UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. DENNY BHAKTA, Defendant.	Case No. 21-CR-3352-JLS Friday, February 14, 2025

CERTIFIED TRANSCRIPT

REPORTER'S TRANSCRIPT OF PROCEEDINGS

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BEFORE THE HONORABLE JANIS L. SAMMARTINO
UNITED STATES DISTRICT JUDGE

APPEARANCES:

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(Reported stenographically; transcribed via computer)

FRIDAY, FEBRUARY 14, 2025; 9:01 A.M.

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THE CLERK: Matter number five, 21-CR-3352, United States of America v. Denny Bhakta.

MR. KIRBY: Good morning, your Honor. John Kirby on behalf of Mr. Bhakta. He's not present. He's apparently in the hospital.

MR. MOKHTARI: Good morning, your Honor. Kevin Mokhtari and Eric Olah for the United States.

THE COURT: Okay. I was informed that Mr. Bhakta was not available and that he's hospitalized, but I was also informed that there may be some victims who have flown into town to address the Court at the time of sentencing. If those victims wish to address the Court, I'm going to ask this matter to trail and I could hear from them, since it may not be possible for them to come back whenever we put this over, or we can put the whole matter over. So that's why I'm calling it now.

Go ahead, Mr. Mokhtari.

MR. MOKHTARI: Yes, your Honor. I think the Government would certainly be amenable to that. We have one victim who's flown in, who's not local, so it's not going -- the other victims are here.

THE COURT: And would prefer to come back?

MR. MOKHTARI: I believe so, yeah, and address the Court on the day of. That would be their preference.

THE COURT: Okay.

MR. MOKHTARI: But we do have one who is here from Texas, and we certainly would want him to address the Court today. I don't know if the Court wants to still trail the matter if it's just one victim or not, but I leave that in the Court's discretion.

THE COURT: It would just be a few minutes, correct?

MR. MOKHTARI: Yes, your Honor. I believe so.

THE COURT: Okay.

MR. KIRBY: That's fine, your Honor. And I can get a transcript of the hearing so that Mr. Bhakta can at least review it.

THE COURT: Exactly. Exactly. So he can be informed what this individual says. Let's go ahead and take that as a courtesy, and then we'll put this matter over.

I don't know -- do you know, Mr. Kirby, should we put this over a week or longer? What are we looking at here?

MR. KIRBY: I mean, Mr. Bhakta has been intermittently hospitalized. So I don't think it's a

long-term thing, so I think we could put it over for a week --

THE COURT: A week?

MR. KIRBY: -- and, possibly, he would be available next week I think. Two days ago he was not in the hospital, so . . . .

THE COURT: Okay. Okay. Do you have any information that would be helpful to me in putting this matter over, sir?

THE MARSHAL: All I know, your Honor, is he was sent to the hospital this morning from his facility for chest pains. He never made it to our facility.

THE COURT: Oh, okay. You could hear that?

MR. KIRBY: Yes.

THE COURT: Okay. Very good. Well, let's put this over one week. Hopefully, he'll be doing better and will be present for next week's sentencing. But in the meantime, we are on the record, the matter's been called, and I will just hear the statement of the one victim who's flown in from Texas.

MR. KIRBY: Thank you, your Honor.

MR. MOKHTARI: Yes, your Honor. And for context, your Honor, Vishal Patel is the victim who's going to address the Court. If the Court recalls, there were -- Mr. Andy Patel who testified, these are two of

the other individuals who were business partners, one of which was Mukesh Patel, and this is Vishal Patel, both from Texas.

THE COURT: And from this individual, I also have a victim impact statement, correct, that was filed with the Court?

MR. MOKHTARI: Correct. Correct.

THE COURT: Okay. Very good.

Good morning, sir.

MR. PATEL: Good morning.

THE COURT: So if you would state your name for the record and then make whatever statement you'd like.

MR. PATEL: My name is Vishal Patel, and I'd like to read a statement of how this Ponzi scheme has impacted me and my family.

THE COURT: Okay. Let me just say this: My court reporter writes down everything we say, so I'm going to ask you to read slowly.

MR. PATEL: Okay.

THE COURT: And pull this microphone up a little bit so we can hear you easily.

MR. PATEL: Okay.

THE COURT: Thank you.

MR. PATEL: Like I said, my name is Vishal Patel, and I stand before you as a victim of a Ponzi

scheme that Denny created, one of the most devastating experience of my life. The impact of this fraudulent operation by Denny and his team have been profound, affecting me emotionally, financially, psychologically in ways that words can scarcely convey.

Over the past few years, the emotional and psychological toll of being deceived and betrayed by someone who purported to be a friend and family member has been overwhelming. The constant stress, fear, shame, and anxiety of dealing with the aftermath of the fraud have taken a significant toll on my family and my personal mental health. Sleepless nights persistent worrying, and sense of helplessness have become too familiar. The fear of financial insecurity looms large, affecting my overall well-being and peace of mind. Socially, I've withdrawn from all activities and circles, which once I found joy, overwhelmed by the sense of shame and embarrassment.

Financially, the impact has been devastating, especially for my children, as I'm unable to support my son and daughter's education or allow them to pursue their desired fields in universities. I'm unable to provide care for my parents who are dependent on me. My mother has advanced Alzheimer's and should be receiving specialized care that I'm unable to afford. I've had to

sell multiple assets and borrow money on high interest just to keep myself afloat and avoid defaulting on my mortgage and having to make interest payments on people I've borrowed from.

I also had to file a civil complaint about Denny not paying me in 2019, where the hearing was yesterday with Judge Taylor. And finally, I got judgment in the tune of 8 and a half million dollars that I lost with Denny. He had two lawyers yesterday, and he's still been fighting me since the last six years. I don't know where he's getting the money to do all that. And he claims that he has no money and -- and hopefully this puts an end to the case because, like previous times, he's appealed them numerous times, and I'm hoping this is -- it puts a complete end to this thing.

I'm a self-employed person and make my living through operating hotels and partnering with others in the field of business, but the shame and inability to pay people back I have borrowed from, which are my friends, family, and business partners, I've been unable to pursue any new business opportunities, as investing and managing business is what I do, and that's supports my family.

As my reputation, all my savings, and all the

contributions from my loved ones were invested in what seemed like a genuine business opportunity but disappeared without a trace, the loss has disrupted my financial stability and jeopardized my future plans. Now I face the challenge of repaying debts and rebuilding my finances from scratch.

At the end I would just like to say that Denny's lawyers submitted a document to the Court portraying him as a good person, attaching all of his history of charitable donations and all of the other charitable deeds. This is all false. Denny even went to the extent of defrauding the U.S. taxpayers for millions of dollars by applying for and getting PPP loans which were meant to help the business in the COVID times, which is what he's being sentenced for as well.

Denny used his various entities, even his so-called charitable foundation, the Manu Bhakta Foundation, to lure countless investors like me, and even his own uncle Andy Patel, whom he referenced in Exhibit B of one of the documents. Andy Patel ended up being one of the major victims of Denny's scheme, and he was his own uncle.

In sharing my story, I hope the profound and far-reaching impact that the Ponzi scheme has had on my life and countless other victims, I urge the Court to

consider severe consequences of these fraudulent actions and to deliver justice to those responsible. It's my sincere hope through legal action steps can be taken to prevent others from falling victims to similar schemes and restore a sense of justice and trust within our community.

In concluding, the effects of Ponzi scheme will be felt for years for me and my family which I -- which, while I strive to rebuild and move forward, the scars of this experience will always remain. I stand here today not just as a victim seeking justice, but as a voice of all those who have suffered due to the deceitful actions of Denny. That's it, your Honor.

THE COURT: Okay. Thank you very much, sir. I appreciate that. I'm going to probably end up putting this matter over for a week.

MR. PATEL: Okay.

THE COURT: And your statement is now in the record.

MR. PATEL: Okay.

THE COURT: Thank you very much, sir.

MR. PATEL: Thank you.

THE COURT: Anything further that we need to do this morning, because people can't come back, before I put this over? I'll just put it over one week,

Mr. Kirby, with the hope that Mr. Bhakta is out of the hospital shortly.

MR. KIRBY: That's fine, your Honor.

MR. OLAH: Your Honor, we have -- one of our local victims has preplanned travel to her daughter's baby shower next Friday, so she would actually not be able to address the Court. I know we said it would only be one victim that was from out of town. That's still true; it's just she's unavailable next Friday when this matter's been reset.

THE COURT: Okay. Well, let's go ahead and hear from her then if she'd like to address the Court.

MR. OLAH: She would, your Honor.

MS. DUFFY: Good morning.

THE COURT: Would you state your name and spell your last name for the record.

MS. DUFFY: Sure. It's Susan Duffy, and it's D-u-f-f-y.

Well, I wish he was here today. But, Denny, as your father and brothers sit here nervously awaiting your fate, I can only imagine what they're thinking. Some thoughts come to mind: How could this happen to us? How did I fail as parent that my son would allow this to happen to our family? Personal failure, heartbreak, incredible disappointment and disgust. The

ultimate disrespect and lies to your family and close friends, embarrassment, hurt, financial loss for your family, extended family, and friends you pretended to care about.

I can only imagine that your mother is rolling over in her grave. Is this the son I raised? Is this what he turned into? How did I fail as a parent that my son, my own flesh and blood, would become a cheat, a fraud, a liar, a con artist, someone that would hurt anyone to accomplish his goals? My son that would use my name in vain for a foundation that was only self-serving to you, Denny, funded with money stolen from the government. Thank God she is not here to witness this. It would have crushed her.

After knowing you for over 15 years, I'm still in shock at what you did to us, the betrayal of a very deep and caring friendship, so we thought. We had worked so hard to save for retirement which your fraud scheme destroyed. Losing over 30 percent of our retirement savings and having to still pay off $100,000 loan we took out to help you is a constant, monthly reminder of how despicable you are.

Everything was a lie. The ultimate betrayal and deception. The special occasions we shared with you. We treated you like family as you sat at our table

at our daughter's wedding. How could you even take a seat? How I celebrated my 60th birthday with you. It makes me sick. This was all part of the charade to keep us close, all part of the plan to defraud us.

The reality is, Denny, we don't need you. You are irrelevant. You and your pathetic life will continue to be irrelevant. Your upcoming years in prison will be filled with loneliness and isolation, the constant thoughts and reminders of how you let down your family and friends, leaving your brother to care for your father in his later years. So, so selfish. The constant reminder that you, Denny Bhakta, were a failure in life.

I could go on, but I refuse to waste any more time on you. You may think you got the upper hand on us, but you failed. You only made us stronger. You know the saying, pigs get fat and hogs get slaughtered? You, Denny, are the ultimate hog.

One day at the beach at La Jolla shores this little girl with her face full of sunscreen was running towards the ocean dragging her Boogie Board behind her. She stopped in her tracks in front of me, looked up at me with the biggest smile on her face and said, "Best day ever." Well, Denny, she was wrong. Today is the best day ever. Enjoy prison.

Thank you, your Honor.

THE COURT: Thank you, Ms. Duffy.

On behalf of the Government, just those two statements today and we can put this matter over, Mr. Olah and Mr. Mokhtari?

MR. OLAH: Yes, that works for the Government. Thank you, your Honor.

THE COURT: Mr. Kirby, agreed?

MR. KIRBY: Your Honor, I was actually looking at my calendar, and two weeks would be --

THE COURT: Two weeks would be better?

MR. KIRBY: Yes, your Honor.

THE COURT: Any objection to two weeks?

MR. OLAH: None, your Honor.

THE COURT: Okay. We can go out two weeks, sir, of course.

Go ahead, Patricia.

THE CLERK: February 28th, 9:00 a.m.

MR. KIRBY: Thank you very much.

THE COURT: February the 28th at 9:00 a.m.

MR. KIRBY: Thank you very much.

MR. OLAH: Thank you, your Honor. Have a nice weekend.

THE COURT: Okay. Thank you.

(Proceedings concluded at 9:16 a.m.)

C E R T I F I C A T E

I, Stephanie Whitehead, certify that I am a duly qualified and acting Official Court Reporter for the United States District Court; that the foregoing is a true and accurate transcript of the proceedings as taken by me in the above-entitled matter on February 14, 2025; and that the format used complies with the rules and requirements of the United States Judicial Conference.

Dated: February 22, 2025

s/ STEPHANIE WHITEHEAD

Stephanie Whitehead, CSR 10093
U.S. Official Court Reporter