**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Criminal Action No. 1:24-CR-00106-NYW

UNITED STATES OF AMERICA,
Plaintiff,

v.

**RICO TOMAS GARCIA
Defendant.**

MR. GARCIA'S TRIAL BRIEF

Mr. Garcia, through undersigned counsel, respectfully submits this Trial Brief which discusses possible legal or evidentiary issues.

Factual Background

Mr. Garcia has been indicted on nine counts of wire fraud and six counts of money laundering. The allegations made by the Government surround an agreement entered into for the production and distribution of hand sanitizer amidst the unprecedented COVID-19 pandemic. The Government alleges that Mr. Garcia entered this agreement with the intent of carrying out a fraudulent scheme. Mr. Garcia's intent is the central question in the case.

Possible Legal Issues

Mr. Garcia plans on introducing pleadings from the civil litigation that was filed in Virginia. Mr. Garcia anticipates that the Government will challenge the introduction of these pleadings on relevance grounds. Mr. Garcia submits these documents are relevant to his intent.

See infra Part I.A. These documents are also not unfairly prejudicial to the Government. *See infra* Part I.B. Mr. Garcia also anticipates that, once the pleadings from Virginia are admitted, the Government will claim the door has been opened to submit documents from the JAMs arbitration proceedings. This is incorrect. *See infra* Part I.C. Second, Mr. Garcia also plans on cross-examining the principals of IPF Sourcing regarding what they did with the second payment that was supposed to be paid to Mr. Garcia. This questioning is relevant to the credibility of several of the government's witnesses. *See infra* Part II.

I. MR. GARCIA CAN INTRODUCE PLEADINGS FROM THE CIVIL LITIGATION OUT OF VIRGINIA.

Mr. Garcia plans on introducing pleadings from civil litigation that was filed in Virginia. The deal underlying this criminal case originated when SZY Holdings, LLC contracted with IPF Sourcing to source hand sanitizer. IPF Sourcing, then, contracted with Mr. Garcia to produce the hand sanitizer. SZY Holdings paid over $5 million up front. Half went to IPF Sourcing and half went to Mr. Garcia. SZY Holdings did not get its money back and did not get any hand sanitizer. The pleadings filed by SZY Holdings accused IPF Sourcing (and its principals, who will testify for the government) of breaching the contract and taking the money.

Mr. Garcia plans on introducing the initial complaint filed by SZY Holdings against IPF Sourcing and subsequent pleadings filed in this matter. *See* Trial Ex. 2202. The pleadings demonstrate the legal actions taken by SZY Holdings when the hand sanitizer agreement they had made with IPF Sourcing was not performed. *Id*. Most notably in the pleadings, SZY Holdings highlights that IPF Sourcing (1) received money from the agreement, (2) did not earn the money, (3) refused to return the funds, and (4) failed to provide SZY Holdings with an accounting of the funds. *Id*. Mr. Garcia's purpose for these exhibits is to highlight (through tangible complaints in court documents and not merely through his claims alone) that IPF Sourcing was, in part, responsible for Mr. Garcia's inability to perform under his agreement with IPF Sourcing. Mr. Garcia was unable to perform, in part, because he never received the second half of the payment from IPF Sourcing.

Mr. Garcia's purpose in introducing these pleadings is not to imply that these proceedings would be more appropriate as a civil, rather than criminal, matter or that the findings in the civil proceedings should be replicated in the criminal matter. Mr. Garcia's purpose is to provide the factfinder with relevant, *see infra* Part I.A, and probative, *see infra* Part I.B, evidence that highlights the parties' understanding of the agreement (and its failures) as it was being carried out. Additionally, Mr. Garcia anticipates introducing these pleadings through Mr. Robert Gill, Esq., the party who drafted and submitted these documents, negating any claim of hearsay on behalf of the Government. These pleadings also call into question the credibility of the principals of IPF Sourcing. SZY Holdings originally sued IPF Sourcing for breach of contract. IPF Sourcing, in turn, then blamed Mr. Garcia in order to protect itself. The credibility of the claims that the principals of IPF Sourcing will make at this trial, therefore, are called into question by this litigation.

A. The pleadings are relevant.

The Virginia pleadings Mr. Garcia plans to introduce are relevant pursuant to the standards established in Fed. R. Evid. 401. Rule 401 states that evidence is relevant if: "(a) it has any tendency to make a fact more or less probable than it would be without the evidence; and (b) the fact is of consequence in determining the action." Fed. R. Evid 401. The Virginia pleadings meet this criterion as (a) they tend to make the facts surrounding Mr. Garcia's attempts to perform more or less probable and (b) the facts surrounding Mr. Garcia's attempts to perform are consequential to determining whether Mr. Garcia intended to fraudulently induce a wire transfer. The principals of IPF Sourcing were supposed to pay Mr. Garcia the remaining half of the funds that were wired over from SZY Holdings. Instead, IPF Sourcing spent those funds before the deal was complete. IPF Sourcing then intentionally interfered with Mr. Garcia's attempts to perform his end of the contract. Subsequently, SZY Holdings sued IPF Sourcing alleging that IPF Sourcing owed SZY Holdings the entire amount of the original contract. And IPF Sourcing now places the blame entirely on Mr. Garcia.

Establishing that Mr. Garcia made legitimate attempts to perform, that were otherwise frustrated by IPF Sourcing, makes the fact of his continued performance efforts more or less probable. The language of the initial complaint clearly reveals SZY Holding's understanding of the agreement at that time and shows that, according to SZY Holdings, IPF Sourcing was not upholding its end of the agreement and did not display an excuse or justification for this failure. *See* Trial Ex. 2202. If IPF Sourcing was unable to perform the contract, and interfered with Mr. Garcia's attempts to perform, this is directly relevant to whether Mr. Garcia intended to carry out a fraudulent scheme.

Mr. Garcia's attempted performance is of consequence to the action as a juror could interpret Mr. Garcia's continued attempts to perform, and the frustrations he faced, as undermining the Government's assertion that Mr. Garcia acted fraudulently. Specifically, a juror could take the shortcomings of IPF Sourcing (as highlighted in the complaint by SZY Holdings) as legitimate reasons as to why Mr. Garcia was unable to perform his part of the agreement. Mr. Garcia's intent is the central question in this case, and these pleadings are relevant to that intent.

Additionally, the Virginia pleadings (specifically, the assignment of IPF Sourcing as a defendant in the civil matter brought by SZY Holdings) are relevant to the jury as they directly implicate the credibility of IPF Sourcing's purported principals. *See United States v. Abel*, 469 U.S. 45, 52 (1984) ("the jury, as finder of fact and weigher of credibility, has historically been entitled to assess all evidence which might bear on the accuracy and truth of a witness' testimony"). By providing the complete context to the jury through presenting pleadings and testimony that show IPF Sourcing was sued by SZY Holdings, the jury has a more informed bearing on possible concerns of truth or accuracy that could be raised when the purported principals of IPF Sourcing testify. The jury will be aware that these purported principals, by casting blame on Mr. Garcia's allegedly fraudulent conduct, could be protecting themselves (and IPF Sourcing as a whole). Because the Virginia pleadings also highlight credibility concerns of witnesses, they are relevant.

B. The pleadings satisfy Fed. R Evid. 403.

The Virginia pleadings have probative value. *See* Fed. R. Evid. 403. The pleadings demonstrate that IPF Sourcing's actions were deemed to be a breach to other parties (SZY Holdings and its business partner) and could have contributed to the hand sanitizer agreement's failure. Specifically, the conduct that SZY Holdings highlights is that IPF Sourcing failed to produce or provide the hand sanitizer (as agreed upon), failed to earn the funds it had received, failed to provide an accounting of these funds, and failed to timely return the unearned funds to SZY Holdings. *See* Trial Ex. 2202. The pleadings demonstrate that SZY Holdings understood that the reason why the hand sanitizer deal was not completed was because of the actions of IPF Sourcing, not Mr. Garcia. This impression, when presented along with the impressions the Government is likely to elicit regarding Mr. Garcia's intent to perform, demonstrates to the jury that, at the time of the agreement, many parties were pointing fingers at one another about who was to blame for the failures of the hand sanitizer deal. When the Government's position is, therefore, rebutted at trial based on Mr. Garcia's good faith attempts to perform, the language of the Virginia is probative as to the parties' understanding of the agreement.

This probative value is not "substantially outweighed" by an improper mode of prejudice either. Fed. R. Evid. 403. First off, there is no prejudice to the Government in introducing these pleadings which have been known to exist and are simply one party (SZY Holdings) making allegations, through a formal complaint, against another party (IPF Sourcing). Nothing in these pleadings indicates a court's ruling against IPF Sourcing which, if presented to the jury, could usurp its role in determining whether Mr. Garcia is guilty or not. Second, the jury is not likely to confuse the issues at trial as to whether this is a criminal or civil case or what the jury is tasked with determining. Instead, the jury will be instructed to decide whether Mr. Garcia committed wire fraud and money laundering beyond a reasonable doubt. The presentation of the Virginia pleadings will assist the jury in understanding the issue based on the narrative the pleadings present as to the context of the dispute prior to the filing of the criminal indictment. Finally, the jury is not likely to be misled as the Virginia pleadings provide context to the criminal matter the jury is determining without distracting from the overall posture of the matter: determining whether the government has proven Mr. Garcia's guilty intent.

C. The pleadings do not open the door to introduce materials from the JAMs arbitration proceedings.

Once the Virginia pleadings are admitted, Mr. Garcia expects that the Government will, in turn, attempt to introduce materials from an arbitration proceeding conducted by JAMs. However, these materials are inadmissible, even when the Virginia pleadings are admitted, as they are not relevant under Fed. R. Evid. 401, they fail Fed. R. Evid. 403, and are not admissible under Fed. R. Evid. 106.

The JAMs arbitration documents the Government would introduce in response to Mr. Garcia's presentation of the Virginia pleadings are not relevant as they do not make the existence of a fact of consequence any more or less probable. Specifically, the arbitration documents (mainly, the final arbitration award entered against Mr. Garcia) do not make a fact related to whether Mr. Garcia acted with fraudulent intent more or less probable as (1) civil findings are made under a lesser burden of proof, (2) Mr. Garcia did not participate in the conclusion of the arbitration proceedings, so the final arbitration award would be misleading, and (3) Mr. Garcia, even with a finding against him in civil arbitration, could still have made good-faith efforts to perform his part of the agreement such that a jury would not find Mr. Garcia acted with a fraudulent intent. The arbitration award determined a breach of contract, and had nothing to do with whether Mr. Garcia acted with the culpable mens rea in this case.

Additionally, "injecting the civil arbitration into the criminal trial will confuse issues and the jury." *United States v. Wittig*, No. 03-40142JAR 2005 WL 1227938 at *3 (D. Kan. May 23, 2005). This confusion will substantially outweigh any probative value the arbitration documents have and will also lead to undue prejudice against Mr. Garcia, as a final award against Mr. Garcia could imply to the jury that (because of this award by a previous fact finder), Mr. Garcia has done something wrong and, therefore, likely entered into the agreement with the intent to not perform his part of the agreement and, instead, fraudulently secure the wired funds. The impending confusion and prejudice, therefore, outweigh any minimal probative value.

Finally, the Government, in response to admitting the Virginia pleadings, will likely argue that the arbitration documents are admissible for the purposes of completeness. *See* Fed. R. Evid.

106. However, since "the purpose of Rule 106 is to prevent a party from misleading the jury" and because the introduction of the Virginia pleadings runs no tangible risk of misleading the jury, *see supra*, there is no purpose for introducing the arbitration documents under a notion of completeness. *United States v. Lopez-Medina*, 596 F.3d 716, 735. "[F]airness" does not compel the introduction of the arbitration documents either as Mr. Garcia's purpose, again, in introducing he Virginia pleadings is not to suggest a different forum for this case.

II. MR. GARCIA'S QUESTIONS ON IPF SOURCING'S RECEIPT OF THE WIRED FUNDS SATISFY FED. R. EVID. 401 AND 403.

The Government has subpoenaed, among other parties, Victor Alexandropoulos, Anshu Arora, and Donald Thomas, three purported principals of IPF Sourcing. Mr. Garcia anticipates that they will be called at trial and will testify (either directly or impliedly) that Mr. Garcia never intended to perform his part of the deal, implicating Mr. Garcia's alleged fraudulent intent. If called, Mr. Garcia will cross-examine each of these witnesses. Mr. Garcia's cross-examination will consist of, in part, asking questions about IPF Sourcing's receipt of the second payment that was promised to Mr. Garcia under the agreement. These questions are both relevant, *see* Fed. R. Evid. 401, and probative, *see* Fed. R. Evid. 403.

The questions (and ensuing answers) are relevant because they (a) tend to make the fact of Mr. Garcia's access to the second payment (which without those funds, frustrated his ability to perform) more or less probable and (b) Mr. Garcia's attempted performance is of consequence to the jury's decision on whether or not Mr. Garcia induced a fraudulent wire. *See Sparrow v. United States*, 402 F.2d 826, 828-829 (10th Cir. 1968) ("the good faith of the defendant in the plan or scheme and good faith intention to carry out the promises and representations constitutes a defense which the defendant may assert"). These questions do not assess whether the witnesses are "gullible or skeptical, dull or bright." *United States v. Colton*, 231 F.3d 890, 903 (4th Cir. 2000) (quoting *United States v. Brien*, 617 F.2d 299, 311 (1st Cir. 1980)). Instead, they reveal testimonial evidence that the jury can take with it to deliberations about whether IPF Sourcing's conduct contributed to Mr. Garcia's inability to perform.

The questioning of IPF Sourcing's purported principals is probative of Mr. Garcia's attempts to perform and, therefore, his alleged fraudulent intent. The questions and resulting answers will illuminate what (if anything) IPF Sourcing did to frustrate Mr. Garcia's performance (i.e. receiving and not distributing Mr. Garcia's second payment). The probative value is not outweighed by a danger of confusing issues or misleading the jury. For one, the main issue at Mr. Garcia's trial (whether Mr. Garcia had fraudulent intent) will remain clear to the jury during this questioning. The purpose of these questions is not to imply that IPF Sourcing had its own fraudulent intent or to relitigate the underlying civil issues. Instead, the purpose is simply to inquire into the actions of IPF Sourcing and illuminate any actions that could have frustrated Mr. Garcia's ability to perform.

Additionally, "[t]he jury is intelligent enough to ignore what is unhelpful to its deliberations." *United States v. Gutierrez de Lopez*, 761 F.3d 1123, 1136 (10th Cir. 2014) (expert testimony context) (quoting *Robinson v. Missouri Pacific R. Co.,* 16 F.3d 1083, 1090 (10th Cir. 1994)). The jury is not likely to be confused about what issue they are tasked with deciding. After hearing the questions and answers through this cross-examination, the jury will be presented with a more complete narrative on IPF Sourcing's involvement in Mr. Garcia's attempted performance for which the jury, as is their duty, can assess the credibility when deliberating. Confusing the jury is not the same as eliciting testimony that has the potential to undermine the Government's theory of the case.

Conclusion:

Mr. Garcia's intent is the central question in this case. Mr. Garcia intends to introduce evidence calling into question the credibility of the government's main witnesses against him. The credibility of the principals of IPF Sourcing is relevant, since these witnesses accuse Mr. Garcia of intending to carry out a fraudulent scheme. However, IPF Sourcing was accused of breaching the contract by SZY Holdings. The principals of IPF Sourcing are attempting to protect themselves by blaming Mr. Garcia. The principals of IPF Sourcing also received and then spent the second half of the payment, which was supposed to be paid to Mr. Garcia to perform the deal at issue in this case. IPF Sourcing had a motive to frustrate the deal so that Mr. Garcia could not perform, and then blame him for the failure, since they were unable to pay him the remaining payment due. All of this testimony and evidence goes directly to the credibility of the witnesses.

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Certificate of Service

I hereby certify that on February 23, 2026, I electronically filed MR. GARCIA'S TRIAL BRIEF with the Clerk of the Court using CM/ECF system, which will electronically serve all counsel of record.

/s/ Michael S. Juba
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