

Date set for Heath hearing

FRAUD CASE: The judge also denies a request by the oldest defendant to sever his case.

10:10 PM PDT on Friday, May 13, 2005

By JACK KATZANEK / The Press-Enterprise

The four men accused of what authorities call the largest fraud prosecution in Riverside County history are heading to a preliminary hearing in July, a Superior Court judge ruled Friday.

This includes John William Heath, the oldest of the four defendants in the case against D.W. Heath & Associates, who had sought to sever his case from the other three and be granted a quicker hearing. Judge Robert J. McIntyre denied the motion in Riverside County Superior Court.

McIntyre set July 25 as the date for the preliminary hearing to determine the merits of the case, which could take as long as two weeks.

John Heath, 78, who appeared in court in a wheelchair, was seeking to have his case separated because he claims the right to a speedy hearing, his attorney Jeff Van Wagenen said. If he cannot be granted one, Van Wagenen said Heath should be released from Riverside County jail on his own recognizance.

"The judge is still saying we're in a reasonable time frame (for a hearing) but I think the next time the judge will have to make a decision," Van Wagenen said outside the courtroom. All four remain in custody, with bail for each set at \$144 million.

A conditional hearing, when elderly former investors in Heath & Associates are expected to give testimony for the record, has been scheduled for June 17. Van Wagenen said he would again ask to have John Heath released from jail and his case separated from the other defendants.

John Heath, Daniel William Heath, Denis Timothy O'Brien and Larre Jaye Schlarmann are charged with security fraud and grand theft. They allegedly bilked hundreds of people, mostly senior citizens, in what authorities call a Ponzi scheme, where early investors are paid with money from later ones.

The four men are accused of collecting at least \$192 million.

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