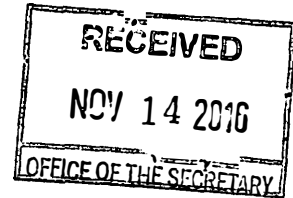


UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



In the Matter of

**BIOELECTRONICS CORPORATION,  
IBEX, LLC,  
ST. JOHN'S, LLC,  
ANDREW J. WHELAN,  
KELLY A. WHELAN, AND  
ROBERT P. BEDWELL,**

Respondents.

File No. 3-17104

**RESPONDENTS' RESPONSE TO COURT'S ORDER REGARDING EXHIBITS  
(SPECIFICALLY TRIAL EXHIBITS RX 1C AND RX 1D)**

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[bcorrigan@cormorllp.com](mailto:bcorrigan@cormorllp.com)

Counsel for Respondents,  
Bioelectronics Corporation; IBEX, LLC; St.  
John's, LLC; Andrew J. Whelan; and Kelly A.  
Whelan

Respondents, BioElectronics Corp., Ibex LLC, St. John's LLC, Andrew J. Whelan and Kelly A. Whelan (collectively, "Respondents") submit the following response to the Court's Order Regarding Exhibits, and, in particular, its comments regarding Exhibits 1C and 1D.

Exhibits 1C and 1D constitute the entire Revolving Convertible Promissory Note that was the focus of extensive testimony at the hearing. They should be admitted and included in the record, as the Division agreed in submitting post-hearing the parties' Joint Exhibit List. The cooperative email exchanges with the Division's lead counsel, Charles Stodghill, pertaining to RX 1C and RX 1D, is attached hereto at Exhibit 1, reflecting that the Division focused on the issue and agreed to include these uncontested exhibits.

The Court's Order at page 2 indicates that these exhibits are "excerpts of other admitted exhibits, though they were never separately offered by Respondents." It is true that RX 1C is exactly the same document as DX 44. Thus, the duplicated document is not critical, but is most conveniently admitted as it relates to RX 1D. DX 44 and RX 1C are identically incomplete, without the attachment to the Revolving Convertible Loan Agreement, which is included in the record only at RX 1D. RX 1D is not an excerpt of any other admitted exhibit. RX 1D is the initialed attachment to the Revolving Convertible Loan Agreement, and thus is an important piece of the puzzle that makes up the completed record in this case.

Kelly Whelan's testimony at the hearing (see Trial Transcript, Volume 4, pp. 1107 et seq. attached hereto at Exhibit 2) authenticated and discussed RX 1D. For these reasons, both exhibits should be admitted to complete the record on this central document.

RX 1C and 1D were included in the Respondents' Third and Fourth Exhibit List submitted to the Court. The Division made no objection to such exhibits, and, in connection with the jointly drafted Joint Exhibit List, expressly considered and approved inclusion of such exhibits for admission. See Exhibit 1.

Respondents bear responsibility for the admission of these exhibits, and should have been more clear at the hearing. At the end of the hearing, due to tight travel plans at the end of the Friday, the Court stated:

16 I'm not going to go over all the exhibits  
17 in this case. I sometimes do that. I don't think  
18 it's necessary here. I think it's pretty clear what  
19 is in and what is not in and what has not been  
20 offered. If there are any issues, simply raise  
21 those in your post-hearing briefs.

Thus, the Court left open the possibility that issues such as this one would need to be resolved after the hearing. Had the parties and the Court attended to the final admission process, it is evident that the uncontested exhibits RX 1C and RX 1D would have been admitted. Indeed, based on the manner in which the Court admitted unopposed exhibits at the outset, Respondents believed they had been admitted. Nevertheless, there appears to be no prejudice to the Division, which has stipulated to their admission through the Joint Exhibit List process. Accordingly, Respondents ask that the Court admit RX 1C and RX 1D to complete the record in this case.

November 11, 2016

Respectfully submitted,

By: *Brian T. Corrigan*

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[bcorrigan@cormorllp.com](mailto:bcorrigan@cormorllp.com)

*Counsel for Respondents*

**From:** Brian Corrigan  
**To:** ["Stodghill, Charles"](#)  
**Cc:** [Stanley Morris](#)  
**Subject:** RE: BIEL  
**Date:** Friday, October 28, 2016 1:02:00 PM

---

Thanks Charles. Have a great weekend. Brian

Brian T. Corrigan

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---

**From:** Stodghill, Charles [<mailto:StodghillC@SEC.GOV>]  
**Sent:** Friday, October 28, 2016 1:01 PM  
**To:** Brian Corrigan <[bcorrigan@cormorllp.com](mailto:bcorrigan@cormorllp.com)>  
**Cc:** Stanley Morris <[scm@cormorllp.com](mailto:scm@cormorllp.com)>  
**Subject:** RE: BIEL

I have satisfied myself that adding these two exhibits is fine.

Regards,

Charles

---

**From:** Brian Corrigan [<mailto:bcorrigan@cormorllp.com>]  
**Sent:** Friday, October 28, 2016 2:14 PM  
**To:** Stodghill, Charles  
**Cc:** Stanley Morris  
**Subject:** RE: BIEL

If so, you can go ahead and use the document that I returned to you. Either way, let me know.  
Thanks, Brian

Brian T. Corrigan

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**From:** Stodghill, Charles [<mailto:StodghillC@SEC.GOV>]  
**Sent:** Friday, October 28, 2016 11:12 AM  
**To:** Brian Corrigan <[bcorrigan@cormorllp.com](mailto:bcorrigan@cormorllp.com)>  
**Cc:** Stanley Morris <[scm@cormorllp.com](mailto:scm@cormorllp.com)>  
**Subject:** RE: BIEL

Let me just check one thing with Shannon and I think we can agree to include it on the ground that it was implicitly admitted earlier.

---

**From:** Brian Corrigan [<mailto:bcorrigan@cormorllp.com>]  
**Sent:** Friday, October 28, 2016 2:06 PM  
**To:** Stodghill, Charles  
**Cc:** Stanley Morris  
**Subject:** RE: BIEL

No, there was no objection and it was not discussed. Obviously, you would not have an objection to RX 1C since you have the exact same document at DX 44. RX 1D was just the attachment to complete that document. Again, there was no objection. It was just implicitly admitted without an objection. At least, that is my understanding. The testimony about RX 1D is at Volume 4 of the transcript, pp. 1107 et seq. I don't believe there was any objections interposed about this exhibit. Let me know if you have one now. If not, let's just agree to add it. Thanks, Brian

Brian T. Corrigan

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**From:** Stodghill, Charles [<mailto:StodghillC@SEC.GOV>]  
**Sent:** Friday, October 28, 2016 10:40 AM

**To:** Brian Corrigan <[bcorrigan@cormorllp.com](mailto:bcorrigan@cormorllp.com)>  
**Cc:** Stanley Morris <[scm@cormorllp.com](mailto:scm@cormorllp.com)>; Sanders, Shannon (Contractor) (ENF) <[SandersSh@SEC.GOV](mailto:SandersSh@SEC.GOV)>  
**Subject:** RE: BIEL

My only question is whether RX 1D was specifically admitted and, if so, where in the transcript can that admission be found? Are you suggesting it was implicitly admitted in that it was skipped over during the discussion regarding exhibits at the beginning of the hearing? If we raised no objection, I am fine with including it, but otherwise I think you perhaps should separately ask to include it, given that I think we should only include what was specifically admitted.

---

**From:** Brian Corrigan [<mailto:bcorrigan@cormorllp.com>]  
**Sent:** Friday, October 28, 2016 1:32 PM  
**To:** Stodghill, Charles  
**Cc:** Stanley Morris; Sanders, Shannon (Contractor) (ENF)  
**Subject:** RE: BIEL

Charles, RX 1C is the same as DX 44. Thanks. So, we don't need to add that, although it might make sense if we jointly decide to add 1D.

RX 1D is the attachment to the Revolver initialed by the parties reflecting their consent to the amount owed and the basis for that calculation. RX 1F has further documents in support of those amounts, but I think 1D may prove to be an important document at some point in our arguments. Unless you have it in your documents, I'd like to be sure it is included for purposes of completeness. Again, I specifically asked Kelly Whelan what that document was and she testified about it. Let me know if you would agree to add it or not. If not, I suppose we'll need to request the addition.  
Regards, Brian

Brian T. Corrigan

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---

**From:** Stodghill, Charles [<mailto:StodghillC@SEC.GOV>]  
**Sent:** Friday, October 28, 2016 9:03 AM  
**To:** Brian Corrigan <[bcorrigan@cormorllp.com](mailto:bcorrigan@cormorllp.com)>  
**Cc:** Stanley Morris <[scm@cormorllp.com](mailto:scm@cormorllp.com)>; Sanders, Shannon (Contractor) (ENF) <[SandersSh@SEC.GOV](mailto:SandersSh@SEC.GOV)>

**Subject:** RE: BIEL

Okay. This is the final version.

Charles

---

**From:** Brian Corrigan [<mailto:bcorrigan@cormorllp.com>]  
**Sent:** Friday, October 28, 2016 11:56 AM  
**To:** Stodghill, Charles  
**Cc:** Stanley Morris  
**Subject:** Re: BIEL

Great. I'll sign it and return it to you.

Sent from my iPhone

On Oct 28, 2016, at 8:34 AM, Stodghill, Charles <[StodghillC@SEC.GOV](mailto:StodghillC@SEC.GOV)> wrote:

Brian and Stan,

Just checking to confirm that I am authorized to sign the Joint Exhibit List on your behalf. Thanks.

Charles

Charles D. Stodghill  
Assistant Chief Litigation Counsel  
Division of Enforcement  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549  
202-551-4413  
[stodghillc@sec.gov](mailto:stodghillc@sec.gov)

1 the Division as well.

2 Q What is this we are looking at on our  
3 screen, this exhibit, what is that? 1D, I think it  
4 is, but --

5 A That is a spreadsheet produced -- that I  
6 believe was created by Mr. Flanigan, because the  
7 Wall Street Journal prime plus 2 was the interest  
8 rate on this particular loan.

9 Q Open up 1D, please. Exhibit 1-D?

10 MR. STODGHILL: Your Honor, I'm going to  
11 offer, with Mr. Morris's permission, if I could be  
12 permitted to ask a few questions, I might be able to  
13 satisfy us a little quicker.

14 JUDGE ELLIOTT: I tell you what. Why  
15 don't we finish with what you are doing right now,  
16 and then I will allow some voir dire, and then  
17 you -- if it's not good enough, then we will start  
18 up again, okay.

19 MR. MORRIS: Okay.

20 BY MR. MORRIS:

21 Q What does it say at the top of the page  
22 there, I'm looking at RX 1D. At the very top of the  
23 page, not where it's being highlighted?

24 A I can't visually see it.

25 Q Oh, okay. Sorry.



1           A     Oh, it's a BioElectronics Corporation  
2 transactions by account as of August 31st, 2008.

3                     I believe it's a QuickBooks record from  
4 BioElectronics Corporation.

5           Q     Okay.

6           A     It's a copy of the ledger.

7           Q     **Is that one of the documents that was used**  
8 **to establish the loan balance?**

9           A     Yes, it was.

10                   MR. MORRIS: I guess -- Your Honor, I'm  
11 going to let my partner -- he knows these numbers  
12 better than me.

13                   BY MR. CORRIGAN:

14           Q     **Now, would you highlight the bottom of the**  
15 **page. What is that? What are we looking at there?**  
16 **Is it something that I keep in my financial records**  
17 **at home?**

18                   **Come on Kelly. Kelly, what is that?**

19           A     It's a spreadsheet of the transactions.

20           Q     **Okay. Is that the transactions journal**  
21 **for BioElectronics?**

22           A     No, it's not.

23           Q     **Why is it headed BioElectronics**  
24 **Transaction Journal at the top of the page?**

25           A     It may be that it was exported to an Excel

1 spreadsheet and then worked on from there. That's  
2 what I believe has occurred.

3 **Q Whose initials are at the bottom there?**  
4 **There is some scribbling at the bottom left?**

5 A I believe that is KAL and AJW which at the  
6 time I signed this I probably was Kelly Lorenz.

7 **Q And why was somebody signing this?**

8 A It is the back end of the -- it is the  
9 exhibit to the loan agreement that shows the  
10 balance.

11 **Q So this is the document that was attached**  
12 **to the revolving loan agreement --**

13 A Yes.

14 **Q -- when it was executed?**

15 A When it was executed, correct.

16 **Q And this was the agreed-upon amount owed**  
17 **on the revolver at the time the revolver was**  
18 **executed in 2009?**

19 A That's correct.

20 **Q So each of these transaction dates are**  
21 **when the loans were made?**

22 A Yes.

23 **Q Okay. And each of those transaction dates**  
24 **relate to a check or other transfer?**

25 A Yes. Each of those transactions were --

1 has a deposit -- have a check or bank record to  
2 support it.

3 Q This is Page 1 of 6. Can we see the next  
4 pages? Are they on that exhibit? Is that the last  
5 page of that exhibit?

6 Okay. And the -- is this pages 1 through  
7 6 all of the entries were part of the revolver? You  
8 have the hard copy there in front of you, right?

9 A Yes.

10 Q Okay. Yes what?

11 A Yes, these are all the transactions.

12 Q So the revolver, when we're talking about  
13 the revolver, it's the sum total of the ins and outs  
14 for this period of time that is reflected from 2005  
15 through 2009; is that correct?

16 A Correct.

17 Q And is there support for each of these  
18 entries?

19 A I believe there is, yes.

20 Q Can we look at Exhibit 1F. Can you just  
21 page through Exhibit 1F to generally see what is  
22 under there. How many pages is Exhibit 1F? Can we  
23 see on the screen?

24 MR. MORRIS: 1F is very large. It goes  
25 from Bates page 40 to 115 so we're looking at 80

**CERTIFICATE OF SERVICE**

I hereby certify that I served a true and correct copy of the foregoing was served on the following on the date and in the manner indicated below.

Securities and Exchange Commission  
Office of the Secretary  
Attn: Secretary of the Commission Brent J. Fields  
100 F Street, N.E.  
Mail Stop 1090  
Washington, D.C. 20549  
Fax: (202) 772-9324  
(By electronic mail at [alj@sec.gov](mailto:alj@sec.gov) on 11/11/16; and original and three copies via overnight mail

The Honorable Cameron Elliot  
Office of the Administrative Law Judges  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549  
(via overnight mail and email: [alj@sec.gov](mailto:alj@sec.gov) (11/11/16)

Charles Stodghill, Esq.  
Paul Kisslinger, Esq.  
Division of Enforcement  
Securities and Exchange Commission  
100 F. Street, N. E.  
Washington, DC 20549  
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*Attorneys for Respondent Robert P. Bedwell*

*Brian T. Corrigan*

\_\_\_\_\_  
Brian T. Corrigan