

Jury Awards \$6.2 Million in Fraud by Family

By Tim Willert

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SANTA ANA — A jury has awarded a San Clemente business owner \$6.2 million in compensatory damages, finding the man's sister and brother-in-law guilty of defrauding him.

Michael Anthony sued Bernard and Jane Mazon in July 2003, alleging breach of contract and fraud stemming from money Anthony gave his brother-in-law to keep until his divorce was final.

The jury unanimously found that there was an oral contract between Anthony, the owner of Anthony and Morgan Surety & Insurance Services Inc. in San Clemente, and Bernard Mazon, the company's chief operating officer, to hold \$4 million in bonus money for Anthony until his divorce was final.

The jury also found unanimously that Mazon was guilty of committing oppression, malice or fraud. *Anthony v. Mazon*, 03CC09517 (Orange County Super. Ct., filed July 25, 2003).

"The idea was Bernie would hold money until the divorce was final, then give it back," Anthony's attorney, Jim P. Mahacek of Callahan & Blaine in Santa Ana, said Wednesday. "He never did."

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Jim P. Mahacek,
Attorney for Michael Anthony

Michael Bononi, the Los Angeles-based attorney representing Bernard and Jane Mazon, said he plans to appeal the verdict. "The alleged contract was illegal,"

Bononi said, "because the purpose of the arrangement was to hide money from the wife in the divorce case, which Michael Anthony was required by law to disclose.

"We believe there are several issues that an appellate court will take a long hard look at.

Additionally, the jury found Mazon guilty of breaching an agreement to pay Anthony \$2.2 million in exchange for some of Anthony's existing accounts receivable and for the right to write business under Anthony & Morgan's insurance license until Mazon could get his own license, Mahacek said.

"He couldn't show the jury why he was using Mike's license unless Mike had just made a gift to him, and the jury just didn't buy it," he said. "It was a classic case of never do business with your brother-in-law."

A jury was scheduled to consider punitive damages today in Orange County Superior Court, but attorneys for both sides said the Mazons likely will file for bankruptcy in a Naples, Fla., court, effectively putting the trial on hold.