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**SUPERIOR COURT OF WASHINGTON
COUNTY OF STEVENS**

FILED
IN SUPERIOR COURT STEVENS COUNTY
JAN 29 2001
PATRICIA A. CHESTER
COUNTY CLERK

STATE OF WASHINGTON,

vs.

JOHN DOUGLAS GRANGE,
DOB: 9/9/74

Plaintiff,

Defendant.

No. 00-1-00190-2

**OFFER OF PROOF UNDER ER 404(b)
AND ER 702**

Detective Loren Erdman was provided the following by Douglas J. Grange:

- John Grange met Jeff Cunningham through people in Portland.
- Douglas stayed with Jeff and John from June 2 to June 10 at Crown Creek.
- John and Jeff had 100 starts of marijuana each.
- Discussion at Rob Schultz's house in Portland about somebody being a marc or somebody placing a hit on somebody (before June 2).
- This guy might show up there (Barter Faire).
- The guy was a carrier from California to Washington and he had been caught in Seattle by the Fed's and he was working for the Feds and they didn't want that to get out because he was getting too many people in trouble.
- At another time other people were talking about it that there was a hit out on him or a contract out on him.
- Didn't know if Rob was in on the discussion but there was always 10-15 people at the place.
- The drug dealers out of Seattle were upset but the people in San Francisco where he was getting his drugs from were also upset with him and they were the ones that put out a hit on him.

OFFER OF PROOF - 1

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- Douglas believed the people that put the hit out were drug dealers because they were friends of people he knew were dealing drugs (pot and LSD).
- Douglas heard at the Barter Faire that the narc might show up there from some Seattle (Bellevue) people.
- Douglas said everybody knew who this guy was because they had dealt with him before.
- Douglas he got caught carrying a regular carry from California and it was quite a bit and he got out two days later so they knew he rolled over.
- All of the above information came from people at Rob's house.
- Rob Schultz said the narc was going to show up at the Barter Faire and John told Douglas some of the information.
- Douglas got the information from more than one person, from a group called the "Rainbow Family".
- Douglas said Rob Schultz is one of the main ones of the "Family" that keeps the pot coming in.
- Douglas knows that "Shadow" is the only other one in the "Family" that is on the same level as Rob.
- Douglas also saw "Shadow" at Rob's house wen Douglas visited his son, John, who was staying with Rob.
- Douglas knew the narc had supplied information to the Feds on other people in the "Family".
- Douglas said the "Family" viewed a "narc" as somebody who worked for the authorities.
- Douglas said the "Family" was pretty organized and their main purpose is to keep the drug supply open.
- They usually distribute the drugs through members.
- During the Barter Faire, John just visited with other "Family" members that were there.
- Douglas said they had warned the security at the Barter Faire to watch out and warn people if the narc showed up. The way they talked everybody knew who the narc was.

OFFER OF PROOF - 2

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- 1 • Douglas said the whole group didn't care for the narc much because they didn't like people
- 2 talking about what they were doing and the "narc" had talked to the authorities and was
- 3 turning people in.
- 4 • Douglas left the area at 10:00 A.M. on Saturday, June 10 and the narc had not shown up yet
- 5 to his knowledge.
- 6 • Douglas said that John told him if the "narc" showed up in Portland, John was going to beat
- 7 him up pretty bad so he wouldn't come back to Portland.
- 8 • Douglas thought John was going to stay in Northport for the grow season but he came back
- 9 to Portland and was staying at Rob Schultz's house.
- 10 • Rob was a drug supplier and John was the dealer he was selling pot at first, then some LSD
- 11 started coming in.
- 12 • John got his LSD from a "Family" member.
- 13 • John told Douglas that the "narc" did show up at the Barter Faire and if he showed up in
- 14 Portland he was going to make sure he didn't come around Portland again. John considered
- 15 the people he was dealing with his kids and he didn't want them to get in trouble.
- 16 • John was protective of his level.
- 17 • In July there was a big "Family" gathering in Montana and everybody went to it including
- 18 Jeff Cunningham.
- 19 • Douglas thought John met Dane at Rob's house.
- 20 • Douglas thought Rob had contact with "Family" members in other states because they
- 21 always knew what the others were doing and what was going on.
- 22 • Douglas thought the "Family" was spread out across the United States.
- 23 • Douglas knows they are in New York, Oregon, Washington, California and Montana.
- 24 • Douglas knows John has been selling drugs for the "Family" for about nine months.
- 25 • Dane was supplying Rob with pot (seen by Douglas), Douglas stayed at Rob's every other
- 26 weekend and the people that came there were "Family" members.

- 1 • Douglas heard them talk about people who would sell stuff (drugs) and not get paid and then
2 “Shadow” would go and talk to them. Once “Shadow” took a bunch of CD’s because the
3 guy didn’t have the money.
4 • Douglas knows about a big black guy who was in competition with the “Family” down at
5 Waterside Park in Portland and when the guy got out of jail, “Shadow”, John and Rob were
6 all going to gang up on this guy to beat him up to get him to leave Portland.

7 **Warren Dogeagle a regional Task Force Agent for the DEA will provide the following:**

- 8 • His background qualifying him as an expert witness in narcotics investigations,
9 characteristics of drug traffickers and background information about a drug organization
10 called the “Family”.
11 • With the aid of a cooperating source (CS), agent Dogeagle was able to obtain a search
12 warrant for the residence of Nick Kaiser.
13 • On April 25, 2000, the warrant was executed and Nick Kaiser and his girlfriend, Shawna
14 Daniels, were arrested for possession of LSD and marijuana.
15 • On April 25, 2000, Kaiser gave a statement that he buys his LSD through Keithenry Gabriel
16 A. Wilburn (AKA: “Gabe”).
17 • “Gabe” will tell Kaiser to take a plane to San Francisco and get a motel room, then they meet
18 and Kaiser gives “Gabe” the money and “Gabe” leaves and then comes back with the LSD.
19 Kaiser then returns to Washington.
20 • Kaiser buys LSD about every two weeks.
21 • Kaiser completed 10-15 transactions through “Gabe” involving 10,000 to 70,000 dosage
22 units per transaction at the price of \$4,500 per 10,000 dosage units of LSD.
23 • Kaiser entered into an agreement to cooperate with the DEA in return for leniency (See
24 attached agreement which is incorporated herein).
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- 1 • Dogeagle had learned from a CS in January of 2000, that Kaiser was involved in a LSD
2 trafficking organization which got the LSD from a source who resides in the Berkley area
3 and then distributed to the greater Puget Sound area.
- 4 • On May 15, 2000, the Grand Jury in the Western District of Washington indicted Kaiser on
5 two counts of distributing LSD and one count of possession of LSD.
- 6 • On October 18, 2000, DEA agents Sean Cummings and Phil Hart interviewed Dane Williams
7 about the suspected homicide of Nick Kaiser and Josh Schaefer.
- 8 • Williams said he sold marijuana at Barter Faires and he met Jeff Cunningham while living in
9 Stevens County. Jeff Cunningham introduced him to Robert Schultz who lived in Portland,
10 Oregon.
- 11 • Cunningham was selling LSD for Schultz from the Fall of 1999 to the July, 2000, Barter
12 Faire.
- 13 • Williams was selling marijuana for \$3,600 per pound to Schultz.
- 14 • Williams told of a large group of people called the "Family", who sell and use drugs. They
15 have nicknames rather than their true given names.
- 16 • Williams knew that Schultz got his LSD from Kaiser ("Echo") in Seattle and Schultz worked
17 with a guy called "Shadow" with the last name of Hill.
- 18 • Williams believed that Schultz and "Shadow" would share the marijuana he gave Schultz.
- 19 • In February, 2000, Williams met another "Family" member called "Chuey" at Schultz's
20 apartment in Portland.
- 21 • Williams learned from Cunningham that "Chuey" was one of the enforcers for the "Family".
- 22 • Williams knew that "Chuey" would collect drug debts and he had a job of finding people for
23 the "Family".
- 24 • Williams believed the "Family" hierarchy went from Cunningham to Schultz to "Shadow".
- 25 • Williams knew the organization stretched as far as San Francisco and that is where Kaiser
26 got his LSD.

27 OFFER OF PROOF - 5

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- In April, 2000, Williams was at Schultz's apartment in Portland and Schultz told Williams that Kaiser was a snitch for the Feds. Schultz said "we have to take care of Nick (Kaiser)" and that Kaiser "would not be breathing anymore. Schultz told Williams, "the Family will take care of him" and not to worry about it, that it is already taken care of. Schultz also said, "He (Kaiser) was dead".
- In April, 2000, at a party at William's cabin at Crown Creek, Williams learned that Schultz was in charge of a group of LSD dealers in Portland and Kaiser was in charge of LSD dealers in Seattle.
- Williams believed both Kaiser and Schultz sold LSD for the "Family" which was based in San Francisco.
- After the party at William's cabin, Schultz called Williams and told him that some "Family" in San Francisco and Seattle went down because of Kaiser's involvement with the Feds. Schultz then spoke with Cunningham. Cunningham later said, "there is no way that Nick (Kaiser) is a narc".
- At the June, 2000 Barter Faire in Stevens County, Williams saw Kaiser and a friend at the Faire. Grange saw Cunningham and Kaiser and another individual in Kaiser's vehicle at the Faire.
- Grange was worried that Cunningham was telling Kaiser to leave the Faire.
- Williams believed Grange tried to contact the "Family" and let them know that Kaiser was at the Barter Faire.
- On Sunday, June 11, 2000, Grange gave Williams a ride from the Barter Faire back to Crown Creek and Grange told Williams that "shit is going down" and that Cunningham is setting up a "mushroom deal" with Kaiser at the Crown Creek cabin. Grange told Williams that they were going to "scare the shit out of them with guns". Grange told Williams he was going to scare them because "he knew Nick (Kaiser) was a snitch.

OFFER OF PROOF - 6

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- 1 • On June 11, 2000, in the afternoon, Williams saw Kaiser and his friend, Josh, by the fire pit
2 at the Crown Creek cabin and Cunningham and Williams went to the Creek knowing
3 something bad was going to happen. Shots rang out and Cunningham and Williams returned
4 to the cabin to find Kaiser and his friend, Josh Schaefer dead.
5 • Grange said, "I killed them, you bury them".
6 • On June 12, 2000, Grange, Cunningham and Williams left for Portland and went to Rob
7 Schultz's apartment.

8 **Detective Loren Erdman and Detective David Baskin were provided the following**
9 **information by Jeffery Cunningham:**

- 10
11 • The original reason Cunningham moved to Crown Creek in Stevens County was to grow pot
12 for the people in Portland.
13 • John Grange was asked to move to the Crown Creek cabin by Rob Schultz to grow put or get
14 connections for cheap pot.
15 • Rob Schultz was part of the "Family" i.e. a bunch of kids involved in drug dealing and
16 changing money throughout the states.
17 • Rob Schultz and "Shadow" run the "Family" in Portland.
18 • Cunningham has been in the "Family" for close to five years.
19 • On June 9, 2000, Cunningham arrived at the Barter Faire with John Grange, spent the night
20 at the Barter Faire and on Saturday, June 10th met Nick Kaiser and Josh Schaefer, who were
21 doing nitrous in Nick's truck.
22 • Cunningham told Kaiser that he heard people from San Francisco wanted to kill Nick
23 because he allegedly got arrested by the DEA and turned over people's names to the DEA
24 that he was supplying LSD.
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27 OFFER OF PROOF - 7
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- Kaiser said that is not what is going on and he wanted to meet with Rob Schultz so that things could be smoothed out in Portland.
- Cunningham said that Rob Schultz told him about the arrest and the fact that people in San Francisco wanted him dead after Christmas.
- Kaiser responded by saying that is why he had Josh Schaefer with him to show it wasn't true so he could smooth it out with Portland so he could continue to do business in Portland.
- Josh backed up Nick and said they would take care of it.
- Kaiser planned on going to California and then to Hawaii to avoid seven years of prison. Josh was going also. The trip was to be financed by getting some mushrooms from a friend of Cunningham's up by Crown Creek.
- Kaiser was going to Hawaii because there is "Family" out there that has communes and nobody will say who you are and you can disappear real easily.
- Kaiser thought with Josh being from San Francisco they could work it out.
- Kaiser told Cunningham he had been arrested and told the cops five people he gave LSD to in Seattle but not his source.
- Cunningham then told John Grange "Chuey" that Kaiser was at the Barter Faire and wanted to meet with Rob. "Chuey" told Cunningham to stay away from Kaiser.
- Cunningham then called Rob Schultz on Saturday night to tell him Kaiser wanted to meet with him and Schultz said, "no way" and to stay away or be ostracized by the "Family" like Kaiser was.
- Cunningham said he called from a pay phone to an 800 number in Florida and then got patched through to Rob.
- After Cunningham talked to Schultz, Grange talked to Schultz.
- On the way back to the Barter Faire, "Chuey" said he would meet with Kaiser.
- Cunningham told Kaiser that Schultz would not see him but "Chuey" would. Kaiser said, "fine".

- 1 • "Chuey" told Cunningham to bring Kaiser and Schaefer to the cabin at Crown Creek to meet
2 and then they would look for mushrooms.
- 3 • After the murders, "Chuey" said that the people from San Francisco offered \$100,000.00 for
4 the hit.
- 5 • Cunningham believed that "Shadow" would get the money in San Francisco and deliver it to
6 Rob who would deliver it.
- 7 • They were all going back to Portland the next day.
- 8 • On Tuesday, June 13, 2000, "Chuey", Dane and Cunningham talked to "Shadow" and Rob
9 and told them what happened. "Chuey" said he was the one who shot them.
- 10 • Dane Williams wanted to know when he was going to be paid and Schultz said it would take
11 a couple of weeks.
- 12 • Cunningham believes that when he called Rob Schultz and told him that Kaiser was at the
13 Barter Faire, that Schultz turned to "Shadow" and when Cunningham put "Chuey"
14 on the phone, "Shadow" told "Chuey" to kill Kaiser.
- 15 • Cunningham believes Schultz left him just outside San Francisco and tried to "spin" him on
16 acid i.e. give enough LSD to make Cunningham completely lose it or never come down or
17 possibly be killed by an overdose.
- 18 • Cunningham says that is the way the "Family" would normally get rid of somebody.

19 **Detective Loren Erdman of the Stevens County Sheriff's Office interviewed Dane Williams**
20 **and was provided with the following information:**

- 21 • Williams talked to Rob Schultz on Saturday evening, June 10, 2000; Schultz already knew
22 Kaiser was at the Barter Faire. Schultz and others believed that Kaiser was an undercover
23 narc working for Federal Agents or DEA Agents. Schultz told Williams not to do anything ,
24 then asked to talk to "Chuey".

- 1 • "Chuey" didn't say much about the call except that Kaiser was there and Rob didn't want
2 Kaiser to come to Portland to speak to him.
- 3 • At the Barter Faire that night "Chuey" asked Cunningham to go back over and tell Kaiser to
4 leave, he shouldn't be there; that the "Family" doesn't want anything to do with him; that
5 Schultz doesn't want to talk to him and that it would be best for him to leave the Barter Faire.
- 6 • Later Cunningham came back and told Williams and "Chuey" that Kaiser was not going to
7 leave, he didn't do anything wrong. At that point, "Chuey" got pretty angered by it, to the
8 point of pulling Kaiser out of his vehicle and beating him to make him leave.
- 9 • On Sunday, June 11, 2000, at 1:00 or 2:00 P.M., "Chuey" was taking Williams back to
10 Crown Creek from the Barter Faire when he told Williams that Kaiser and them are coming
11 out that way and he was going to threaten them. "Chuey" also mentioned that he used to do
12 this before for the "Family"; that he was going to make sure that he didn't come around his
13 area any more; make sure he didn't go to visit "Family"; let Kaiser know he wasn't wanted.
- 14 • "Chuey" also asked Williams to get his gun to help threaten them.
- 15 • "Chuey" said he was going to threaten Kaiser and felt sorry for anybody who shows up with
16 him.
- 17 • "Chuey" said he collected for the "Family"...people that ripped the "Family" off...he got rid
18 of some people; that he was good at finding people, finding out where they were.
- 19 • "Chuey" said he was doing this for the "Family".
- 20 • Rob Schultz had told Williams about tow months before the June Barter Faire that Kaiser
21 wasn't going to be around anymore; that he was going to make sure he was not breathing
22 anymore; that he w as going to be taken care of through the "Family".
- 23 • After Kaiser's Bronco was left up on top of the hill and Williams and Cunningham were
24 walking back to the cabin, Cunningham said "Chuey" had done this before; that he had taken
25 care of people; that he's been a collector for the "Family" for years;

- 1 • On the way back to Portland, while talking about the head shots, "Chuey" said, "I feel like
- 2 I'm getting colder and colder each time".
- 3 • When the three of them go to Portland they went straight to Rob Schultz's and told him what
- 4 happened. Schultz acted surprised but could have been an act.
- 5 • Williams stated that Cunningham or "Chuey" said they would be compensated by the
- 6 "Family"...that they would be taken care of.
- 7 • Williams believed that Josh Schaefer got killed because he was with Kaiser and Kaiser was
- 8 believed to be a narc and turning people in and if he was with Kaiser he was a narc as well.


9 **Brian Nehring, Special Agent for the DEA in Oakland will provide the following:**

- 10
- 11 • His background qualifying him as an expert witness in narcotics investigation, characteristics
- 12 of drug traffickers and background information about organizations in the Oakland/San
- 13 Francisco area dealing primarily with LSD and marijuana.
- 14 • On February 9, 2000, DEA in Oakland executed a search warrant for what was believed to be
- 15 the residence of Jerry Ashworth, at 1540 34th Street, Oakland, California.
- 16 • Arrested at the residence were Michael Watkins, Josh Schaefer and Kimberly Kerpan.
- 17 • Evidence seized at the residence included methamphetamine manufacturing items and a large
- 18 amount of suspected LSD in both liquid solution and a blotter paper.
- 19 • Jerry Ashworth had been identified in 1999, by DEA, as a large scale LSD trafficker, usually
- 20 delivering by mail.
- 21 • Josh Schaefer gave a statement that he had seen Ashworth with one (1) gram of crystal LSD
- 22 and the vial of LSD found in Schaefer's bedroom came from Ashworth.
- 23 • Josh Schaefer stated he obtained marijuana and psilocybin mushrooms from Ashworth for
- 24 resale.

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- On February 10, 2000 an AUSA Tom Hollenhorst obtained a federal arrest warrant for Watkins. Watkins was then transported to the Eastern District of Virginia to stand trial.
- On April 28, 2000, Michael Watkins pleaded guilty to conspiracy to distribute LSD.
- Josh Schaefer's name was used in the affidavit for a criminal complaint warrant for arrest for Michael Ray Watkins after the arrest of Watkins in Oakland, California. This information was released through discovery to Watkins who is associated with Jerry Ashworth who is believed to be the source of supply.

Dated: Jan 29 2001



JOHN G. WETLE, WSBA#7533
Prosecuting Attorney

OFFER OF PROOF - 12

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WAIVER OF RIGHTS

I, NICK KAISER, have been advised on 4.25.00 that I

have been arrested for a violation of the Federal drug laws and that:

1. I have the right to remain silent;
2. Anything I say can be used against me in court, or other proceedings;
3. I have the right to consult with an attorney before making any statement or answering any question, and may have him/her present with me during questioning;
4. If I cannot afford or otherwise obtain an attorney, the United States District Court or a United States Magistrate Judge will appoint an attorney for me at no cost to me and I have a right to have that attorney appointed before I make any statement or answer any questions;
5. If I decide to answer questions now, with or without an attorney, I still have the right to stop the questioning at any time, or to stop the questioning for the purpose of consulting with an attorney.

I also understand that, because of my arrest, I have a right under Rule 5, Federal Rules of Criminal Procedure, to be brought before a U.S. Magistrate Judge without undue delay to be advised about the reason for my arrest, to be advised about my constitutional rights, and for consideration of bail issues.

These rights have been explained to me orally and I have read this form. I understand those rights and wish to waive them for the purpose of voluntarily cooperating in a Federal investigation into suspected narcotics trafficking. I understand that I can tell the agents, at any

time, that I have changed my mind and no longer wish to cooperate and that I will then be provided an appearance before a U.S. Magistrate Judge as soon as possible.

I understand that at a future date I will be charged with an offense or offenses as a consequence of the activity which led to my arrest. No promises have been made concerning the nature of those charges or their disposition. I have been told, however, that my cooperation will be brought to the attention of the United States Attorney's Office for their consideration.

No threats have been made to me regarding the waiver of my rights or my decision to cooperate. My decision rests solely on the hope that my cooperation will benefit me in connection with the prosecution and disposition of the criminal charges to be brought against me.

Rich KASER

WITNESSED BY:

Wanda Dwyer

Richard L. Smith