

1 WILLIAM McPIKE State Bar #95869
2 MICHAEL SCOTT IOANE, Pro Se
3 108 East John Street
4 Carson City, Nevada 89706
5 Telephone (559) 841-3366
6 Facsimile (559) 841-5343
7 Email: mcpike@psnw.com
8 *William McPike Attorney for Acacia Corporate Management, LLC*
9 *Michael Scott Ioane, Pro se*

10
11 THE UNITED STATES DISTRICT COURT
12
13 EASTERN DISTRICT OF CALIFORNIA

14 FRESNO

15	ACACIA CORPORATE)	CASE NO. 1:07-CV-1129 AWI (TAG)
16	MANAGEMENT, LLC, MICHAEL)	
17	SCOTT IOANE;)	DECLARATION OF STEVEN AND
18)	LOUISE BOOTH IN RESPONSE TO
19	Plaintiffs,)	UNITED STATE'S STATUS REPORT
20)	AND REQUEST TO EXTEND STAY
21	v.)	PENDING CRIMINAL
22)	INVESTIGATION
23	UNITED STATES OF AMERICA; ET)	
24	AL)	
25)	
26	Defendants.)	

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1 STEVEN BOOTH and LOUISE BOOTH, in accordance with 28 U.S.C.
2 Section 1746(1), declare:

3 1) that, it is our understanding that when an IRS criminal investigation is
4 started, an agent will visit the target of the investigation advises them of the
5 investigation and alleged crime, and attempt to interview them. We have never
6 been visited by any IRS agent advising us of any criminal investigation against
7 us.

8 2) that, the attached as Exhibit A, is a true and correct copy of the letter
9 that we authorized our Attorney, John R. Reedy, to send to the Office of the
10 Inspector General, U.S. Justice Department, regarding the manner in which this
11 alleged criminal investigation has been handled, (*I excluded the exhibits, which*
12 *are already a part of this court's files*).

13 3) that, ACACIA CORPORATE MANAGEMENT LLC., Attorney STEVEN F.
14 STUCKER of Nevada or MICHAEL SCOTT IOANE, plaintiffs in this case are not
15 now nor have they ever been the nominee(s) of Steven Booth or Louise Booth.

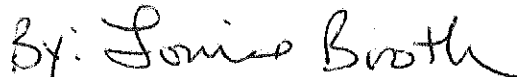
16 4) that, we have no claim, right, title or interest in the real property subject
17 of this litigation and referenced in this court's order dated September 25, 2007.

18 We declare under penalty of perjury that the foregoing is true and correct

19 DATED: November 13, 2008

20 By: 

21 /s/Steven Booth
22 Steven Booth, declarant

23 By: 

24 /s/Louise Booth
25 Louise Booth, declarant

26 Attached Notary Jurat under oath

CERTIFICATE OF SERVICE

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I hereby certify that on November 13, 2008 I electronically filed the foregoing DECLARATION OF STEVEN AND LOUISE BOOTH IN RESPONSE TO UNITED STATE'S STATUS REPORT AND REQUEST TO EXTEND STAY PENDING CRIMINAL INVESTIGATION with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

McGREGOR W. SCOTT
United States Attorney
G. PATRICK JENNINGS
ERIN B. ASHWELL
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 683
Ben Franklin Station
Washington, D.C. 20044-0683

/s/WilliamMcPike
William McPike, Attorney for Plaintiff
Acacia Corporate Management, LLC

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Kern

On Nov 13 2008 before me, Braulio Rincon Notary Public,
(Here insert name and title of the officer)

personally appeared Louise A Booth, Vincent J Booth

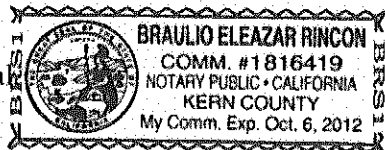
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

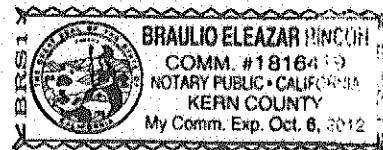
WITNESS my hand and official seal

Braulio Rincon

Signature of Notary Public



(Notary Seal)



BR

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT

Oath Jurat

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages 3 Document Date 11-15-2008

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

JOHN R. REEDY, INC.

A PROFESSIONAL LAW CORPORATION

3434 TRUXTUN AVENUE, SUITE 220
BAKERSFIELD, CALIFORNIA 93301

(861) 325-9079

FAX (861) 325-4603

INTERNET

jreedyesq@solisays.com

May 14, 2008

Office of the Inspector General
Glenn Fine, Director
U.S. Justice Department
Investigation Division
950 Pennsylvania Ave, N.W. Room 4706
Washington, D.C. 20530

Re: Request for independent investigation

Gentlemen:

Please be advised the undersigned is the attorney for Health 1st of Kern Medical Group, Inc. and has been hired by Dr. Steven Booth and Louise Q. Booth for purposes of conducting an independent review of Dr. and Mrs. Booths tax returns along with various trust entities, which have had long standing disputes with the Internal Revenue Service. In October, by certified mail I contacted the Assistant U.S. Attorney Verna Santos, of Fresno, California in an attempt to obtain records or copies of records that were taken during the execution of an IRS seizure of documents. I explained in my letter to Ms. Santos that the records were needed, so that I could complete my review of Dr. and Mrs. Booth's tax returns and other entities involved, such as Aligned Enterprises, Alpha Omega Trust and Agape Church. I explained that I could not complete my review and investigation without copies of the records. As of today I have heard nothing from Ms. Santos. Attached as Exhibit "A" is a true and correct copy of the letter mailed to Ms. Santos.

Since my letter referenced above, my client Dr. and Mrs. Booth have been involved in a number of IRS tax court matters, which are still pending and some unusual district court litigation including a Quiet Title action. Attached as Exhibit "B" is a copy of the Quiet Title action. My clients are accused of claiming some interest in real property they transferred in 1996 and have had no interest in the real property since that time. Apparently the IRS has filed a lien against the current owner claiming that that owner is a nominee of Dr. and Mrs. Booth, however, the IRS has not been able to provide any evidence to support such allegations. There has been neither third party action taken against the current owner nor any documents that could remotely support these assertions. However, my clients have been sued by the current owner because of the IRS's unfounded allegations. I have reviewed the entities involved and neither Dr. Booth nor Mrs.

Booth is a beneficiary, owner or in control of any of the entities involved. I have informed Ms. Santos of the facts surrounding the allegations asserted against Dr. and Mrs. Booth. However, it appears that the government may be pressing criminal investigations for the purpose of obtaining some favorable resolution in the pending civil litigations, which the Booths have against the IRS. Dr. and Mrs. Booth have filed a civil action against the IRS and numerous agents for the execution of potentially illegal search warrant, a copy of which is attached as Exhibit "C".

After a review of several documents, it has come to our attention that Tomas Rios formerly employed by San Joaquin Wellness and Medical Group, Inc, former Trustee of Alpha Omega Trust and former Trustee of Aligned Enterprises Trust has plead guilty, on or about June 1, 2007, case number 1:07-CR-00146 AWI, to filing a false tax return in federal court. Attached is Exhibit "D", which is the Information and Plea agreement, signed by Tomas Rios and Assistant U.S. Attorney Verna Santos. Once Dr. Booth became aware of the criminal activity involving Dr. Rios and his guilty plea Dr. Rios was placed on a leave of absence. It appears that Dr. Rios was encouraged in the plea agreement to report information concerning the Alpha Omega Complex Trust, Aligned Enterprises, Dr. Steven Booth and others. Based on the information I have, Dr. Rios, appointed James H. Baker, the accountant and manager along with an independent administrator to run both Aligned Enterprises and Alpha Omega trust and had no involvement in the day to day operations of any of those entities nor would he have any information concerning them, other than he appointed accountant James H. Baker and a third party administrator to handle the day to day operations of those trusts. It is my understanding that Dr. Rios at the time of his statements and during his plea agreement did not even have a copy of the documents establishing the entities.

On April 15, 2008, my client Dr. Booth was subject yet to another search, this time conducted by the State of California and involving Dr. Rios and multiple purported illegal corporations owned by Dr. Rios. I have been informed that Dr. Rios has been the subject of a major workers comp fraud investigation. Since Dr. Rios previously was employed by San Joaquin Wellness and Medical Group, Inc., the investigators felt that there was probable cause to search Dr. Booths Medical Office. During the raid the investigators informed Dr. Booth that Dr. Rios was involved in some 52 fraudulent worker comp operations, however, they assured Dr. Booth that so long as he, was not involved in any of the 52 worker comp companies he had nothing to worry about, (Dr. Booth has nothing to do with Dr. Rios other medical practices).

I have also enclosed, as Exhibit "E", copies of an Addendum to Affidavit to obtain a search warrant of the location where Dr. Booth practices. This Addendum contains several misleading and untrue statements. This includes the statement that San Joaquin Wellness and Medical Group, Inc. and Health 1st of Kern Medical Group, Inc. are essentially one and the same corporation which is inaccurate. Based on the information I have, San Joaquin Wellness and Medical Group, Inc. has not been dissolved and is still in existence. I am the creator of Health 1st and have first hand knowledge that San Joaquin Wellness and Medical Group, Inc., is not a part of or one in the same as Health 1st.

It was my advice not to continue Dr. Rios's employment. Dr. Rios demanded a payout. Dr. Rios approached Dr. Booth and requested \$360,000.00 payment to paid out \$10,000.00 a month over 36 months. He intimated in the conversation that if Dr. Booth would not agree to this payment

that "he ("Dr. Booth") might be sorry". It appears obvious to me that Dr. Rios has a clear conflict of interest between protecting himself and giving false or other misleading information concerning Dr. Booth, the entities described in the plea agreement and others named in the plea agreement. Attached as Exhibit "F", is the type written proposal made to Dr. Booth from Dr. Rios. The conduct of Dr. Rios could be interpreted as extortion and in any case clearly establishes a conflict between Dr. Booth and Dr. Rios.

Obviously we have concerns regarding the conflict of interest Dr. Rios has under the plea agreement where it is in his interest in order to receive a lighter sentence for his wrongdoing in return for potentially providing false or misleading information regarding entities in which he has neither information nor any current affiliation. Additionally, we would like to know whether the U.S. Attorney's office or the Internal Revenue Service has knowledge of his conduct. We would appreciate your looking into the manner in which this investigation is being conducted.

Thank you for your courtesy and cooperation.

Very truly yours,



JOHN R. REEDY

JRR/en

Enclosure

cc: U.S. Attorney General, Michael B. Mukasey
Assistant U.S. Attorney, Verna L. Santos
Sherrill Carvlho
Eric Fogderude, Esq.

EXHIBIT "A"

EXHIBIT "A"

JOHN R. REEDY, INC.

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3434 TRUXTUN AVENUE, SUITE 220
BAKERSFIELD, CALIFORNIA 93301

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INTERNET
jreedyesq@solisys.com

October 12, 2007

Verna L. Santos
Assistant U.S. Attorney
2500 Tulare Street, Suite 4401
Fresno, CA 93721

Re: Steven & Louise Booth
IRS/Matter

Faxed & Original sent U.S. First Class mail

Dear Ms. Verna Santos;

Please be advised the undersigned has been retained by Vincent Steven Booth to do an independent forensic review of various trusts, corporations and financial records. I have enclosed form 2848. It is my understanding that you have asserted deficiencies against Dr. Booth and possible criminal indictments against him, his wife Louise Booth, various family members, such as his 73 year old mother, and associates for conspiracy to commit tax evasion; based primarily on his purported use of trusts and/or corporations.

Additionally, I understand that that you received numerous financial records, tax returns, trusts records, corporation records and bookkeeping, which have not yet been returned to Dr. Booth. We request that you return these items or at minimum forward copies, so that I may be able to complete my review of the records; in order to determine if any tax liability actually exists or if there has been any activity that could be construed as criminal on the part of Dr. or Mrs. Booth.

I have reviewed numerous documents provided by Dr. Booth and others; albeit incomplete since you have the majority of the records. However, I believe that I reviewed enough to make a preliminary opinion that it appears that the IRS and your office is premature in asserting any wrongdoing on the part of Dr. and Mrs. Booth.

I understand that Dr. Booth currently has three U.S. Tax Court cases pending and there is an outstanding CDP hearing request; all of which deal with the years in question

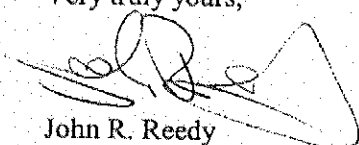
by the IRS and your office. Dr. Booth his attempting to obtain a lawful determination of any tax owed. The fact that Dr. Booth does not believe he owes a tax or is aggressively pursuing all his administrative and judicial remedies does not at least in my understanding of the law amount to criminal conduct. It appears that the US Attorneys office ought to allow the civil process to complete itself before concluding that a lawful debt exists to evade the payment of taxes.

Southern Financial, Bakersfield Property and Trust Company and 21st Century Management all have the necessary elements for a valid trust under California law. Each trust was managed by an administrator, whom was hired by the trustees. Dr. Booth had no control or independent management over any of the trusts. California law does allow the grantor to maintain 50% control; however, in this case Dr. Booth and his wife had zero control and it is questioned as to who the grantor actually was. All the trusts are similar although the structure and language is somewhat unusual given the garden variety of trusts today. The trusts have grantors, independent trustees, beneficiaries and in this case a professional independent administrator, whom was hired to mange the trusts. Property was transferred to each of the trusts. These trusts are patterned after the Massachusetts business trust. This type of trust was commonly used years ago before the advent of the modern day corporation. The trusts were frequently used to conduct business and oversee investments. California has long recognized the legality of the Massachusetts trust in the case of Goldman vs. Oltman (210 Cal 408).

In regards to Dr. Booth's use of Corporations and LLC's for his medical practice, this is a common and acceptable practice in California and I believe in most other states.

In order to complete my independent forensic review and analyze the relationships between the entities, if any, and operations under trust I will need to receive the information requested above. I understand that you have already promised to produce those items for Attorney Eric Fogderude, however, you have not yet done so.

Very truly yours,



John R. Reedy

cc: Eric Fogderude
Vincent Steven Booth

JOHN R. REEDY, INC.

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3434 TRUXTUN AVENUE, SUITE 220
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jreedyesq@solisys.com

November 12, 2007

Verna L. Santos
Assistant U.S. Attorney
2500 Tulare Street, Suite 4401
Fresno, CA 93721

RE: Steven and Louise Booth
IRS/Matter

Dear Ms. Santos:

On or about October 12, 2007, we forwarded to you a letter regarding the above referenced matter, a copy of which is enclosed herewith. We would appreciate being advised when we can expect a reply.

Thank you for your courtesy and cooperation.

Very truly yours,

JOHN R. REEDY
JRR/en
Enclosure

EXHIBIT "B"

EXHIBIT "B"

RETURN COPY

**ORIGINAL
FILED**

OCT 12 2007

**CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY _____
DEPUTY CLERK**

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ACACIA CORPORATE MANAGEMENT, LLC
MICHAEL SCOTT IOANE
108 East John Street
Carson City, Nevada 89706
775-331-1185

**THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO**

ACACIA CORPORATE
MANAGEMENT, LLC, MICHAEL
SCOTT IOANE;

Plaintiffs,

v.

UNITED STATES OF AMERICA;
STEVEN BOOTH; LOUISE BOOTH;
BAKERSFIELD PROPERTIES AND
TRUST COMPANY; ALPHA
OMEGA TRUST; ALIGNED
ENTERPRISES TRUST,

Defendants.

CASE NO. *1:07-CV-1129-MWE-New-TWS*

FIRST AMENDED COMPLAINT:
ACTION TO QUIET TITLE AND FOR
DAMAGES

JURY TRIAL DEMANDED FOR ALL
ISSUES TRIABLE BY JURY

COMES NOW, the afore-named Plaintiffs and for causes of actions against the Defendants, United States of America; Steven Booth; Louise Booth; Bakersfield Properties and Trust Company; Alpha Omega Trust; Aligned Enterprises Trust alleges as follows:

I

EXHIBIT “C”

EXHIBIT “C”

SW.NO. _____

STATE OF CALIFORNIA
COUNTY OF KERN
SEARCH WARRANT

THE PEOPLE OF THE STATE OF CALIFORNIA TO ANY PEACE OFFICER IN THE STATE OF CALIFORNIA: proof by affidavit having been made before me by Investigator Darrel L. Tully that there is probable cause to believe the property described herein may be found at the location(s) set forth herein and that it is lawfully seizable pursuant to Penal Code Section 1524 as indicated below by "X"(s) in that it:

- _____ was stolen or embezzled
- _____ was used as the means of committing a felony
- _____ is possessed by a person with the intent to use it as a means of committing a public offense or is possessed by another to whom he or she may have delivered it for the purpose of concealing it or preventing its discovery,
- XXX tends to show that a felony has been committed or that a particular person has committed a felony,
- _____ tends to show that sexual exploitation of a child, in violation of P.C. Section 311.3, has occurred or is occurring;
- _____ that a warrant has been issued for the arrest of a person

YOU ARE THEREFORE COMMANDED TO SEARCH: Between the hours of 7:00 A.M. and 10:00 P.M. Night Search Requested Yes () No (X) *[Signature]*

THE PREMISES located and described as:

Refer to the documents attached to and hereby incorporated into the affidavit as:

- ATTACHMENT ONE:
- ATTACHMENT TWO:
- ATTACHMENT THREE:
- ATTACHMENT FOUR:
- ATTACHMENT FIVE:
- ATTACHMENT SIX:
- ATTACHMENT SEVEN:

EXHIBIT “D”

EXHIBIT “D”

1 MCGREGOR W. SCOTT
United States Attorney
2 VIRNA L. SANTOS
Assistant U.S. Attorney
3 Federal Courthouse
2500 Tulare Street, Suite 4401
4 Fresno, California 93721
Telephone: (559) 497-4000
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FILED

JUN 01 2007

CLERK, U.S. DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA
BY Shelina
DEPUTY CLERK

9 IN THE UNITED STATES DISTRICT COURT FOR THE
10 EASTERN DISTRICT OF CALIFORNIA

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 TOMAS RIOS,

15 Defendant.
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NO. 07 CR 00146 ANI

VIOLATION: 26 U.S.C. § 7206(1) -
Making and Subscribing a False Income
Tax Return

18 INFORMATION
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20 The United States Attorney charges: T H A T

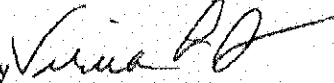
21 TOMAS RIOS,

22 defendant herein, on or about October 17, 2003, within the State and Eastern District of
23 California, did willfully make and subscribe his U.S. Form 1040 and schedules attached thereto,
24 for the calendar year 2002, which form contained a written declaration that it was made under
25 penalty of perjury and was filed with the Internal Revenue Service at Fresno, California, which
26 income tax form defendant TOMAS RIOS did not believe to be true and correct as to a material
27 matter, in that the tax form reported the total tax liability for the taxpayer named in the form to be
28 substantially less than the true and actual tax liability for the taxpayer named in the form, as

1 defendant TOMAS RIOS, then and there well knew and believed, in violation of Title 26, United
2 States Code, Section 7206(1).

3 DATED: June 1, 2007

McGREGOR W. SCOTT
United States Attorney

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5 By 
6 VIRNA L. SANTOS
Assistant U. S. Attorney

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EXHIBIT “E”

EXHIBIT “E”

ADDENDUM TO AFFIDAVIT AND ATTACHMENT FIVE

**Steven Vincent Booth DC
1201 24th Street
Bakersfield, CA**

On 04/15/2008, Investigator Scott Carvel of the Kings County District Attorney's Office executed a search warrant issued by the Honorable Gary Friedman, Judge of the Kern County Superior Court, at 1201 24th Street in the City of Bakersfield, County of Kern, State of California.

During the execution, Kern County District Attorney Investigator Al Rogers interviewed an employee who identified herself as Ann Hamman, and stated she is the book keeper. Hamman explained that San Joaquin Wellness and Medical Group, A Professional Corporation and Health-1st of Kern Medical are functioning as essentially one and the same corporation, with the intent being that Health-1st will take the lead as the primary corporation used for business purposes. Hamman also stated that a corporation known as Booth Health Management acts as the management service for both San Joaquin Wellness and Health-1st. In acting as the management service, Booth Health Management pays the bills for the two subordinate corporations, as well as provides staffing. During this conversation, Hamman also told Rogers that these corporations have several doctors and chiropractors on payroll. She stated that one physician whom she identified as Tomas Rios, MD is paid \$30,000 per month. The other physicians/chiropractors are paid approximately \$5,000 per month.

During the execution of the previously issued search warrant, Kern District Attorney Investigator Al Rogers also interviewed Steven Booth DC. Booth stated that San Joaquin Wellness and Medical Group was a Corporation that he formerly operated with Tomas Rios MD. Booth stated that this Corporation has been shut down and that Tomas Rios has no relationship with the Health 1st Corporation.

During the execution of the search warrants, Investigator Rogers also located what appeared to be "Deposit Slips" from the Mission Bank account of San Joaquin Health and Wellness Corporation. These "deposit slips" list various names and purposes and appear to account for the purpose of the money deposited. Among the names identified on these slips as a recipient of large sums is Tomas Rios.

Based upon this information, I request that the Court authorize the continued execution of the warrant issued to search the Offices of Steven Vincent Booth DC doing business as San Joaquin Health and Wellness Corporation and the Health 1st Corporation, located at 1201 24th Street, in the City of Bakersfield, County of Kern, State of California for the items previously listed in the warrant to be seized, I request that this search would

include all items or documents previously listed in the search warrant that would identify or prove the relationship between "P & R" and Steven Vincent Booth DC, San Joaquin Health and Wellness Corporation and the Health 1st Corporation.

I/we certify (or declare) under penalty of perjury under the laws of the State of California that the information contained in this Addendum to Affidavit and Attachment Three is true and correct:

[Signature] 4/15/08 16:36
Affiant Date/Time

Based upon the above information, I hereby authorize the continued execution of the search warrant at 1201 24th Street in the City of Bakersfield, County of Kern, State of California upon the records of the above listed entities, their corporate officers and/or employees.

[Signature] 4-15-08
Judge of the Superior Court of the State of California Date
County of Kern.

EXHIBIT “F”

EXHIBIT “F”

PROMISSORY NOTE**\$360,000.00****Bakersfield, California****May 12, 2008**

AN INSTALLMENTS as herein stated, for value received, the undersigned promises to pay TOMAS B. RIOS, M.D., or order, at where designated, the principal sum of \$360,000.00 Said payment are to be made in installments of \$10,000.00, or more, per month beginning on the 1st day of June, 2008, and continuing on a first day of each month thereafter until paid in full.

If any payment is more than seven (7) days delinquent, the undersigned promises to pay a late charge fee of five percent (5%) of payment then due.

Should default be made in payment of any installment, then the whole amount of said Note shall, at the option of the holder, become immediately due. Principal shall be payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may adjudge as attorney's fees. This note is unsecured.

Health 1st Medical Corporation

By _____
CHAN LEE, M.D.
 President

PERSONAL GUARANTEE

The undersigned hereby personally guarantees and promises to pay to TOMAS B. RIOS, M.D., or order, on demand, in lawful money of the United States, the sum specified in the Promissory Note dated May 12, 2008, in the principal sum of \$360,000.00 executed by HEALTH 1st Medical Corporation or any and all amount that may be due and payable at the time of the demand, if said sums are not paid by Health 1st Medical Corporation as provided in said Note and said sums are due and payable as

provided in the said Note. This guarantee shall continue until the terms of the Promissory Note have been satisfied.

In the event that action should be instituted against the undersigned to enforce any of the terms and conditions of this Guarantee, the undersigned promises to pay said sums as the Court may affix as attorney's fees and costs. This guarantee shall inure to the benefit of TOMAS B. RIOS M.D., his successors and assigns and shall be binding jointly and severally on the successors and assigns of the undersigned.

IN WITNESS WHEREOF, the undersigned have executed this Guarantee this 12th of May, 2008.

By _____
CHAN LEE, M.D.

By _____
STEVEN VINCENT BOOTH, D.C.