

Date set for Ponzi-scheme trial

Heath & Associates: Three defendants are accused of taking millions from seniors.

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By DEVONA WELLS / The Press-Enterprise

A January trial date was set Wednesday for the long-delayed D.W. Heath & Associates fraud case.

Daniel Heath, his father, John Heath, and Denis O'Brien were arrested more than two years ago and charged with multiple felony counts, including securities fraud. Authorities accuse the men of bilking hundreds of seniors out of more than \$100 million in what is known as a Ponzi scheme, which pays earlier investors with money from later ones.

Attorneys selected Jan. 12 for the Riverside County Superior Court trial, which is expected to last at least six weeks. The trial date, however, could be rescheduled as it has been in the past. Attorney Chad Firetag, who represents John Heath, said he also has a murder case scheduled to start trial Jan. 8.



Barry O. Bernstein, Daniel Heath's defense attorney, said a request to recuse the prosecuting attorneys was denied Wednesday by the California Supreme Court.

The case is expected to be back in court Nov. 16 to update progress on preparations for trial. The district attorney's office has said it will put up 60 to 70 trial witnesses, including investors, experts, employees of Heath & Associates and representatives from the Securities and Exchange Commission and state Department of Corporations.

A fourth defendant, Larre Schlarmann, pleaded guilty last year to money laundering and nine other felony charges. Schlarmann will likely testify at the trial, said deputy district attorney Michael Silverman. Schlarmann was sentenced to 15 years in state prison.

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