lee Web. This statement thus eliminated some thirty-five, to forty years, of labor by Mr. Fullerton.

NOTE: A list of these items is shown in the Exhibits.

Mr. Fullerton, after this court date, would ask "Deep Throat" of this Callister/Cheney association. An interesting, possibly humorous, answer came forth. Receiver Callister did contact Mr. Schell with the possibility of losing "the license" and Receiver Callister would have a suggestion that would delight Mr. Schell. Receiver Callister would notify Mr. Cheney of a plan to buy the "rights" from Schell, adding to his advice that a good deal could be made by "paying on time", not requiring a lot of "up Front". Also Receiver Callister could get Deputy Attorney General Rhonda Clifton to agree to payments. The price for the "Schell License" would be three hundred thousand

dollars (\$300,000.⁰⁰) with sixty thousand (\$60,000.⁰⁰) down, and monthly payments of ten thousand (\$10,000.⁰⁰) per month – until paid.

The price for the restitution would be the same with the same payment scheme. They opinioned Mr. Cheney would feel that, with his superior abilities, he could put this deal together after he had the Schell buy-out signed, as well as the court order.

Receiver Callister and Schell did not agree with Mr. Cheney's abilities but, they both felt this would eliminate the Court and State involvement, that due to Receiver Callister's knowing that Zip-Tek spending funds rapidly to eliminate Fullerton, would not be able to continue making monthly payments. This would give John Schell and Hank Hulme the opportunity to foreclose on Zip-Tek, giving them a Court laundered, free and clear ZipNut™ to do with as they wished.

Receiver Callister felt that the State of Nevada and the McVicker investors deserved not receiving "payment in full" that they had the Supreme Court ordered forty thousand dollars (\$40,000.⁰⁰) as well as the Zip-Tek down payment and they, the McVicker investors, ought to be satisfied.

Receiver Callister didn't feel that there would be any opportunity to develop any more "Billing hours" and wanted out.

Chapter 6: "Warner Willis"

Chapter 6: "Warner Willis"

Mr. Warner Willis's "Deal"

Mr. Warner Willis was introduced to the ZipNut™ by Mr. William (Bill) Grenier while Mr. Willis was having a product demonstration at a Home Depot where Bill Grenier worked.

Mr. Grenier, while on a work break after demonstration, showed Mr. Willis a sample of the ZipNut™. Mr. Grenier had been carrying this sample of the ZipNut™ for many years. Mr. Willis would then send a [memo, dated March 21st, 2001](#), to Mr. Grenier outlining his interest in the ZipNut™ and his qualifications. Then Mr. Willis would contact Mr. Fullerton regarding the ZipNut™ on April 2nd, 2001. Mr. Willis would quickly seek an agreement for compensation for his acting as an agent for the ZipNut™, on behalf of Mr. Fullerton.

Mr. Willis would begin to make new contacts within his area of business potentials [[Willis 4](#)] as well as an agreement for representation, dated June 18th, 2001. Mr. Willis then received the first group of ZipNut™ samples, sent to him by Ron Cheney on behalf of Mr. Fullerton [[Willis 6](#)]. Mr. Willis would then make contact with the company that, prior to Mr. Willis's involvement, Mr. Fullerton listed as number 1 on his list of most decided to license the entire ZipNut™ concept to. Mr. Willis would tell Mr. Fullerton of his long relationship with individuals at S.P.S. [[Willis 7](#)] [[Willis 8](#)] [[Willis 9](#)].

— Then, due to the S.P.S. interest, Mr., Willis decided that a "re-negotiation" was due, since the S.P.S. "DEAL" was emanate. [[Willis 10](#)] [[Willis 11](#)] [[Willis 12](#)]

[Chapter 7: "Epilog"](#)

Chapter 7: "Epilog"

Epilog... The ZipNut™ Virus

Today, the seventh of March 2003, will finish this story; after three weeks of painful reflection time.

—Prior to taking up this pen, as is my custom, I spent some time at the computer scanning the New York Times. An interesting [book report, by Ian Foster](#), titled "harnessing atoms to create super-fast computers" caught my eye. This review would lead me to believe that the BioChip™,® still, has many years before the industry catches up; they still seem to be playing in the second dimension, whereas the BioChip™,® has left the third and is about to enter the fourth.

Note: [A copy of the review](#) can be seen in the exhibits.

What you just read in this website is like the proverbial iceberg; it is only about ten percent (10%) of what is there. Time, and this web site, would only take so much; something like trying to cram 10 pounds of words into a five pounds site.

With respect to the ZipNut™ saga: on March 13th, 2003, I was ordered to appear before the court "for the final punishment"; the completion of the taking of my property.

In a normal situation (normal or standardized court proceedings in accordance with time honored standardized regulations and procedures) there would be an advertised bidding to produce the maximum recovery however, this will not be the case here; this will be a "sole source procurement".

As has been the history of this case, a "Deal" has already been made behind closed doors; and excluding my legal counsel. The ZipNut™ will be sold on the "time payment plan", excluding any (normal proceeding) offer that would have been made on my behalf.

The Court will overlook the continuing violation of the "court-ordered license" clause of payment of 5 percent (5%) royalty as well as the sublicense restriction; totally ignoring the evidence of submarket rights and sales as presented to and with Jergens and Superior Products.

NOTE: Jergens Re-naming of the [ZipNut™](#), the [Kwik-Nut](#), and another Jergens page as [comparison link](#).

This "oversight" will permit John Shell Esq., and Hank Hume Esq., to "sell" their "rights" with the blessing of the receiver (Callister) as well as the State.

John Schell and Hank Hume will again be permitted to shed their corporate skin (bankruptcy of TTI) like a snake (my apologies to the snake geniis family), again eliminating investor input [(some four million dollars (\$4,000,000.⁰⁰)] at this time)] for their third bite of the bankruptcy Apple. All of this well-known by, and with the blessing of receiver Callister as well as Attorney General Rhonda Clifton; both officers of the Nevada Court.

The Nevada investors will have to hope for their full restitution; unlike Mr. John Schell Esq. and Mr. Hank Hume Esq. – who both would be paid handsomely (to the extreme) for their efforts.

This last week I have been presented with the options of this final action: Agree to "non-compete" with the potential new ZipNut™ owner, Zip-Tek (which is now being called Flexible Thread Incorporated), as well as an offer from an outside group that will be willing to step in and takeover - with the understanding that I would be "employed" by them (owning none of the ZipNut™ nor royalty potential).

This employment offer would be "at their pleasure", after their request that I sign over **any and all rights** to future ZipNut™ iterations that I may develop.

NOTE: [See Tierre "global settlement" in Exhibits.](#)

The "alternative", or second, offer is from a friendly source; having contact with S.P.S. (a company I have long wished to do the business with as licensor).

S.P.S. (an old conservative company) has concerns of becoming involved with a convicted felon. This I can understand. And the employment offered, if continuous, would permit me to pay the credit card bills of my associate and brother; promised but not complied with by Zip-Tek.

As the reader knows, by now, the ZipNut™ was to finance the BioChip®; and not pay credit card expenses.

Now that I have been notified, by Receiver Callister, of the destruction or "loss" of all the BioChip® data (stipulated to Mr. Fullerton's lawyer, Mr. Sourwine, while Receiver Callister was leaving the court room session, and still in the court building) as well as my mechanical devices (such is the wheelchair transmission), paying off a few credit card debts would be the final, and possible fatal, blow to the BioChip® dream.

Talking to my associate and brother provided the impetus to talk to other close friends from the aerospace industry and NASA.

The plan is, now, to keep the BioChip® dream alive by taking whatever hit the court subjects me to, developing the new iterations of the "the nut" (since the court will take the name ZipNut™ - perhaps I will have to borrow a page of Amos's (Famous Amos - the cookie man) idea and call it "the no-name nut").

NASA and aerospace engineers will secure manufacturing sources for the fasteners they are already interested in. And since no one knows, better than I, the weak or prohibitive areas of the ZipNut™ (primarily manufacturing cost), I will concentrate in these areas to attack the ZipNut™.

This time there will be no investors, just "handshakes" and favors. This is more like the performance car trading; that, I'm used to.

Since the State, primarily Deputy Attorney General Rhonda Clifton (in her promise to the Attorney General Frankie Sue Del Papa) will see to it that I will not be permitted to move back to Incline Village; either as a homeowner or as a renter, I will have to figure a way around that.

I will move back to Incline.

With respect to "THE ENDS JUSTIFIES THE MEANS", were Themes (the goddess of Justice) to place in her scales THE CRIMES INVOLVED WITH THIS STORY - the following would be illustrated:

- A. In the Defendants Scale Dish:
A violation of a Regulation; due to MIS-INFORMATION.
- B. In the Prosecution Scale Dish:
"ALL UNDER THE COLOR OF LAW".

1. **—CONSPIRACY:**

The Virginia, Nevada, and Sacramento groups combined to conspire to take control of Robert Fullerton's various ZipNut™ patents and the ZipNut™ invention.

2. **—ANTICIPATORY BREACH OF AGREEMENT:**

The combined group knew in advance that the agreement known as "Reorganization Agreement" that produced the "Offer for Exchange and Sale of Shares", dated November 15, 1991, co-drafted by John Schell Esq. and Matthew Callister Esq., for the sole intent to deprive Robert Fullerton of control, and later, ownership of the ZipNut™ patents.

3. **—MISAPPROPRIATION OF AN INVENTION:**

The combined group, through misrepresentation, fraud, and deceit did cause the misappropriation of the ZipNut™ invention.

NOTE: This law goes farther back than the patent law to the time of common law England which historically recognized and protected a persons property right to his invention and by this, the fruits of his labor.

4. **—BREACH OF CONTRACT:**

The Virginia group did fail to perform on any or all of the terms of the agreements that led to the "Offer for Exchange and Sale of Shares" these terms being both oral and written while being ZipNut™ Inc.

5. **—FRAUD, DECEIT AND MISREPRESENTATION:**

The combined group deliberately performed to deprive ownership of patents by inducing Mr. Fullerton by misrepresentation, coercion, and duress by threat, to part with something of great value.

6. **—LIBEL AND SLANDER:**

The combined group libeled Robert Fullerton in various documents, legal actions and publications, where they alleged many serious crimes among which were to include

theft, fraud, perjury, racketeering and others through the publishing of various legal documents, interviews and discussions.

The combined group slandered Mr. Fullerton by defaming him verbally in the presence of others causing harm to his good reputation; which is essential to his making a living.

7. **—CONVERSION:**

The combined group wrongfully appropriated, to their own use, the ZipNut™ patents without any of the agreed payments causing Mr. Fullerton financial harm. The Virginia group also caused to be filed in the name of Eric Cabahug; ZipNut™ patents number 5,788,443 - 5,613,816 and 5,800,108, anticipating that this would circumvent the royalty agreement with Mr. Fullerton.

The original concept designs for the above three patents were included in the "Inventor Notebooks" created by Mr. Fullerton and taken and controlled by Mr. Schell at the time Mr. Schell "took over the ZipNut™ business".

NOTE: The evening prior to Mr. Schell's take over; the Fullerton Design offices were illegally entered, a locked file cabinet broken into.

Mr. Schell knew of the above concepts as he had advised Mr. Fullerton that, at the time, the company did not have the funding to seek patent registration on these concepts.

Mr. Schell also knew, looking at the Inventor Notebooks, that other of Mr. Fullerton's concepts some patented and others not related to the ZipNut™ concept, were included, as Mr. Fullerton had been keeping these logs for some twenty-five years.

8. **—MISUSE OF LEGAL PROCESS:**

The combined group, starting with the Nevada group and then later the Virginia group, by using malicious prosecution, abused the civil rights of Mr. Fullerton.

This was not a onetime occasion. They continue, to this day, to file various actions to cloud the ownership of the ZipNut™ invention by filing, in many cases, actions without probable cause.

The State of Nevada began this process by not following their own security laws directions 90.630 that advise the procedure of notifying prior to the draconian measures exhibited here.

Later, when the Nevada group associated with Mr. Schell (Mr. Fullerton's attorney) combined forces to coerce or force Mr. Fullerton into agreements they had no intent in honoring. After that, the combined group added criminal charges to further force and intimidate Mr. Fullerton into relinquishing his civil rights.

Finally, armed with confusing court orders, Mr. Schell and Virginia group were able to confuse a Virginia court as to the existence of a "license" between Mr. Fullerton and Mr. Schell's group.

9. **—MALICIOUS ABUSE OF PROCESS:**

The combined groups did misuse the legal process to harass Mr. Fullerton to simply force him to give up his ownership to let them (the combined group) to possess

and control his property using valid legal proceedings for an invalid purpose. Also to use a criminal action to collect a civil debt.

10. —INTERFERENCE WITH A PERSON BY ASSAULT:

The Nevada group used the Washoe County Sheriff to cause jury and threats that Mr. Fullerton believed would be carried out if he did not sign over the ownership of the ZipNut™ patents and stock in the companies controlled by Mr. Fullerton.

Examples: The Nevada group knew the morning of the arrests of Mr. Fullerton and his cohabitant Ms. Corinne Bennett, that they would in fact be arresting a female but the arresting group of four (4) officers for all male even with the time of the arrests being early morning when many still in bed. (Ms. Bennett was) The arresting group consisted of two State of Nevada officials and two City of Reno uniformed officers. One large State of Nevada officer took charge of Mr. Fullerton [Mr. Fullerton is only 5' 6"]. The State officer placed Mr. Fullerton head against the wall, controlling the movement of his head by holding the skull and hair in the occipital region with his extended hand. The State officer could then roll Mr. Fullerton's face against the rough surface of the wall while placing massive pressure against the head causing considerable pain to Mr. Fullerton as his face was forcibly rotated against the wall. The State officer then, after placing handcuffs on Mr. Fullerton's wrists, tightened one that Mr. Fullerton complained was causing pain as it was on a wrist that had been recently operated on (the operations scars were plainly visible on both the inner and outer surface of the wrist). The State Officer then ordered Mr. Fullerton then to sit on an ottoman, while with one hand holding the handcuffs behind Mr. Fullerton's back and the other hand forcing Mr. Fullerton to sit by applying downward pressure to Mr. Fullerton's right shoulder. As Mr. Fullerton sat, his arms were raised behind; the officer did not lower his hand holding the handcuffs securing Mr. Fullerton's hands behind his back. These combined actions caused Mr. Fullerton's right shoulder, the one beneath the officer's right hand to separate at the right rotator cuff causing Mr. Fullerton pain. To this day Mr. Fullerton's right shoulder causes problems.

11. —INTERFERENCE WITH PEACE OF MIND:

The combined group intentionally inflicted mental suffering on Mr. Fullerton maliciously with the threat of his freedom and the loss of all he had worked for his whole life.

12. —INTERFERENCE WITH FREEDOM OF MOVEMENT:

The combined group, by using the Attorney General State of Nevada as enforcer, told Mr. Fullerton that he would be jailed for over 100 years if he did not sign over his patents and stock in the companies he owned controlling the ZipNut™.

The Deputy Attorney General, Grenville Pridham Esq., then gave a written offer to Mr. Fullerton's attorney stating that if he signed the documents he would only "do eight years" and then be a convicted felon.

13. —INTERFERENCE WITH PRIVACY:

The combined group and their enforcers, used the fear of apprehension due of the group intentionally inflicting mental suffering on Mr. Fullerton, causing extreme

emotional anguish suffered due to the groups lies and tactics that are particularly outrageous.

14. **—INTERFERENCE WITH A REPUTATION:**

The combined groups and their enforcers made statements in the presence of others, and published, unwarranted, untruthful attacks on Mr. Fullerton's character.

15. **INTENTIONAL INTERFERENCE WITH PROPERTY RIGHTS:**

The combined group intentionally interrupted and interfered with Mr. Fullerton's property rights by clouding the titles to various ZipNut™ patents.

16. **—INTERFERENCE WITH CONTRACTUAL AND BUSINESS RELATIONSHIPS:**

The combined group by challenging the invention authenticity was with malice and ill will (Liable and Slander) designed to ruin Mr. Fullerton's reputation as an inventor, a designer, and entrepreneur.

17. **—DUE PROCESS:**

The combined group conspired to take control of the ZipNut™ patents by using the Nevada courts, and later, the Virginia court to gain the "court ordered" control of the ZipNut™ patents by misinformation, perjury, fraud, and deceit.

18. **—PERJURY:**

The combined group, first by the Nevada group, committed perjury before the grand jury, suborning perjury before the grand jury, and then later the combined group giving perjured statements, documents, and court testimony, and statements knowing that these were either false or misleading.

19. **—OBTAINING PROPERTY BY FALSE PRETENSE:**

The combined group, along with their enforcers gave false and misleading statements under oath to induce others to force or induce Mr. Fullerton to transfer his portion of control of the ZipNut™ invention to the group.

20. **—LEGAL MALPRACTICE:**

Mr. John Schell Esq. failed to exercise the legal standard in his responsibility to Mr. Fullerton as his client. Mr. Garrett Sutton Esq. also failed to exercise the legal standard in his responsibility to Mr. Fullerton as his client. Mr. Matthew Callister Esq. failed to exercise the special legal standard in his responsibility to Mr. Fullerton when as his court ordered receiver, Mr. Callister joined forces with Mr. Schell to take over the ZIPNUT™ paid patents.

21. **—BANKRUPTCY FRAUD:**

The combined group, along with the District Court Judge, Hon. James Stone, committed bankruptcy fraud when they conspired to take control of the ZipNut™ patents and company by conspiring to use the United States Federal Bank bankruptcy code to wrest control of the ZipNut™ patents.

This conspiracy began when Mr. Callister's office contacted Greg McVickers to set the time for a meeting in Reno Nevada. (Call made September 23, 1994).

The reason for the meeting was for Mr. Schell to convince the McVickers investors that the plan to take the ZipNut™ company into bankruptcy without harm to their investment in the ZipNut™.

The meeting was held September 27, 1994 at the Airport Plaza Hotel, Reno Nevada. Attending the meeting where the McVickers investors, John Schell Esq., Matthew Callister Esq., Virginia Mars representing the Mars family, Michelle Zimmer Forestr representing the ZipNut™ and the debenture holders in Virginia, John Cunningham Esq. representing the Attorney General State of Nevada, William Grenier, Ray Grenier as an employee of ZipNut™.

Mr. William Grenier and Mr. Ray Grenier have both given sworn affidavits and statements that they and those attending the meeting were told by John Schell Esq. that the purpose of the meeting was,

(1.) To explain that the only way to eliminate Mr. Fullerton's control of ownership of the ZipNut™ company and the ZipNut™ patents was to take the ZipNut™ company into chapter 7 bankruptcy eliminating the company and Mr. Fullerton's control stock in that company,

(2.) The reason for Mrs. Mars and John Cunningham Esq. attending the meeting was to convey consent and approval of this action by the State of Nevada and the Mars family along with the Virginia debenture holders.

They were also told by Mr. Schell that this was possible due to Court Judge (Honorable James Stone) giving Mr. Schell the approval to pledge the "Court Order" to the debenture holders to have a "friendly group" to become indebted to.

Once the assembled McVickers shareholders were satisfied, John Schell and Matthew Callister had a conference call with James Stone to satisfy his concerns that "the McVickers investors would be taking care" of with the ZipNut™ bankruptcy. (October 4, 1994).

NOTE: This is confirmed by the [Callister billing](#).

22. —EXTORTION:

State of Nevada and M. Callister did take, or withhold, action as an official and caused an official to take or withhold action; bring about or continue action or other collective unofficial action for the benefit of the group in whose interest the actor purports to act; also to testify and provide information or withhold information or testimony with respect to Mr. Fullerton's legal claim or defense; they did inflict other harm which would not benefit the actor.

23. —LARCENY:

The group did feloniously take Mr. Fullerton's personal property with intent to covert it, and did covert it, to deprive Mr. Fullerton of the fruits of his labor.

—LARCENY BY BAILEE:

Matthew Callister, acting as bailee, converted the ZipNut™ patents to the use of the group.

—**LARCENY BY FRAUD AND DECEPTION:**

The group did purposely obtain property of Mr. Fullerton by deception, by creating or reinforcing a false impression, including false impression by law, value, intention and state of mind.

—**DECEPTION:**

As to Mr. Fullerton's intentions from the act alone, preventing Mr. Fullerton from acquiring information which would affect his and the courts judgment of the transactions involved.

They also failed to correct many false impression which the deceiver (the group) previously created or reinforced, or which the deceiver (the group) knew to be influencing another to whom he stands in a fiduciary or confidential relationship.

The group also manufactured a legal impediment to prevent Mr. Fullerton from the enjoyment of his property knowing the impediment to not be valid.

24. EQUAL PROTECTION CLAUSE OF THE 14TH AMENDMENT OF THE UNITED STATES CONSTITUTION:

Mr. Fullerton as a "class of one" was entitled to equal protection of the law (EQUAL TREATMENT).

The 14th amendment of the U.S. Constitution is intended to protect individuals against intentional and arbitrary discrimination whether by statute or by improper execution of the laws by duly constituted government officials (2000 U.S. Supreme Court decision in *Village of Willowbrook vs. Olech* 12 SCT 1073).

(1.) The group, using the Nevada Attorney General, took the rights of Mr. Fullerton to enjoy the fruits of his labor to pursue his business practice by changing his control shares of ZipNut™ Inc. to limited voting shares of the stock "until the business of ZipNut™ Inc. was up and running well" (See Nevada Supreme Court Ruling).—

(2.)

(a.) The group and the Nevada Attorney General requested, and the District Court of Washoe County Judge sentenced Mr. Fullerton and Ms. Bennett to (1.) a jail term of fourteen years even though the securities statute 90.650 forbids a jail term under these circumstances.

(b.) The same District Court of Washoe County Judge sentenced Mr. Fullerton and Ms. Bennett to a term of (35) thirty-five years probation, far exceeding any other security conviction in the State of Nevada.

(NOTE: This Judge also made an offer to drop the excessive probation term **if** the two defendants paid the court ordered restitution.)

The State Supreme Court then handed a decision that stated that all four charges would be thrown out for lack of evidence reducing the restitution from \$130,500 to \$40,000.

The State Attorney General still demands \$288,000.⁰⁰, \$50,000.⁰⁰ to a Nevada Citizen that did not even invest in the ZipNut™ Inc. Company.

25. EQUAL PROTECTION CLAUSE OF THE 14TH AMENDMENT OF THE UNITED STATES CONSTITUTION: requirement that requires that person under like circumstances be given equal protection in the enjoyment of personal rights and the prevention and redress of wrongs was violated by the group and their actions.

This would include the investigation, indictment, list of charges, amended indictment, sentencing to a jail term in violation of Nevada statutes and an excessive probation term of thirty five (35) years in violation of Nevada Statutes that set a maximum of five (5) years for probation.

The restitution order in this case is illegal and is serving a select group of “victims”.

There was a complete court supervised settlement to the "victims" entered in the companion civil case where they were issued promissory notes of stock which the court determined "made them whole". They have been compensated for their investment. For a select group of investors to be determined again to qualify for a second restitution is completely inappropriate and against state statute.

NOTE:- It is interesting that the group that restitution has been ordered paid to, by the State, is the same group that agreed to testify against Mr. Fullerton. Any investor, from Nevada, not agreeing to testify will be eliminated from the restitution list.

The group and the State of Nevada did not follow the procedure laid out in the Nevada Revised Statute:

i.e.: 90.620-5: The administrator while making an investigation, did not notify the accused ordering him to desist and refrain from further activity until the security is registered.

i.e.: 90.630-16: Since the administrator did not notify the accused of the alleged violation, the accused was denied the notification of the section of the chapter or regulation order that the administrator believed had been or was being violated.

i.e.: 90.630-2: The administrator did not, as required by this chapter, give notice to the accused of the alleged violation(s).

i.e.: 90.630-2a: The administrator did not issue an order to the accused to "cease and desist" as required by this chapter.

i.e.: 90.650-3:— The administrator repeatedly requested, and was granted by the court, jail time in violation of this section.

i.e.: 90.720: The administrator and the court appointed receiver permitted the property of the accused to be used for the gain and benefit of the others under their control in violation of 90.720 denying the accused access to his property.

i.e.: 90.730-a: The administrator, and the others under her control, violated the confidentiality of the sensitive property of the accused; this would include: information, patent proposals, trade secrets, drawings and documents that would not be part of the alleged violation(s). This property was turned over to the control to persons known to have adverse

| intent to the accused. This disclosure and delivery of information was not for the purpose of a civil, administrative, or criminal investigation or proceeding.

The administrator did not receive, in writing, the protections that exist to protect and preserve the confidentiality and security of that information.

| The equal rights of the accused were violated by the group. In the event that a citizen is denied his civil right, the citizen is no longer under civil obligation.

March 13th, 2003; 08:30 AM, This day is a day that provided an unusual, even for ZipNut™, day in court.

| By now it's obvious that "Sacramento" and "Virginia" are (now) well aligned. It has been brought out by Deep Throat, that Hank Hulme and John Schell again brought their Bankruptcy playbook into action by first paying themselves high salaries and expenses; thereby draining the Thread Tech coffers. The next step was to place Thread Tech into Bankruptcy. The Thread Tech investors, that complained, were informed of their exposure to Mr. Fullerton, this was due to the bankruptcy fraud by John Schell in the ZipNut™ bankruptcy. John Schell then pointed out that he, John Schell, was no longer a "Deep Pocket", insuring their silence. Hank Hulme and John Schell, along with two other Thread Tech investors, then used their spoils from the Thread Tech payments to start ZipNut™ Technology L.L.C.

NOTE: When informed of this, Ron Cheney and Bob Daly would file this page of the Schell playbook for later use in Zip-Tek; utilizing the first step of rewarding the officers (themselves) extremely high salaries.

The actual Court date would produce the new plan. Ms. Amy Tierre Esq. (representing Zip-Tek) would now tell the court of the "other ZipNut™" patents, lowering the value of the previous Zip-Tek offer. This news would not provoke any reaction from Deputy Attorney Rhonda Clifton, confirming Deep Throats' observation of the Attorney General's office continuing to follow the lead of Receiver Callister. There would be no reduction to the "Payment" to Hulme and Schell however - due to the Receivers' protection of these two.

Receiver Callister has, at this time, more than enough evidence of Thread Tech/ZipNut™ Tech's non-compliance to the court ordered license, to rescind this document for many violations over the years. Instead he, Receiver Callister, will "reward" his friends with three hundred thousand dollars (\$ 300,000.⁰⁰) with the blessing of the court and the Attorney Generals.

| Later, in open court and on the record, would come the most insulting suggestion heard in court over the entire time of this case. The court would offer a possible solution to bring the defense (Fullerton) in line. This [solution would be for Zip-Tek](#), to also include in its payment plan the bill of Mr. Sourwine's representation of Mr. Fullerton and his assistant. The court correctly estimated this bill to be in the one hundred thousand dollar (\$ 100,000.⁰⁰) range. Mr. Sourwine would then exhibit surprisingly quick reaction time in correcting the court as well as denying any interest in such a solution.

The assembled group, excluding Mr. Sourwine, would then, in open court and on record, talk of the interest of the state of Nevada, exercising its court order to "take" the ZipNut™ patents, by bidding a (sole source) bid on the patents. This, according to Mr. Sourwine, would eliminate the Receivership and Restitution for Mr. Fullerton and his assistant. When asked if Mr. Fullerton could then bid on his patents, the answer was, "If he had the money". As usual, the State of Nevada would later place an obstacle in his (Mr. Fullerton's) path by not permitting him to (due to his "criminal past and being a convicted felon") to borrow funds or to seek investments; making this effort impossible; but as we all know, the impossible just takes more thought.

NOTE: [Transcript - hearing \(2003 Mar 26\) Kosach](#) [status hearing in front of Judge Kosach]; [also seen under Court.](#)

This last action makes me wonder what would happen if I were now to modify this web site, from the intended task of being informative, to that of a solicitation of contributions with the understanding that, as contributors, the funds will not be repaid (repayable funding would be considered, by the court, as a loan and in violation of order). I would instead agree that once the project was producing capital, I would donate the total amount of contribution to the Nevada Humane Society (the more I see of people, the more I like animals).

Were the above to be possible, I would then bid on my patents and product name. Any bidding notice would have to include the potential of my new patents (not part of the court order); making many of the original claims obsolete – as well as the winning bidder, if other than myself, having to compete with my up-to-date iterations.

From all that I hear, neither Sacramento nor Virginia will be able to raise the required funds, resulting in their necessity of going with a "payment plan". In the case of "Sacramento", I agree with the Receiver (Callister) and the Virginia group; that they haven't a chance. They don't know the market, the product, or the manufacturing process. Greed alone will not make it.

I would really hope to prevail, set up a licensing and consulting program, and get on with the BioChip®. Now that all of my back-up information on the BioChip® is gone, I would have to go on memory; thus adding to the challenge however, I do think that it could be done. This is also true for the wheelchair transmission.

I have been asked to compare my two sets of opponents; due to my unique experiences. The group of the Bonanno Crime family, the Genovese Crime Family, as well as the Hell's Angel's Motorcycle club (in my opinion) were gentlemen – when compared to a predatory rogue lawyer (or in this group of cases – selective group). Nothing can compare with this collection of trained predators that use the law, especially under the color of law, as a weapon of choice to acquire personal riches.

A personal prospectus of the last 20 years is just this, that the ZipNut™ (because of the potential wealth) attracted three groups of people that would attempt to accomplish the exact same result that the previous group tried once they read the "script" and accounting.

In closing, permit me to paint my last picture.

A silver haired senior (driving his expensive, one-of-a-kind sports car) pulls into a parking space and asks the young, well muscled, fellow (who is leaning against and concealing a no parking sign) if it is "OK" to park here for a moment. The young fellow answers; sure.

The senior exits the car, goes into and quickly returns from the shop only to find the young man, and now a group of his friends, vandalizing the seniors' expensive car. The senior attempts to stop their action, only to be unmercifully pummeled to the ground by the gaggle of thugs. In a lull of the assault, while the attackers catch their breath, the thugs tell the senior "if he signs a document stating none of his injuries – or damage to his car – occurred by them, they will stop".

The senior, gasping for his life's breath, answers the thugs (adamantly and definitively) NO! The senior then asks, "Why are you doing this"; only to be told, "It is your fault for coming here, we are just doing what is our basic instinct!"

The assault would then continue until the young thugs decide that the senior has been taught a lesson as they then take the seniors' money and keys and leave with the seniors' car.

Raising his pulsating and bloodied head from the sidewalk, now stained with his blood, the senior cries out; "I am going to call the authorities!"

The thugs look at each other, shrug their shoulders collectively, in unison, and laughing - reply boastfully; **"IDIOT, WE ARE THE AUTHORITIES !!"**

This "dirty" writing will end here (for now), due to the two heart attacks, as well as several mini strokes. [This story does continue and will be, if possible, brief inserts to relieve the stress of reliving this experience.](#)

Exhibits

1. **ZipNut Virus – "A 'license' to steal"**
 - a. [\[ZipNut™ – #1 Ch 1 through Ch 7\]](#) will show the actual beginning of ZipNut™, prior to the "Nevada Problem".
NOTE: This will end with the Sacramento Group, as it became hard to continue writing (re-living) the occurrences; at a later date, the writing will be completed.
2. **ZipNut™ background**
 - a. [This is one of the "Stories" of what took place; written in the first person.](#)
3. **ZipNut™ Attorney Conflict Study**

- a. These documents ([\[ZipNut™ - #3 \(1\)\]](#), [\[ZipNut™ - #3 \(2\)\]](#), [\[ZipNut™ - #3 \(3\)\]](#), and [\[ZipNut™ - #3 \(4\)\]](#)) will show how the various attorneys and law firms changed sides by first representing Fullerton and then violating the rule of confidentiality, changed sides (in some cases, for pecuniary rewards).
4. **Civil Rights – Actors**
 - a. These documents ([\[ZipNut™ - #4\]](#)) will show the persons that violated the Civil Rights of Robert Fullerton, their relationship to each other as well as their actions. – actions of the State of Nevada to violate the Civil Rights of Robert Fullerton
5. **Conspiracy to commit bankruptcy fraud.**
 - a. This document ([\[ZipNut™ - #5\]](#)) will show the joining of the State of Nevada Attorney General with the Mars Family to “launder” the inchoate license for the ZipNut™ process, using concurrence of the Nevada District Court by using the Federal Bankruptcy laws in a fraudulent way under color of law.
 - b. (NOTE: See Grenier Affidavit ([\[ZipNut™ - #58 \(2\)\]](#)))
 - c. (NOTE: See Callister billing ([\[ZipNut™ - #45\]](#)))
 - d. (NOTE: See Triam letters ([\[ZipNut™ - #38\]](#) and [\[ZipNut™ - #42\]](#)))
6. **Slander and intimidation by the Nevada Attorney General**
 - a. This document ([\[ZipNut™ - #6\]](#)) will show an example of Deputy Attorney General’s efforts to ruin the reputation of Robert Fullerton as per the wishes of Attorney General Del Papa as well as State Senator William Raggio.
7. **The Nevada Attorney General aided Greg McVickers in committing extortion, a felony.**
 - a. This document ([\[ZipNut™ - #7\]](#)) will show the lengths that State Senator Raggio, as well as Attorney General Frankie Sue Del Papa, will go to protect their close friend Greg McVickers

NOTE: McVickers also likes to talk of his forcing the local building department into permitting his building a second residence on his “one residence only” property by using his close friendship with Raggio – as a threat.
8. **SRI (Stanford Research Institute) report (partial)**
 - a. This document ([\[ZipNut™ – #8 \(1\)\]](#) and [\[ZipNut™ – #8 \(2\)\]](#)) will establish the toroid transmission concept testing, resulting in an estimated efficiency rating exceeding 80%, unusually high considering this is a first generation iteration.
 - b. This concept was in its fifth iteration when all engineering notes and drawings (trade secrets) were taken by John Schell/Callister.
 - c. Much of the taken data was the conversation from a metal bicycle unit (photos shown) to a carbon fiber (plastic) unit.

- d. Also, the actual toroid transmission tested was for an automobile, the testing was in the 30 horsepower range. This same unit was tested at Lear, Reno, to forces exceeding 500 horsepower. The concept is constantly variable shifted either by torque or RPM (or both).

9. **The activity relating to Robert Fullerton and the ZipNut™**

- a. This document ([\[ZipNut™ - #9\]](#)) will tell the ZipNut™ story from a separate position.

10. **ZipNut™ history summary statement.**

- a. These documents ([\[ZipNut™ - #10 \(1\)\]](#) and [\[ZipNut™ - #10 \(2\)\]](#)) will put in chronicle order the history, by date, of the ZipNut™

11. **Date of Investments**

- a. These documents ([\[ZipNut™ - #11\]](#)) will show investment amounts as will as dates.

NOTE: This first investor listed, Donald Brinkley, is listed on one sheet with an investment of \$100,000.00, on the second sheet for an investment of \$30,000.00 for the same investment. Deputy Attorney General Rhonda Clifton, a close friend of Mrs. Brinkley, tried to add her friend to the investor list without the normal proof of investment (such as a cancelled checks etc.). The State Supreme Court rejected the claim.

12. **Legislation history and intent behind NRS 90.650.**

- a. This is the law ([\[ZipNut™ - #12\]](#)) that Fullerton was charged and convicted under. It is interesting that (1.) when Fullerton's attorney, William Raggio, told Fullerton, verbally (as well as memo [\[ZipNut™ - #16\]](#)) of the Nevada Regulation regarding finders fees and sales of stock he (2.), Raggio, omitted to mention the law (that he (3.), Raggio, was directly involved in writing and wording) that just passed by the Nevada Legislature, that he (3.) controls, especially since, due to a State printers strike, the regulation was not yet in print.

13. **Letter from Kelley Watson Esq. (representing Fullerton) to Frank Wilkins Esq. the receiver in the Utah case.**

- a. ([\[ZipNut™ - #13\(a\)\]](#)) Fullerton was accused of not informing Utah of his shareholder meeting in Nevada in "Flagrant Violation of the Utah court order".

NOTE: Watson would later switch sides and represent John Schell Esq. against his prior client Fullerton as Watson, Rounds

NOTE: See Article ([\[ZipNut™ - #13\(b\)\]](#))

14. **Stock Purchase Agreement**

- a. This document ([\[ZipNut™ - #14\]](#)) gives the purchaser the option for the return of investment plus interest, at the investors request. All McVicker shareholders signed similar documents (Janice Brown, is a McVickers shareholder) so they all had an avenue to leave).

15. **STS-29 EVA contingency tool**
 - a. Letter from NASA on the S.H.A.R.E. tool. ([\[ZipNut™ - #15\]](#))
NOTE: See Article ([\[ZipNut™ - #79\]](#)).
16. **Raggio Receipt**
 - a. This document ([\[ZipNut™ - #16\]](#)) shows receipt of the Utah problem binder (about the same size as the one at hand) showing the documents and records of “Utah”.
NOTE: That in the memo portion, there is no mention of the new NRS regulation that Raggio helped write but was not yet in print.
17. **Secretary of State – Securities Division preliminary report.**
 - a. This document ([\[ZipNut™ - #17\]](#)) will show who started the investigation: Detective Lee Webb, a Raggio friend, was hand picked to lead the investigation.
18. **Garrett Sutton Letter to Barbra Boyd.**
 - a. This document ([\[ZipNut™ - #18\]](#)) will show Sutton agreeing to a 10% commission or “Finder’s fee”. He would later change sides to assist the State of Nevada Attorney General in prosecuting his former client for “paying a finder’s fee”. At that time, he will have joined another “turn coat” attorney, John Schell Esq.
19. **Offer for exchange and Sales of Shares.**
 - a. The document ([\[ZipNut™ - #19\]](#)) also establishes a value on the shares (\$1.⁰⁰) and sets forth that Fullerton will give “adjusted” shares to the McVicker shareholders (the first jeopardy).
 - b. The listing of shareholders shows Fullerton to hold 9,250,00 shares, as will as Corinne Bennett, his assistant, holding 1,000,000 shares of the 3,299,890 shares: well reflecting a majority shareholding.
20. **Virginia Mars Check.**
 - a. ([\[ZipNut™ - #20\]](#)) Shows a personal check from Virginia C. Mars to Robert Fullerton for \$75,000.⁰⁰
21. **Russ Pearson.**
 - a. This document ([\[ZipNut™ - #21\]](#)) will show Fullerton purchasing all of Pearson’s shares of Crescent (3%) securing the \$10,000 loan to Fullerton by Pearson. This would make Fullerton total owner of Crescent Inc.
22. **Letter to proposed director and officers for ZipNut™ Inc.**
 - a. This document ([\[ZipNut™ - #22 \(1\)\]](#), [\[ZipNut™ - #22 \(2\)\]](#), [\[ZipNut™ - #22 \(3\)\]](#), and ([\[ZipNut™ - #22 \(4\)\]](#)) as well as résumé’s shows the management group selected by Fullerton to run ZipNut™. The receiver, State of Nevada, as well as the Court turned them down in favor of John Schell running ZipNut™

23. **Hogan & Hartson engagement letter.**

- a. This document ([\[ZipNut™ - #23\]](#)) will show the engagement of Mr. Frank Farhenkopf to defend Fullerton in the Civil Nevada suit. Mr. Farhenkopf would abandon his client, when told by Mr. Schell (also a Hogan & Hartson lawyer representing Fullerton in business matters) that Mr. Schell was now contesting Mr. Fullerton for control of Mr. Fullerton's company; ZipNut™ Inc. Mr. Farhenkopf was, as a senior partner at Hogan & Hartson, Mr. Schell's superior.

24. **Gentile, Porter & Kelesis acknowledgements.**

- a. ([\[ZipNut™ - #24\]](#)) Shows the understanding between ZipNut™ (Schell) and Gentile with respect to Mr. Schell's attack of Schell's former client, Fullerton, for control of Fullerton's company, ZipNut™

25. **ZipNut™ first quarter report**

- a. This document ([\[ZipNut™ - #25\]](#)) will show Schell resisting Fullerton's request for the court to adopt a license agreement (there was never a written license for the patent – during the entire life of ZipNut™ Inc)
- b. Also, the document shows the Mars plan, now, complete with the three directors; John Schell Esq., Michelle Zimmer-Forster, and Virginia Mars.

26. **U.S. News & World report article**

- a. ([\[ZipNut™ - #26\]](#)) Will show the ZipNut™ being one of few products mentioned by name in the article.

27. **Transcript of Proceedings**

- a. This document ([\[ZipNut™ - #27\]](#)) shows Mrs. Mars, Ronald LaGrange, and Christine Todee (future debenture holders) being represented by local attorney John Boyden (on page 74).
- b. Receiver Matthew Callister talks about “on my surprise visit there” is interesting in that Mrs. Mars ordered him to McLain Virginia.
- c. Callister does not mention that he met with her and that she would put more money into ZipNut™.
- d. Later (on page 111) Mrs. Mars indicated that until she is satisfied with the control of Mr. Fullerton that she is not going to lend any more money to the company.
- e. On Page 112, “perhaps a remedy could be fashioned where Mr. Callister was given tighter control of the actions of these two individuals, put the screws on tighter” (mind you, all of this for Fullerton paying a finder's fee on the advise of others).

28. **ZipNut™ check register**

- a. This document ([\[ZipNut™ - #28\]](#)) will show Virginia Mars transferring \$35,000.⁰⁰ to ZipNut™ (12 Nov 1992) and ZipNut™ paying Domonic Gentile \$35,000.⁰⁰, on the same day.

29. Gentile trust account activity

- a. This document ([\[ZipNut™ - #29\]](#)) will show Gentile taking charge of the Fullerton Indictment, to the point of becoming the author of the document.
- b. It shows many conversations with both Schell, at the time that he represented Fullerton, as well as Deputy Attorney General Pridham; who was prosecuting Fullerton.
- c. The primary area of interest was RICO to enable them to take everything from Fullerton

NOTE: On 17 Jan 1992, Gentile becomes author of the RICO draft and jury instructions while conferring with John Schell Esq. and on 24 Nov 1992, Gentile would fly to Reno from Las Vegas to meet with Schell as well as the McVicker shareholders, then to follow up with Greg McVickers later on 22 Dec 1992.

30. Savage Memo to file

- a. This document ([\[ZipNut™ - #30\]](#)) will show Fullerton trying to find out about the legality of paying a finders fee, from individuals that ought to know since, due to a State printers strike, there were no printed documents to research

31. Nevada Attorney General settlement offer.

- a. This document ([\[ZipNut™ - #31\]](#)) will show what the State of Nevada will require for settlement; attention to “Fullerton shall:” #3. and “The State will”: #2.
- b. It is interesting that the State, who are charged with recovering the “investor victims” investments seem equally interested in Fullerton’s shares in ZipNut™ as well as the patents. For agreement to the above, Fullerton will only have to be imprisoned for eight (8) years; for violating a regulation that says no jail, if the act was not willful. All of the above for paying a finders fee!!

32. Promissory note ([\[ZipNut™ - #32\]](#))

- a. To Virginia Mars for her \$35,000.⁰⁰. Later to be converted to a convertible debenture, prior to the ZipNut™ bankruptcy.

33. Robert Maddox Esq. letter to Garrett Sutton and Gordon Ross (a McVickers shareholder)

- a. This document ([\[ZipNut™ - #33\]](#)) will show Garrett Sutton and John Schell, with the McVickers group, seeking assistance in attacking their client, Fullerton and paying with Fullerton stock!!

34. Charles Townsend letter to Receiver Matthew Callister

- a. These documents ([\[ZipNut™ - #34 \(1\)\]](#), [\[ZipNut™ - #34 \(2\)\]](#)), and ([\[ZipNut™ - #34 \(3\)\]](#)) will acknowledge that ZipNut™ (Schell) was ordered to pay for the patent arbitration (Callister would make Fullerton pay) but more

importantly show the partiality of the arbitration “I cannot, in good conscience, afford to protect the interest of ZipNut™”.

NOTE: See Virdee affidavit ([\[ZipNut™ - #56\]](#))

Also **NOTE:** Who the receiver instantly contacts for directions.

35. Affidavit of Judge Stone

- a. ([\[ZipNut™ - #35\]](#)) Will show the Judge, under oath, denying knowledge of Receiver Callister’s appearance before Grand Jury.

36. Nevada Supreme Court Transcript

- a. This document ([\[ZipNut™ - #36\]](#)) shows, on page 27, line 16, Deputy attorney General Grenville Pridham stating “a blatant violation by Mr. Fullerton in violating the Utah Federal injunction prohibiting the transfer of the patent”.

NOTE: See Kelley Watson letter ([\[ZipNut™ - #13\(a\)\]](#)).

- b. This discussion was prior to State Senator Raggio advising the members of the court that he was against Fullerton. Nevada being a small state and the members of the Court, for the most part, were of the same generation and the same class at UNR (University of Nevada, Reno) as well as fellow E. Clampus Vitas alumni would then follow his (Raggio’s) wishes.

37. Spacevest letter to John Schell Esq.

- a. This document ([\[ZipNut™ - #37\]](#)) shows an interesting disregard for the creative talents of the ZipNut™ inventor, SpaceVest is close to the Mars Family and this letter was used, with great effect with the State of Nevada, fitting into the Mars/Schell plan.

38. Triam letter to John Schell

- a. This document ([\[ZipNut™ - #38\]](#)) is interesting in that it is from two of the original Virginia Debenture holders. It brings out clearly why there was a planned bankruptcy takeover, from the beginning, and that the debenture holders were not only involved but would benefit from the bankruptcy.
- b. They talk of the game plan and also that the management of ZipNut™ Inc., who supposedly were the protectors of the company, are aligned as well as part of the group planning the bankruptcy – knowing that the ZipNut™ shareholders that are not aligned with the Mars/McVickers group will lose everything.

NOTE: See ([\[ZipNut™ - #5\]](#)).

39. Virginia ZipNut™ bankruptcy

- a. This document ([\[ZipNut™ - #39\]](#)) will show the Mars debenture holders placing the ZipNut™ company in chapter 7 bankruptcy, listed on page 55, lines 2 & 3, is Hackbarth, a McVickers investor who was added at the request

of Raggio to the Mars Debenture holder group to provide a connection between the groups (not a lot of trust here).

- b. Schell seems to have trouble knowing what counsel means (page 57) then, under oath (page 59, lines 15-19) about engaging Dominic Gentile Esq. (See [\[ZipNut™ - # 28\]](#) and [\[ZipNut™ - #29\]](#)) but more importantly Mr. Schell talks of the value of ZipNut™.
- c. Schell dodges the figure of one Billion dollars (\$1,000,000,000.00) but does agree that it would be worth a great deal – billion or hundreds of millions (page 61, lines 22-25 & 62, lines 1-5).

40. **Miles & Stockbridge letter to Hank Hulme**

- a. This document will show the precarious position of Schell, Hulme with respect to ownership of the patent(s).

[NOTE: Schell's outside council Joseph Manson, See ([\[ZipNut™ - #40\]](#)) . This letter does an accurate accounting of the Mars debenture holders takeover, with the assistance of Schell.

- b. An interesting note, (on page 3 second paragraph) is the Schell declaration that ZipNut™ owns the patents

41. **Notice to Abandon Property**

- a. This document ([\[ZipNut™ - #41\]](#)) is part of the Mars takeover by Schell – now as ZipNut™ Inc. assisting Mars by abandonment then accepted by H.S. Hulme, attorney in fact for the debenture holders

42. **Triam letter to bankruptcy trustee, Virginia**

- a. This document ([\[ZipNut™ - #42\]](#)) is interesting as it shows how Schell/Mars maneuvered a group of their debenture holders out of the business. All of the debenture holders approved of Schell's tactics when they were directed against Fullerton but, when there were subject to the same, they didn't like it.
- b. In paragraph 5, the game plan emerges.

NOTE: Tandler and Kelty were told, as was the rest of the Mars group later, that they were "deep pockets" and were they to go to Fullerton with information, Schell and Hulme would provide documents to Fullerton to sue them.

43. **Washington Post article**

- a. This document ([\[ZipNut™ - #43\]](#)) shows Schell's close friend and architect of the pre-planned bankruptcy, pleading guilty on a separate situation – not connected with ZipNut™.

44. **Matthew Callister letter to Mark Ledom**

- a. These documents ([\[ZipNut™ - #44 \(1\)\]](#), [\[ZipNut™ - #44 \(2\)\]](#)), and ([\[ZipNut™ - #44 \(3\)\]](#)) show Matthew Callister, the Receiver for Fullerton

(NOTE: my understanding of being a receiver is a person appointed by a

court for the purpose of preserving property of a debtor pending an action against him, such as a custodian) in this instance, as set forth in the letter, Fullerton's Receiver becomes his prosecutor.

- b. And to show the close cooperation ordered by Senator Raggio, between the Court, State of Nevada and Mars Family.

Note the date of correspondence to Ledom and the next day order signed by Judge Stone.

45. **Matthew Callister Billing statement**

- a. Several items of interest in this billing ([\[ZipNut™ - #45\]](#)) (23 Aug1994) the Receiver meeting with McVickers. (04Nov1994) Phone conference with Judge Stone and Schell regarding ZipNut™ bankruptcy.
- b. Later in court and on record, both Stone and Callister will deny any knowledge of ZipNut™ bankruptcy
- c. On 20 Dec 1996, the Receiver drafted ZipNuts™ opposition and joinder to receivers motion and charged Fullerton.
- d. 18 Apr 2000, this letter killed the "Bundy" automotive deal.

46. **Callister Billing statement**

([\[ZipNut™ - #46 \(1\)\]](#), and [\[ZipNut™ - #46 \(2\)\]](#))

- a. 03 Feb 1992, the receiver doing more work for John Schell and charging Fullerton Design 11 Feb 1992, various phone calls to McVicker group prior to 18 Feb 1992 conversation with Mars group.
- b. 31 Mar 1992, meeting with court to prevent Corinne Bennett from voting her 1,000,000 shares at annual shareholders meeting.
- c. 08 Apr 1992 Virginia Mars ordered the receiver to come to McLain Virginia to give her a report on how they were going to control Fullerton. This is when the "ZipNut™ bankruptcy plan" came to Fullerton.
- d. 24 Jun 1992, getting instructions from Schell on patent arbitration.
- e. 24 Jun 1992, meeting with patent arbitrator.
- f. 24 Jun 1992, [4 calls] Note how the receiver, after talking to Fullerton's (his Recieveree) patent council, then has to confer with the ZipNut™ group. A second area of interest, as noted in the billing, is that both ZipNut™ attorneys were once representing Fullerton.
- g. 11 Aug 1992, phone conversation with Schell's patent council prior to "impartial arbitration"
- h. 30 Sep 1992, getting instructions from court on annual shareholder/directors meeting.
- i. 06 Nov 1992, interesting in that the receiver was at the meeting, denying Corinne Bennett the right to vote.

- j. 16 Nov 1992, Receiver setting game plan of Grand Jury with John Schell.
- k. 18 Nov 1992, Receiver talking to Judge Stone with respect to his Grand Jury testimony.

NOTE: The affidavit ([\[ZipNut™ - #37\]](#)) of Judge Stone denying any knowledge of the Receivers Grand Jury testimony.

- l. 11 Mar 1993, Receiver Meeting in Sacramento with Grenier investors (See [\[ZipNut™ - #59\]](#)) also meeting later with Schell, Bill & Ray Grenier.
- m. 27 Sep 1994, Receiver meeting with McVicker shareholders at Airport Plaza, Reno, discussing placing ZipNut™ into bankruptcy in one year to clean and eliminate ZipNut™ shareholders other than the McVickers group. The bankruptcy was the plan of the receiver as well as Schell's Bankruptcy specialist, Manson.
- n. 05 Nov 1994, Receiver discussing Virginia Mars (misspelled in report) problem with Schell, Mars Group would soon be forced out.
- o. 10 Feb 1995, Discussion with court on the ZipNut™ bankruptcy. Note both the Receiver and Stone will later, in court and on record, deny any knowledge of the bankruptcy.
- p. 12 Feb 1996, (2 calls) Receiver receives call from Norman Lamb (Mark Ledom's contact) and right away calls Schell to stop any Ledom investment (See: [\[ZipNut™ - # 43\]](#)).
- q. 01 Jun 1994, The Receiver joining with Schell and, later, Judge Stone to stop Fullerton Bankruptcy as it would take the ZipNut™ from Stone and transfer it to Federal court where Raggio doesn't have strong contacts.

47. **Memo to Jergens.**

- a. ([\[ZipNut™ - #47 \(1\)\]](#), and [\[ZipNut™ - #47 \(2\)\]](#)) On conversation with sales representative regarding Jergens sales of ZipNut™. This will show Schell selling the rights and that Jergens had been sublicensing (not allowed by court order) to Jergens and Jergens renaming the part.

NOTE: Jergens knew of the "ownership problem of ZipNut™" but, assisted Schell for "favorable conditions".

48. **Boeing FAX Memo**

- a. This document ([\[ZipNut™ - #48 \(1\)\]](#), and [\[ZipNut™ - #48 \(2\)\]](#)) will show communication between Paul Smudde (systems Engineer for Boeing) and Robert Fullerton concerning a ZipNut™ failure with NASA.
- b. This document will also show the lack of interest as well as knowledge of the workings of ZipNut by Mr. Schell who was, at this time, transferring from ZipNut™ (leaving Mr. Hulme to run the operation). So that he (Schell) could start his new Washington DC company called "Altus and Associates".

NOTE: Altus was first named “HK (Holland & Knight) Strategic Business Solutions” prior to September 16th, 2002. John Schell became president of Altus Associates, LLC (Altus) [See their newsroom publicity memo ([\[ZipNut™ - #48 \(3\)\]](#))]. You may read about the new president of Altus in the team Bio’s.

NOTE: Schell Still maintains a close relationship with Hogan & Hartson. Also attached are the documents listing salvage ZipNut’s™ on E-Bay. I bought 1,150 of the salvaged ZipNut’s™ at an average price of \$0.¹⁷ per nut. Rockwell paid Schell between \$35.⁰⁰ and \$50.⁰⁰ per nut and they did not work. I found that, with less than 1 minute of “adjustment” they will work fine.

49. Letter from attorney Hansen to Ron Cheney

- a. This document ([\[ZipNut™ - #49\]](#)) will provide a summary on the meeting between Receiver Callister and Deputy Attorney General Rhonda Clifton (for the State of Nevada), Ron Cheney, and attorney Hansen.
- b. Following this meeting, Receiver Callister reported to John Schell to eliminate any possibility of this meeting bearing fruit.

50. Transcript of Proceedings (partial)

- a. This document ([\[ZipNut™ - #50\]](#)) will show the “status hearing” that was really a hearing to conclude the sale of the ZipNut™ patents.
- b. Fullerton was notified less than 24 hour prior to hearing that the patents would be sold to Schell/Hulme for \$100,000.⁰⁰ (\$50,000.⁰⁰ down and \$50,000.⁰⁰ in one year). Fullerton arranged to have Joe Laub Esq. represent Fred Heller in a bid of \$110,000.⁰⁰ (all in cash up front) that was raised to \$150,000.⁰⁰ all cash within 36 hours. The transcript will show the “closed door” discussion between the State of Nevada, the Receiver (he will kind of deny his participation), and Watson Rounds Attorney (Bill Francis) now representing Schell/ Hulme while he (See: [\[ZipNut™ - #13\(a\)\]](#) Watson letter) represented Fullerton.
- c. **NOTE:** Fullerton, now in-proper not only does not have standing as the principal in the negotiations but he is not even listen on the cover page as he was not expected to be at a “status hearing”.

51. Fred Heller’s motion for reconsideration.

- a. This document ([\[ZipNut™ - #51\]](#)) will unsuccessfully try to overturn the court ordered sale

52. Deputy Attorney General Clifton’s settlement consideration.

- a. This document ([\[ZipNut™ - #52\]](#)) first threatens Fullerton and Bennett with more legal problems but, in spite of her continued statements of wanting only to get “her (Rhonda Clifton’s)” investor victims “their money back” offers to forgive \$143,653.⁷³ if Fullerton and Bennett will agree not to sue the State of Nevada or its employees (**NOTE:** The \$100,000.⁰⁰ sale price was divided

between the investors and the Receiver, giving the individual investor pennies on the dollar)

53. Mark Ray letter

- a. This document ([\[ZipNut™ - #53\]](#)) will show that Fred Heller did place in Mark Ray's client trust account sufficient monies to cover the total fees requirement for restitution. The Receivers comment, when told of this by Fullerton, "FORGET IT!" ... so much for looking out for the "investor victims".

54. Appellants opening brief (partial), Nevada Supreme court

- a. This document ([\[ZipNut™ - #54\]](#)), developed by Fullerton in pro-per, will explain the lack of due process exhibited by the State of Nevada as well as the Court, the malpractice by many law firms and attorneys, and (importantly) the violation of trade secrets by those involved.

55. Affidavit of John Schell Esq.

- a. This document ([\[ZipNut™ - #55\]](#)) will, as several have stated, read as an application for employment to the McVickers shareholders as well as the State of Nevada. After this event, Schell and Garrett Sutton had many meetings with the McVickers shareholders resulting in an alliance against their (Schell and Sutton's) client.

56. Affidavit of Alan K. Virdee

- a. This document ([\[ZipNut™ - #56\]](#)) will show the actions of Schell against his (Schell's) client – Fullerton and will also show the activities of the Mars group to take the patents belonging to Fullerton.
- b. This document will show patent attorney A Yates Dowell changed from representing Fullerton to Virdee in the same subject, the Fullerton patent as well as how to attack Fullerton for ownership of those patents.
- c. This document will also show the position of the State of Nevada in assisting Schell in the taking of the property

57. Affidavit of Raymond Grenier (Airport Plaza)

- a. This document ([\[ZipNut™ - #57\]](#)) will show, partially, the events at the Reno Airport Plaza.

58. Affidavit of William Grenier (Airport Plaza)

- a. This document ([\[ZipNut™ - 58 \(2\)\]](#)) will show the attendees of the Airport Plaza "meeting" as well as the reasoning behind the meeting with respect to ZipNut™, the final position of the "McVicker Investors" and the ZipNut™ shareholders other than the McVickers group. This will include the elimination of the Fullerton shares in the company. This affidavit will establish the backing of the fraudulent bankruptcy by the State of Nevada (Attorney General) the district court (receiver Callister) the Mars family and debenture holders (Virginia Mars) and Michelle Zimmer-Forster.

59. Affidavit of William Grenier (Sacramento Group Shareholder)

- a. This document ([\[ZipNut™ - #59\]](#)) will set forth the planning by both John Schell Esq. (who was still representing Fullerton) and Receiver Callister (who was Fullerton's court appointed receiver) enlisting the aid of others to assist in destroying Fullerton's position with respect to the ZipNut™ company as well as his ownership of the ZipNut™ patents.
(See: Callister Billing [\[ZipNut™ - #46 \(1\)\]](#) and [\[ZipNut™ - #46 \(2\)\]](#)), also (See: H.L. Williamson Resume [\[ZipNut™ - #22 \(4\)\]](#)), also (See Gene Anderson's Resume [\[ZipNut™ - #22 \(3\)\]](#)) and ([\[ZipNut™ - #22 \(2\)\]](#))

60. Affidavit of Henry S. Hulme Jr.

- a. This document ([\[ZipNut™ - #60\]](#)) will, from the view of Mr. Hulme, tell of the manipulation of debentures and stock in the ZipNut™ company, the court ordered (at Schell's request) pledging of the Inchoate license, the attack on the assets of the company (See: [\[ZipNut™ - #25\]](#) and [\[ZipNut™ - #39\]](#))
- b. It is interesting that, in advertising their actions the wall street journal and the Washington business journal they overlooked the Reno Gazette journal.
- c. Also, contrary to what both Receiver Callister and Judge Stone say on record and in open court, Mr. Hulme states that he served Fullerton (he did not) as well as the court appointed receiver Callister. There was no objection from either Fullerton or the receiver due to (on Fullerton's part and possibly the court and Receiver) lack of knowledge of the event.
- d. It is interesting to note the complete lack of resistance from Schell. To further fill out this exercise of corporation theft, See the Triam letters ([\[ZipNut™ - #38\]](#) and [\[ZipNut™ - #42\]](#)).

61. Affidavit of Louis F Arreche

- a. This document ([\[ZipNut™ - #61\]](#)) will show, for the first time, the introduction of the Bio-Chip®. Will talk of the shop safe as well as the data contained within that safe. It is interesting, with respect to the contents of the Fullerton safe in that at the same time that Fullerton and Mr. Arreche were meeting, Receiver Callister, Detective Lee Web and two uniformed Reno Police officers were waiting in the parking lot for Mr. Arreche to leave. Why this is important is that Mr. Arreche talks, under oath, of seeing several spiral binders (inventors notebooks) in the safe containing trade secrets including many years of development of the BioChip®, various automatic transmissions as well as many other concepts in various degrees of completion. Importantly, as Mr. Arreche left the premises, Receiver Callister, Detective Lee Web and two uniformed Reno Police officers came in to shut down the business and take control of the objects contained in the building. This would eliminate anything being moved ore relocated by Fullerton or others prior to the "takeover". Mr. Arreche will also talk of Schell and the Receiver promoting a new business, without Fullerton and financed by the Mars Family.

62. Affidavit of Hank Hulme

- a. This document ([\[ZipNut™ - #62 \(1\)\]](#)) will talk of the business of ZipNut™ but, more interesting are the Cabahug patents mentioned.
- b. Fullerton accused Schell of taking and Receiver Callister of transferring trade secret material to Schell.
- c. This document ([\[ZipNut™ - #62 \(2\)\]](#)) sets forth the description of a United States patent #5,613,816, naming Eric F Cabahug as the inventor. This document proves that both Mr. Schell took trade secrets at the time of the “take over” and that Receiver Callister, who talked on the initial receivers report, of taking all data from the Fullerton Design facility, did take and transfer, without authorization, Fullerton trade secrets.
- d. In the formal declaration of a patent, the inventor must be accurate on what the device will, or will not, do. In the written description, Cabahug tells of being able to push #60 (the male bolt) through the fastener. THIS CANNOT HAPPEN – due to #94. this ball is a stop retainer and will prevent the thread segment #82 from moving the ramp #78 into the open area #98. ([\[ZipNut™ - #93\]](#))
- e. History tells us that Leonardo DaVinci had concern for people taking his ideas (thing have not changed) so he devised many tricks (writing backwards was one) and traps (placing the part in the device that would make the operation fail). My German friends at White Sands Proving Grounds, New Mexico, were big on this, as in Germany-, they need job security and not from just being fired.
- f. I placed this ball in this design knowing that when I was to make the actual part, I would just eliminate it. The ball was an actual component of an iteration that McDonnell Douglas was interested in that would “lock” the ZipNut™ to help the assembly in space. In space, where the applier is “floating” were he to float into the mechanism while taking a ZipNut™ off, the nut would just zip back on. The engineer that I was working with at the time, Mike Meredith and I brain stormed many iterations and came up with a fastener that the “ZipNut™ action could be a mechanically eliminated when wanted. As such a long story to explain a simple steel ball

63. Toroid Automatic Bicycle Transmission (partial)

- a. This document ([\[ZipNut™ - #63\]](#)) introduces the transmission that will be described as the “Automatic Wheelchair Transmission”.

64. SRI (Stanford Research Institute) report (partial) ([\[ZipNut™ - #64\]](#))

- a. This document will establish the toroid transmission concept testing, resulting in an estimated efficiency rating exceeding 80%, unusually high considering this is a first generation iteration.
- b. This concept was in its fifth iteration when all engineering notes and drawings (trade secrets) were taken by John Schell/Callister.
- c. Much of the taken data was the conversation from a metal bicycle unit (photos shown) to a carbon fiber (plastic) unit.

- d. Also, the actual toroid transmission tested was for an automobile, the testing was in the 30 horsepower range. This same unit was tested at Lear, Reno, to forces exceeding 500 horsepower. The concept is constantly variable shifted either by torque or RPM (or both).

65. HP Reports big advances in memory chip design

- a. This document ([\[ZipNut™ - #65 \(1\)\]](#)) will point out the BioChip® concept to give credibility in selected areas. The BioChip®, conceived by Robert Fullerton in 1957, was in the forefront of the venture into “NANO-Design. At the time Fullerton began, the name “NANO” was not part of the concept vocabulary. The Hewlett-Packard concept is still guided by mans inability to look to nature. This is most evident in the M.I.T. type student (and alumni) that-, after the great education, seem locked on complicating a concept by having to either mirror “what man has done before” or what they have read in a book. This document, while making great advances, is still locked into the use of mechanical, or man made, devices (transistors, capacitors, resistors, etc) but they are getting there.
- b. The second group of documents ([\[ZipNut™ - #65 \(2\)\]](#)) contained in Scientific American Reports (Special edition # 17 Nano Technology) will get closer to the Fullerton BioChip® design by using light instead of electricity and also living cells but, as one starts to get excited, they still drop back to man made concepts and devices to justify that expensive education. The reading of the attached BioChip® will be different in that the designer, in 1957, just watched nature and made notes, noting that the human body operated on low voltage electricity, has no battery or extension cord.

66. BioChip™

- a. This document ([\[ZipNut™ - #66\]](#)) will show a compilation of the inventor notes, by Robert Fullerton, on the BioChip® concept.

67. Reno Gazette Journal (RGJ) – regarding McVickers

- a. Article ([\[ZipNut™ - #67\]](#)) tells of Greg McVickers firing from the Reno Fire Department.

68. Reno Gazette Journal (RGJ) – regarding Mars

- a. ([\[ZipNut™ - #68\]](#)) Will show the power of the Mars Family in Nevada. Also shows that if your politicians are “taken care of”, anything is possible.

69. Reno Gazette Journal (RGJ) – regarding Raggio

- a. This article ([\[ZipNut™ - #69 \(1\)\]](#)) will show the power of “King-Fish” William Raggio and how he enjoys using it. ([\[ZipNut™ - #69 \(2\)\]](#), and [\[ZipNut™ - #69 \(3\)\]](#))

70. Reno Gazette Journal (RGJ) – regarding Fahrenkopf

- a. This article ([\[ZipNut™ - #70\]](#)) will show the power and position of Frank Fahrenkopf

71. Sacramento Union – regarding Fullerton

- a. This article ([\[ZipNut™ - #71\]](#)) is the one that started the Sacramento Bonanno/Hells angles problem.
- 72. **Sacramento Bee – Regarding Fullerton**
 - a. This article ([\[ZipNut™ - #72\]](#)) talks of the Castleman trial.
- 73. **Sacramento Union – regarding Fullerton**
 - a. These two articles ([\[ZipNut™ - #73 \(1\)\]](#), and [\[ZipNut™ - #73 \(2\)\]](#)) will talk of the verdict, as well as the resulting tests of Castleman
- 74. **Salt Lake City Tribune – regarding Nourse, Gibbs**
 - a. This article ([\[ZipNut™ - #74\]](#)) will show Dick Nourse, Television anchor for KSL Television – Salt Lake City and Charles Gibbs, head public relations person for the Mormon Church “adjusting” their stories after exposure.
 - b. I was introduced to both of them, prior to agreeing to the placing of the ZipNut™ in the Utah Schell corporation. In fact, it was their convincing me of “how right and profitable” it would be to have the Mormon Church as well as the leading SLC TV station promoting the deal.
 - c. The meeting was at a private club in SLC put on by Nick Jullian, Jim Averette Esq., Blaine Taylor (See [\[ZipNut™ - #73 \(1\)\]](#), and [\[ZipNut™ - #73 \(2\)\]](#)), and Joe Bonanno (Joe Bonanno was not only there but both he and his advisor, Jerry Gatto (See [\[ZipNut™ - #75\]](#)) were very close to and promoted as “up-front” business men by both Nourse and Gibbs – further revealing the “Bonanno” concern. There was no further “investigation of forgery”
- 75. **Desert News, Salt Lake City – regarding Nourse, Gibbs**
 - a. This article ([\[ZipNut™ - #75\]](#)) will further show the SLC association..
- 76. **Sacramento Bee – regarding Gatto**
 - a. Jerry Gatto’s guilty plea article ([\[ZipNut™ - #76\]](#)) will show his attorney Gill Athay, also a promotion individual in the ZipNut™ Utah case.
- 77. **Attorney Contempt hearing**
 - a. This attorney, Phil Hansen, is also part of the SLC group that included many Nevada citizens
(See: [\[ZipNut™ - #77 \(1\)\]](#), [\[ZipNut™ - #77 \(2\)\]](#), and [\[ZipNut™ - #77 \(3\)\]](#)).
- 78. **Denver News paper**
 - a. This article ([\[ZipNut™ - #78\]](#)) will show the players in the ZipNut™ case, most friends of Receiver Callister (a SLC native), as well as the methodology used in “puffing” the ZipNut™ stock.
 - b. I met with Elliot Pearson on advice from a Nevada Securities attorney when I was doing “due diligence” in the Utah Company – SuperJet (the forerunner of ZipNut™ Inc.). naturally good things were told to me by Pearson about the company as well as the individuals.

- c. The SLC group made over \$1.25 Million from the ZipNut™ stock and then tried to take my stock, using Bonanno and Castleman as enforcers.
79. **Reno Gazette Journal (RGJ)**
- a. This is the article ([\[ZipNut™ - #79\]](#)) that started the second ZipNut™ rise. It was here that the McVicker brothers and other local Reno citizens became interested in investing in the ZipNut™ company.
80. **Salt Lake City Tribune – regarding Averette**
- a. This article ([\[ZipNut™ - #80\]](#)) shows one of the three primary SLC individuals, - Security Attorney James Averett pleading guilty to a separate scheme. The two unnamed conspirators were his “ZipNut™ partners, Jullian and Taylor.
81. **Reno Gazette Journal (RGJ) – regarding Fullerton**
- a. This article ([\[ZipNut™ - #81\]](#)) is about the end of the first criminal trial, prior to the Judge running for a seat on the Nevada Supreme Court.
82. **Washington Times – regarding Schell, Zimmer-Forster**
- a. This article ([\[ZipNut™ - #82\]](#)), written when Schell and Receiver Callister were stating in Nevada Court that there was little business, makes for interesting reading as to how they came to be co-partners in ZipNut™.
83. **Reno Gazette Journal (RGJ) – regarding Callister**
- a. This article ([\[ZipNut™ - #83\]](#)) will show Callister’s political “style”. He used to brag that going from State Senator to Las Vegas City Councilman was a big step up financially, since anyone (casinos, etc) that wanted to do business in the city had to come to him.
84. **Vegas News paper – regarding Callister**
- a. This article ([\[ZipNut™ - #84\]](#)) shows that, even after being “relieved” of his position as city councilman, Callister still had teeth.
85. **Reno Gazette Journal (RGJ) – regarding Raggio**
- a. This article ([\[ZipNut™ - #85\]](#)) shows the sickeningly *sweet* close relationship between “The Don” Raggio and Nevada Attorney General Frankie Sue Del Papa,. At least he didn’t present the award (named after himself) to himself.
86. **Reno Gazette Journal (RGJ) – regarding Judge Stone**
- a. This article ([\[ZipNut™ - #86\]](#)) shows the fate of the Honorable James Stone. It is interesting just how many players in this story, on the “side of Truth and Justice” are being disbarred and convicted.
87. **Reno Gazette Journal (RGJ) – regarding Raggio**
- a. This article ([\[ZipNut™ - #87\]](#)), again, shows the temper and power of “The Don” Raggio against those who cross him. One can understand how a lowly inventor would fare.

88. Reno Gazette Journal (RGJ) – regarding Sutton

- a. This article ([\[ZipNut™ - #88\]](#)) brings up to date the activities of Garrett Sutton Esq., my Attorney (See: [\[ZipNut™ - #18\]](#)), where he now writes a book on “how to do business, legally”. He, Sutton, fits right in this John Schell Esq. who now, as president of Altus and Associates LLC, advises on how to do business with the US Government. Altus and Associates [\[www.Altus@Associates.com.\]](#) was first named HKSBS, prior to his (Schell) buying the company from Holland & Knight.

89. Declaration of John Schell Esq.

- a. This “Declaration” ([\[ZipNut™ - #89\]](#)) was unusual in that this was part of Schell’s testimony in open court when he was defending me. Later I found that Mrs. Mars ordered Schell to link up with the McVicker investor and this was his “introduction resume” telling of how important that he was to ZipNut™.
- b. With a few meetings (private) with the McVicker group, and assisted by Garrett Sutton Esq. (my local Reno Attorney), they were able to convince the McVicker group to join them and be bigger shareholders in a venture funded and promoted by the Mars Candy Family.

90. Affidavit of William Grenier (Grenier)

- a. This affidavit ([\[ZipNut™ - #90\]](#)) will set forth the facts of the two meetings. The first meeting being designed to raise capital to attack me in court. The meeting was requested by my attorney, John Schell Esq., and my receiver, Matthew Callister Esq. The second meeting was to enable Schell and Callister to “promote” the Mars deal to Grenier to further enlist his aid in aligning his group of investors (Sacramento) to the Mars cause.
- b. This affidavit will show Schell’s tactics when Bill Grenier starts to question him on proposed board members. This Schell solution, to have Detective Lee Webb vote the “Sacramento “ stock when Grenier was out of the room.

91. Affidavit of Bill Grey (Grey)

- a. This affidavit ([\[ZipNut™ - #91\]](#)) is unusual as it talks of Mr. Grey talking, by phone, to the sitting Judge on the ZipNut™ civil case James Stone.

92. Affidavit of William Grenier (Grenier)

- a. This affidavit ([\[ZipNut™ - #92\]](#)) talks of Schell’s agreeing to assist Grenier in the very activity that got me in trouble.

93. Cabahug U.S. patent (Cabahug)

- a. This patent ([\[ZipNut™ - #93\]](#)) (granted) filed by Schell’s engineer Erik Cabahug, proves that Schell did receive my trade secrets from receiver Callister – as the patent face drawing shows a feature that I placed in my original “inventor’s note book” to assure that people would not steal my ideas. This feature is the steel ball #94. anyone looking at this rendering will see that that ball will prevent the thread segment #82 from sliding up and away

when the male bolt #60 is inserted. This is the action that produces the “Zipping” sound. The USPTO says that your invention would not see this, but they actually make parts following this diagram for their friends at Superior and you had to manually retract the threads by pulling #68 towards #86. I did receive a sample of their part and removed the ball, making it operate by “push-on” application.

94. Time wasted/involved in the two cases

- a. Chart [\[ZipNut™ - #94\]](#) will show time from indictment to final action of both legal actions.

[Note: The Civil case is still on going.]

95. Certified Copy of Articles of Incorporation (ZipNut™ Inc) page 5 & page 6.

- a. Amended Articles [\[ZipNut™ - #95\(1\)\]](#) Show Robert L. Fullerton being a Class A share holder (unable to vote for majority) also Michelle Zimmer-Foestr Being a class B shareholder (Virginia Mars being a Board member).

96. Articles of Incorporation - First Phoenix

- a. [\[ZipNut™ - #95\(2\)\]](#) Shows John Schell Esq. and Michelle Zimmer-Foestr merged Crescent with First Phoenix (1996 Feb 02); notarized the 7th of March 1996 – well after, by Nevada Law of when it was supposed to be merged by date.

97. Polaha’s Order (dated 2007 Oct 08) [\[ZipNut™ - #96\(a\)\]](#)

- a. Interesting foot note, at the base of page 2, foot note 1, will show “outside interest” has controlled this case from the offset.

[NOTE: The time “languished” was three (3) years.]

**98. Letter from Richard Cornell [\[ZipNut™ - #96\(b\)\]](#)
(Corinne Bennett’s court appointed lawyer)**

- a. This document shows the attorney for the defendant being more inline of the prosecution point of view.
- b. This document also shows reluctance in making various subjects to be “of record” for future appeal, etc.

99. Eric LeRude’s Proposed draft [\[ZipNut™ - #96\(c\)\]](#)

- a. a letter to the Deputy Attorney General in charge of the criminal case (CR-92-166), as well as my reply to the proposed letter.

100. Richard Cornell’s letter to Corinne Bennett (dated 2009 Apr 10)

- a. This correspondence, again, [\[ZipNut™ - #97\]](#) shows reluctance on the part of the lead defense attorney to defend his client.
NOTES: of meeting between defendants and councils with respect to the outcome of recent negative rulings by Judge Polaha.

- b. It was after this meeting that I proposed and Mr. LeRude did contact Deputy Attorney General Guinta with my concept of a settlement that resulted in the final resolution of the criminal case. [\[ZipNut™ - #98\]](#)
(See: INDEX NUMBERS: _____)

101. **Settlement Stipulation**

- a. [\[ZipNut™ - #99\(a\)\]](#) Will show the State dismissing Corinne Bennett with prejudice, after decades of persecution, as well as Robert L. Fullerton being recharged with **a misdemeanor count that was not in the original series of charges** to which Mr. Fullerton pled “No Contest”

102. **Order approving settlement stipulation**

- a. [\[ZipNut™ - #99\(b\)\]](#) In this document, the State acknowledges a complete satisfaction of the judgment.

103. **Release of claims and reservations of rights**

- a. [\[ZipNut™ - #99\(c\)\]](#) The interesting part of this document is that the settlement and release is limited to the criminal case (CR92-2166), leaving the Civil Case (CV91-5979) still ongoing and exposed to claims.
- b. Also, the settlement, while protecting the State (... etc) on the criminal case , exposes the Receiver (Matthew Callister), various lawyers, and law firms.

104. **Memorandum of Law**

- a. [\[ZipNut - #99\(d\)\]](#)