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Wyatt B. Johnson  
Matthew T. Christensen  
ANGSTMAN JOHNSON  
3649 Lakeharbor Lane  
Boise, Idaho 83703  
Telephone: (208) 384-8588  
Facsimile: (208) 853-0117  
Johnson ISB: 5858  
Christensen ISB: 7213

Attorney for Trustee

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF IDAHO

In re:  
  
JOHN T. AND PEPPER R. BUJAK,  
  
Debtors.

Case No. 10-03569-JDP

JEREMY GUGINO, solely in his capacity as  
the Chapter 7 Trustee of the above-named  
Debtor's bankruptcy estate,  
  
Plaintiff,

Adversary No. 11-06038-JDP

vs.

MOTION TO APPROVE COMPROMISE

CANYON COUNTY, a political subdivision  
of the State of Idaho, CANYON COUNTY  
PROSECUTING ATTORNEY'S OFFICE, a  
public agency, and DOES 1-100,  
  
Defendants.

Pursuant to Fed. R. Bankr. P. 9019, the Trustee, by and through his counsel of record,  
ANGSTMAN JOHNSON, hereby moves the Court for approval of a compromise between the Estate,

1 Canyon County (a political subdivision of the State of Idaho), and the Canyon County  
2 Prosecuting Attorney's Office (both collectively referred to herein as the "County"). Through  
3 this compromise, upon the Court's approval, the Estate will settle and release all claims that it  
4 possesses (defined more particularly below) against the County, and the County will pay the  
5 estate the sum of \$100,000.00. In support of this Motion, the Trustee alleges the following:  
6

7 **FACTS**

8 Debtor John Bujak ("Bujak") was the Canyon County Prosecuting Attorney between  
9 January 2009 and September 2010. In 2009, while he was prosecuting attorney, Bujak (as  
10 Prosecuting Attorney) bid, and was awarded, a contract with the City of Nampa (the "City") to  
11 provide misdemeanor prosecution services for the City. Several amendments were later made to  
12 the prosecution contract (the contract, including its amendments, is referred to herein as the  
13 "Prosecution Contract"). Payments from the City pursuant to the Prosecution Contract were  
14 made directly to Bujak, who was to reimburse the County for certain expenses. Ultimately, a  
15 dispute arose between Bujak and the County regarding those reimbursement payments and the  
16 nature of the payments made by the City. Additionally, a private citizen, Bob Henry, pursued a  
17 public records request for Bujak's bank account records related to the funds from the City.  
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21 During the summer of 2010, a state court trial was held on Henry's public records  
22 request, wherein the trial judge ruled that the records were private records, not subject to  
23 production from a public records request. This decision rested, in part, on the judge's decision  
24 that the Prosecution Contract was a private contract between Bujak and the City. This decision  
25 was subsequently appealed by Henry.  
26

27 In the fall of 2010, Bujak renewed the Prosecution Contract. This renewed contract was  
28 in Bujak's individual name (rather than the County or Prosecuting Attorney's office). Shortly  
29

1 after the renewal of the Prosecution Contract, Bujak resigned as prosecuting attorney, and  
2 assigned the new Prosecution Contract to the Prosecuting Attorney's Office. On November 1,  
3 2010, Bujak (together with his wife, Pepper) filed a voluntary Chapter 7 Bankruptcy Petition.  
4  
5 Within 90 days prior to the filing of his bankruptcy petition (and prior to his resignation as  
6 prosecuting attorney), Bujak paid the County approximately \$171,000.00 related to the  
7 Prosecution Contract.

8  
9 After his bankruptcy case was filed, Bujak filed, without the Trustee's knowledge, a  
10 "Notice of Tort Claim" (attached as Exhibit A to the Settlement Agreement), alleging claims  
11 against the County for, among other things, extortion, libel, slander, racketeering, defamation,  
12 tortious interference with a contract, intentional infliction of emotional distress, and 14<sup>th</sup>  
13 Amendment due process violations. Many of these alleged tort claims arose from the pre-  
14 petition conduct of the County or County officers. Consequently, many, if not all, of these  
15 claims were pre-petition claims that became property of the Bujaks' bankruptcy estate upon the  
16 filing of their bankruptcy petition.  
17

18  
19 In July 2011, the Trustee pursued an adversary proceeding against the County, seeking to  
20 avoid and recover the \$171,000.00 in payments made by Bujak within 90 days of his bankruptcy  
21 filing, as well as avoiding the transfer of the Prosecution Contract done when he resigned. These  
22 claims were based on the Trustee's allegations that the Prosecution Contract was a personal  
23 contract between Bujak and the City – a position that had been taken by the County in the  
24 original Bob Henry litigation.  
25

26  
27 While the Trustee was pursuing the adversary proceeding, the Bob Henry litigation came  
28 before the Idaho Supreme Court for review. Oral argument in the Bob Henry case was held in  
29 December 2011. On January 5, 2012, the Idaho Supreme Court issued its opinion in the Bob

1 Henry lawsuit, ruling that the contract was a public contract between the City and the County  
2 Prosecuting Attorney, not a private contract between the City and Bujak. *See Henry v. Taylor*,  
3 152 Idaho 155, 267 P.3d 1270 (2012). This decision, of course, did not favor the Trustee's  
4 position in the adversary proceeding with respect to the claims based on the assignments of the  
5 contracts. Additionally, the claims alleged in the Notice of Tort Claim were based, in large part,  
6 on the argument that the Prosecution Contract was a private contract – not a public contract.  
7

8 In light of the Idaho Supreme Court's decision, the Trustee entered into settlement  
9 negotiations with the County and sought to compromise this action in the spring of 2012. The  
10 Court denied that motion to approve compromise on April 4, 2012. (Docket No. 112.)  
11

12 Following the denial of the initial motion for compromise, the Trustee moved for  
13 summary judgment in the adversary case, focusing on the \$171,000.00 in payments to Canyon  
14 County. Based upon a substantial record, and following extensive argument by both parties, the  
15 Court concluded that, based upon the evidence presented, there was a material question of fact  
16 for trial regarding whether the \$171,000.00 paid by Bujak to Canyon County was, in fact,  
17 "property of the debtor," as opposed to funds held by Bujak in trust for the benefit of Canyon  
18 County. (Case No. 11-6038-JDP, Docket No. 40.)  
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20

21 Following the decision on summary judgment, the Trustee and County again entered  
22 serious negotiations. The parties engaged in mediation with the assistance of Judge Myers.  
23 Although the case did not resolve at the scheduled mediation session, the parties were able to  
24 later come to mutually agreeable terms. The specific terms of the compromise are outlined in the  
25 Settlement and Release Agreement, attached hereto as *Exhibit 1*. Generally speaking, the terms  
26 of the compromise are that the Estate will receive \$100,000.00 from the County, in return for  
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1 settling all claims that the Estate may have against the County. The claims that the Estate is  
2 settling with the County include the following:

- 3 • any claims as defined in the Bankruptcy Code;
- 4 • any claims of the Trustee that exist under the Bankruptcy Code, and whether  
5 available to the Trustee as a voiding action, or available to the Trustee as the  
6 successor-in-interest to John Thomas Bujak or Pepper Rae Bujak;
- 7 • any claims of the Trustee that do not exist under the Bankruptcy Code, but are  
8 available to the Trustee under state or federal or any other law, including claims  
9 available at equity and claims available at law;
- 10 • any claims of the Trustee alleged or that could have been alleged by the Trustee in  
11 the adversary case of *Gugino v. Canyon County, et al.*, Adversary No.  
12 11-06038-JDP, filed in the Bankruptcy Case; and
- 13 • any claims of the Trustee represented by the Notice of Tort Claim incorporated  
14 into the proposed settlement.

15  
16 Additionally, the County and Prosecuting Attorney's Office are releasing the Trustee and  
17 the Estate from any claims they may have related to any of the claims that the Estate is settling.  
18 The County will retain the Proof of Claim it filed in the bankruptcy case (Claim No. 2), but  
19 agrees not to further amend that claim. It is the intention of the Trustee, the County, and the  
20 Prosecuting Attorney's Office that the definition of "claims" being settled and released be as  
21 broad as possible, and includes any and all claims of any kind or nature that may exist as of the  
22 date of execution of the compromise.  
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1 **PROPOSED COMPROMISE**

2 Subject to Court approval, the Trustee asserts that the proposed settlement (attached  
3 hereto as *Exhibit 1*) is a “fair and equitable” resolution of the disputes, based upon factors such  
4 as: (a) the probability of successfully litigating the claims, (b) difficulty in enforcement of a  
5 judgment, (c) the complexity, expense, and delay of the litigation, (d) the risk of non-collection,  
6 and (e) the paramount interest of creditors, as analyzed below. *See In re: Marples*, 266 B.R. 202,  
7 206, 01.3 I.B.C.R. 116, 118 (Bankr. D. Idaho, 2001); *Martin v. Kane (In re: A&C Properties)*,  
8 784 F.2d 1377, 1381-83 (9<sup>th</sup> Cir., 1986).  
9  
10

11 **PROBABILITY OF SUCCESSFULLY LITIGATING THE CLAIM**

12 A significant portion of the Trustee’s original claims (both asserted in the adversary  
13 proceeding, and otherwise) were based on the argument that the Prosecution Contract was a  
14 private contract between Bujak and the City and the funds derived by Debtors from said contract  
15 were property of the Debtors. The Idaho Supreme Court’s determination that the contract was a  
16 public contract between the City and the Prosecuting Attorney’s Office makes it much more  
17 difficult for the Trustee to prevail on his claims against the County based upon the assignment of  
18 the contracts themselves. In order to prove either a preference or fraudulent transfer claim, the  
19 Trustee must prove that the Debtor transferred an “interest of the debtor in property.” *See 11*  
20 *U.S.C. § 547(b); 11 U.S.C. § 548(a)(1)*. If the Debtor did not have any private interest in the  
21 Prosecution Contract (as opposed to an interest as a public employee), it becomes very difficult  
22 for the Trustee to show a preference or fraudulent transfer occurred. Additionally, the claims  
23 asserted in the Notice of Tort Claim were based on alleged statements made by public officials  
24 related to the public nature of the Prosecution Contract. If, in fact, the contract was a public  
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1 contract, then proving that those statements were defamatory, false, slanderous or otherwise  
2 actionable also becomes difficult, if not impossible.

3  
4 Secondly, the Trustee's claims against Canyon County for recovery of \$171,000.00 in  
5 preference payments are not certain. The Court has preliminarily reviewed the evidence on the  
6 Trustee's motion for summary judgment and recognized that there is conflicting evidence with  
7 respect to whether the \$171,000.00 was actually "property of the debtor" or not. If not, then the  
8 Trustee recovers nothing.

9  
10 The question turns on the fact that funds paid to the county originated in an account  
11 labeled as a "trust" account. There are two payments implicated by the Trustee's Section 547(b)  
12 claim, a \$100,000.00 payment made on August 19, 2010, and a \$71,000 payment made on  
13 September 30, 2010. On August 19, 2010, Bujak wrote a check on the "trust" account to the  
14 Bank of the Cascades for \$100,000.00 in order to obtain a cashier's check made payable to the  
15 County. Bujak delivered this cashier's check to the County that same day. Tracing is not an  
16 issue regarding the \$100,000.00 payment. Accordingly, if the County can demonstrate the funds  
17 held in the "trust" account were funds actually held in trust, no tracing will be required.  
18

19  
20 The second payment involves the same "trust" account, although complicated by an  
21 additional tracing issue. On September 29, 2010, Bujak wrote a \$71,000.00 from the Bujak Law  
22 PLLC operating account payable to Canyon County. The operating account had a balance of  
23 \$2,620.76 at the time Bujak wrote the \$71,000.00 check. The next day, on September 30, 2010,  
24 Bujak made an electronic transfer totaling \$71,000.00 from the IOLTA trust account to the  
25 operating account. After Bujak transferred \$71,000.00 out of the "trust" account, he delivered  
26 the \$71,000.00 check drawn from the operating account to the County, which the County  
27 deposited and cleared the bank on October 1, 2010. Because this \$71,000.00 was comingled  
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1 with other funds in the operating account, tracing would be an issue at any trial. However, the  
2 tracing issue does not appear overly complicated.

3 Conflicting evidence was presented to the Court regarding whether the funds at issue  
4 were truly held in trust or not. The label on the account is not dispositive, but there is other  
5 evidence that Canyon County presented that could lead the Court to conclude the funds were  
6 held in trust, and, thus, not property of the Debtor.  
7

8 The odds of success in litigation favor approval of the settlement. Based on the Idaho  
9 Supreme Court's *Henry* decision, the Trustee does not estimate a very high probability of  
10 successfully litigating the claims that the contracts were fraudulently transferred. While there is  
11 a greater likelihood of prevailing against the County on the preference claims for the  
12 \$171,000.00, the existence of a material question of fact about creates an equal likelihood of  
13 success as failure in such claims. The proposed settlement is greater than 50% of the entire  
14 amount of preference funds. Balancing the strength of the various claims, the risks of trial, and  
15 the amount of proposed settlement funds to the Estate, the Trustee asserts it would be in the best  
16 interest of the creditors to settle these claims for \$100,000.00.  
17  
18

19 **DIFFICULTY IN ENFORCEMENT OF A JUDGMENT**  
20

21 In the event the Trustee fully prosecuted the claims being settled, he would obtain a  
22 money judgment against the County. The Trustee does not anticipate that the County would  
23 refuse to comply with any judgment or order entered by this court. However, the Trustee is not  
24 aware of the County's current financial affairs and takes no position as to whether the County  
25 has the assets potentially required to pay any judgment obtained by the Trustee.  
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CERTIFICATE OF SERVICE

I hereby certify that on this date as indicated below, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system, which sent a Notice of Electronic Filing to the individual(s) so noted below.

US Trustee	ustp.region18.bs.ecf@usdoj.gov
Sheila R. Schwager	sschwager@hawleytroxell.com
Michael J. Kane	mkane@ktlaw.net; tpresler@ktlaw.net
Jeremy J. Gugino	gugino@cableone.net
Matthew T. Christensen	mtc@angstman.com
Kevin E. Dinius	kdinius@diniuslaw.com
Noah G. Hillen	ngh@moffatt.com
Mary P. Kimmel	ustp.region18.bs.ecf@usdoj.gov
James L. Martin	jlm@moffatt.com
Randall A. Peterman	rap@moffatt.com
Ronald Robert Shepherd	rshepherd@nampalaw.com
Mark Bruce Moburg	ecfid@rcflegal.com

Others as noticed on the Court's ECF Notice.

DATED: April 26, 2013

\_\_\_\_\_  
/s/  
Wyatt B. Johnson

# **EXHIBIT 1**

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (the "Agreement") is made and entered into as of the 24<sup>th</sup> day of April, 2013, by and between Jeremy Gugino, Bankruptcy Trustee for the Estate of John Thomas Bujak and Pepper Rae Bujak (hereinafter "Trustee"), Canyon County, a political subdivision of the State of Idaho (hereinafter the "County"), and the Canyon County Prosecuting Attorney's Office (hereinafter "CCPA"), collectively referred to herein as the "Parties."

### RECITALS

A. **WHEREAS**, certain disputes and controversies have arisen between the Parties hereto;

B. **WHEREAS**, John Thomas Bujak and Pepper Rae Bujak (hereinafter "Debtors") filed a petition initiating a case under Chapter 7 of the US Bankruptcy Code, Bankruptcy Case No. 10-03569-JDP (the "Bankruptcy Case");

C. **WHEREAS**, the Trustee was duly appointed as the Chapter 7 Trustee for the bankruptcy estate of the Debtors (the "Estate");

D. **WHEREAS**, The Trustee possesses claims under the Bankruptcy Code and/or Idaho state law against the County and/or CCPA, some of which have been asserted through an adversary proceeding entitled "*Jeremy Gugino v. Canyon County, et al.*", Adv. Case No. 11-06038-JDP, in the Bankruptcy Case, and some of which are described in a March 25, 2011 Notice of Tort Claim (attached hereto as *Exhibit A*) (the "Claims");

E. **WHEREAS**, in settlement of the Claims, the County, and/or CCPA agrees to pay a certain sum to the Trustee; and

F. **WHEREAS**, it is the intention of the Parties to settle the Claims as the Parties have reached a mutually acceptable agreement which will result in a settlement of the Claims against the County and CCPA.

### AGREEMENTS AND RELEASES

**NOW, THEREFORE**, in consideration of the mutual promises, terms, obligations, and undertakings set forth herein, and other good and valuable consideration, the sufficiency and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Settlement Funds. The amount of One Hundred Thousand Dollars (\$100,000.00) shall be paid by the County or CCPA to the Trustee (the "Settlement Funds").

2. Releases.

a. Release by the Trustee. The Trustee, acting as the Chapter 7 Trustee for the Debtors in the Bankruptcy Case, and on behalf of the estate in the

Bankruptcy Case, does hereby release and forever discharge the County and CCPA, and each of its present and former Commissioners, clerks, staff, agents, servants, officers employees, predecessors, successors, attorneys, insurers, reinsurers or sureties (collectively "Canyon County") from any and all claims, counterclaims, actions, demands, cause or causes of action, suits, controversies, damages, liabilities, losses, and/or expenses of any nature, whether contingent or absolute, known, unknown or presently unknowable, suspected or unsuspected, asserted or unasserted, matured or inchoate, in law or in equity (collectively the "Claims"), which the Trustee has or holds and that arise from or are connected with or related to any matter involving the Bankruptcy Case. This is a complete and full release of any and all claims, legal, equitable or otherwise, by the undersigned, and without limitation except as expressly provided for herein.

- b. Release by the County. Canyon County hereby knowingly and voluntarily agrees and warrants to forever discharge, release, and hold harmless the Trustee and the Estate, and his or its successors and assigns, from any and all claims, demands, and causes of actions, legal, equitable or otherwise, now known or subsequently discovered which may hereafter accrue on account of or in any way arising out of, or related to any of the Claims. This is a complete and full release of any and all claims, legal, equitable or otherwise, by the undersigned, and without limitation except as expressly provided for herein.
- c. Release by the CCPA. The Canyon County Prosecuting Attorney's Office hereby knowingly and voluntarily agrees and warrants to forever discharge, release, and hold harmless the Trustee and the Estate, and his or its successors and assigns, from any and all claims, demands, and causes of actions, legal, equitable or otherwise, now known or subsequently discovered which may hereafter accrue on account of or in any way arising out of, or related to any of the Claims. This is a complete and full release of any and all claims, legal, equitable or otherwise, by the undersigned, and without limitation except as expressly provided for herein.

3. "Claims" Defined. For purposes of this Settlement Agreement, the term "Claims" includes but is not limited to:

- any Claims as defined in the Bankruptcy Code;
- any Claims of the Trustee that exist under the Bankruptcy Code, and whether available to the Trustee as a voiding action, or available to the Trustee as the successor-in-interest to John Thomas Bujak or Pepper Rae Bujak.

- any Claims of the Trustee that do not exist under the Bankruptcy Code, but are available to the Trustee under state or federal or any other law, including Claims available at equity and claims available at law.
- any Claims of the Trustee alleged or that could have been alleged by the Trustee in the adversary case of Gugino v. Canyon County, et al., Adversary No. 11-06038, filed in the Bankruptcy Case.
- any Claims of the Trustee represented by the March 25, 2011 Notice of Tort Claim attached hereto as *Exhibit A*.

It is the intention of the Trustee, the County, and CCPA that the definition of “Claims” be as broad as possible, and include any and all Claims of any kind or nature that may exist as of the date of execution of this Settlement Agreement.

4. Recitals Incorporated by Reference. The Parties incorporate into this Agreement, as part of the terms of this Agreement, the “Recitals” set forth above.

5. Contingent. The Settlement contemplated by this Agreement is contingent upon full and complete acceptance by the Bankruptcy Judge presiding over the Bankruptcy Case. Absent such acceptance, this Settlement shall be null and void and inadmissible in any subsequent proceeding pursuant to Federal Rule of Evidence 408.

6. Disposition of Settlement Funds. Upon signing this Agreement, the Settlement Funds shall be paid by the County or CCPA via check made out to “Jeremy Gugino, Trustee” or via wire transfer. In the event this compromise is approved by the Bankruptcy Judge, the estate will retain the funds. In the event this compromise is not approved by the Bankruptcy Judge, the funds will then be immediately returned to the County or CCPA pending further litigation of the Claims.

7. Waiver of Right to amend Proof of Claim. The parties expressly agree that the Proof of Claim filed by the County in the Bankruptcy Case (Claim No. 2) is not subject to the County’s release of claims set forth in paragraph 2(b) above. Notwithstanding any rights it reserved to amend its Proof of Claim filed in the Bankruptcy Case (Claim No. 2), the County hereby waives any right it may have to amend its Proof of Claim in the Bankruptcy Case. This waiver is contingent upon bankruptcy court approval of this Settlement.

8. Reservation of Rights. Except as set forth in this Agreement, the Trustee, the County, and CCPA reserve any and all rights that they may have or hold against John Thomas Bujak or Pepper Rae Bujak.

9. Warranty. The Parties warrant that each have agreed to enter into this Agreement knowingly and voluntarily and not in reliance upon any promise, inducement or agreement, other than that which is specified herein. The Parties further acknowledge that they have authority to enter this Agreement and that they have followed and/or complied with any and all procedures necessary for obtaining authority to enter into this Agreement.

10. **Cause of Action for Breach.** If any Party violates this Agreement, the other Party or Parties shall have a cause of action for the breach. In such an action, the prevailing Party or Parties shall be entitled to recover from the breaching Party or Parties, in addition to any other relief provided by law or equity, such costs and expenses (including reasonable attorney's fees) as may be incurred by the prevailing Party or Parties in enforcing or otherwise applying the terms of this Agreement. Any action under this paragraph shall not in any way invalidate or nullify the settlement or any other terms of this Agreement.

11. **Entire Agreement.** This Agreement and any references hereto contains the entire understanding between the Parties and supersedes all pre-existing or contemporaneous agreements or understandings, oral or written, respecting the subject matter hereof.

12. **No Oral Modifications.** This Agreement may be modified in whole or in part only by an agreement in writing executed by the Parties or their counsel.

13. **Independent Legal Advice.** Each of the Parties have received or declined to receive independent legal advice from legal counsel of their choice with respect to the advisability of making the settlement and release provided for herein and with respect to the advisability of executing this Agreement. This Agreement shall be deemed to have been drafted by all Parties.

14. **Severability.** The Parties acknowledge that the purpose of this Agreement is to settle disputes and release claims, and in the event for any reason that any provision or portion of this Agreement shall be found to be void or invalid, the Parties will continue to interpret this Agreement to accomplish the stated purpose.

15. **Investigation.** Each of the Parties have read the Agreement carefully, knows and understands the contents thereof, and has made such investigation of the facts pertaining to the settlement and this Agreement and of all matters pertaining hereto as it deems necessary or desirable. No Party has relied upon any statement, representation, or promise of any other Party, or of any representative or attorney for any other Party, in executing this Agreement or in making the settlement provided for herein.

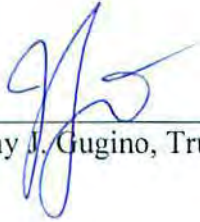
16. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Idaho in all respects, including matters of construction, enforcement, and performance, without regard to principles of conflicts of laws. The Parties agree that the venue of any action to enforce this Agreement shall be in the United States Bankruptcy Court for the District of Idaho, before Judge Jim D. Pappas.

17. **Counterparts.** This Agreement may be executed in two or more counterparts, transmitted by facsimile or otherwise, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

18. **Waiver.** Failure of a party to exercise a right upon default of the other party shall not be construed as a waiver of a right to insist upon full performance of all the terms and conditions of this Agreement.



IN WITNESS WHEREOF the Parties have caused this Agreement to be executed the day and year first above written.



\_\_\_\_\_  
Jeremy J. Gugino, Trustee

CANYON COUNTY, Board of County Commissioners

\_\_\_\_\_  
By: Craig Hanson, Commissioner

\_\_\_\_\_  
By: Steven J. Rule, Commissioner

\_\_\_\_\_  
By: Kathryn Alder, Commissioner

CANYON COUNTY PROSECUTING  
ATTORNEY'S OFFICE

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed the day and year first above written.


\_\_\_\_\_  
Jeremy J. Gugino, Trustee

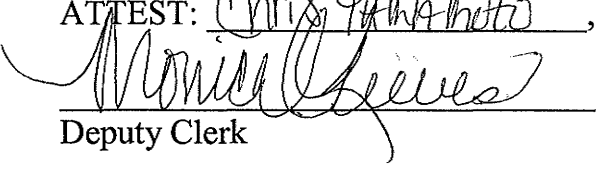
CANYON COUNTY  
BOARD OF COMMISSIONERS

  
\_\_\_\_\_  
Chairman Steven J. Rule

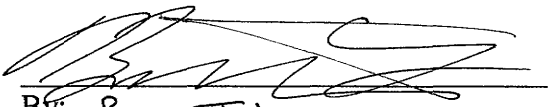
  
\_\_\_\_\_  
Commissioner Kathryn Alder

  
\_\_\_\_\_  
Commissioner Craig L. Hanson

ATTEST: , CLERK

  
\_\_\_\_\_  
Deputy Clerk

CANYON COUNTY PROSECUTING  
ATTORNEY'S OFFICE

  
\_\_\_\_\_  
By: Bryan Taylor  
Its: Prosecuting Attorney

John T. Bujak  
Pepper Bujak  
111 E Pat Lane  
Caldwell, ID 83607

Claimants

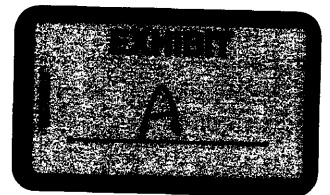
JOHN T. BUJAK and PEPPER BUJAK, )  
)  
)  
Claimants, )  
)  
vs. )  
)  
CANYON COUNTY, a Political Subdivision of )  
the State of Idaho, )  
)  
Respondent. )  
\_\_\_\_\_ )

**NOTICE OF TORT CLAIM**

COME NOW JOHN T. BUJAK and PEPPER BUJAK, Claimants, and do hereby give notice to the above-named Respondent of the following damage and/or injury pursuant to the Idaho Tort Claims Act, I.C. §§ 6-901 *et seq.*

Pursuant to the Idaho Tort Claims Act, the Claimants provide the following information:

1. The names of the Claimants are John T. Bujak and Pepper Bujak.
2. The current address of the Claimants is 111 East Pat Lane, Caldwell, Idaho 83607.
3. For Pepper Bujak, the address stated in paragraph 2 has been her continuous address for the six-months immediately prior to the date the damage and/or injury occurred.
4. For John T. Bujak, the address stated in paragraph 2 has been his continuous



address for the six-months immediately prior to the date the damage and/or injury occurred except that, during the months of February and March 2011, John T. Bujak lived in Boise for periods of time and receive mail at 10400 West Overland Road #348, Boise, Idaho 83709.

5. The damage claimed herein began to accrue on or about September 30, 2010, and continues to accrue through the current date, March 24, 2011. Upon information and belief, the damage will continue to accrue and the Claimants cannot identify an end date for the damage inflicted by the actions of the Respondent at this time.
6. The acts giving rise to the damage claimed occurred at the Canyon County Courthouse and at other locations currently unknown where agents of the Respondent including, but not limited to the current County Commissioners, Kathy Alder, Steve Rule and David Ferdinand, published statements that they knew to be false to the public.
7. On or about September 30, 2010, the Canyon County Commissioners, Kathy Alder, Steve Rule, and David Ferdinand, while acting within the scope of their official capacities, and otherwise, forced John T. Bujak's resignation as Canyon County Prosecutor, and extorted from John T. Bujak his contract to prosecute misdemeanors for the city of Nampa (a contract worth \$1.8 million over three years) by: (1) threatening to withdraw their permission for John T. Bujak to contract with the city of Nampa, pursuant to I.C. § 31-3113; (2) threatening to bring legal action against John T. Bujak to collect monies they knew were not legally due and owing to the County; (3) threatening to prosecute John T. Bujak

criminally for a misappropriation of government funds knowing full well that no crime had been committed.

8. As a continuing course of conduct beginning in October of 2010, and continuing until the present day, the Canyon County Commissioners, Kathy Alder, Steve Rule, and David Ferdinand, in conjunction with the Canyon County Clerk, Bill Hurst (who ceased to act in his official capacity in January 2011), have continued to disseminate and cause to be published libelous and slanderous materials indicating that John T. Bujak owes a debt to Canyon County taxpayers and that he has committed crimes including, but not limited to, the misappropriation of government funds knowing full well that the information disseminated for publication is false.
9. Beginning in September 2010, and continuing until the present day, the Canyon County Commissioners, Kathy Alder, Steve Rule, and David Ferdinand have acted to obstruct justice and intimidate/influence witnesses by: (1) providing false and/or misleading information to law enforcement officers during their official investigations; (2) meeting with Pepper Bujak behind closed doors and providing her false and/or misleading information to influence her testimony or actions in pending bankruptcy and criminal investigations and litigation; and (3) imposing “gag orders” (designed to conceal the truth) on County employees with threats that any violation of the “gag orders” would result in termination from county employment.
10. Based upon the foregoing, Claimants assert that the Respondent and/or the


Respondent's agents individually, have violated the following laws subjecting them to liability:

- a. By extorting from John T. Bujak the Nampa prosecution contract, obstructing justice and/or intimidating witnesses, the Respondent has committed acts that constitute a "pattern of racketeering activity" as the term is defined in the Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §§ 1961 *et seq.*
- b. By extorting from John T. Bujak the Nampa prosecution contract and taking the other actions generally described herein, the Respondent has engaged in a "pattern of racketeering activity" as the term is defined under the Idaho Racketeering Act, I.C. §§ 18-7801 *et seq.*
- c. By taking property from John T. Bujak without due process of law, as guaranteed by the 14<sup>th</sup> Amendment to the U.S. Constitution, the Respondent has violated 42 U.S.C. § 1983.
- d. By committing the acts described herein, the Respondent is liable for defamation (both libel and slander) against John T. Bujak for damaging his good name and personal/professional reputation in the community and otherwise.
- e. By committing the acts described herein, the Respondent is liable for the tortious interference with the contractual relationship between John T. Bujak and the city of Nampa.
- f. By committing the acts described herein, the Respondent is liable for causing the negligent and/or intentional infliction of emotional distress upon both Claimants.


11. The individual people, known at this time to the Claimants, who were/are involved in causing the damages claimed are Kathy Alder, Steve Rule, David Ferdinand, and Bill Hurst who all may be **personally liable** for the damages claimed.
12. As a result of the actions and for the reasons set forth herein, and for economic damages suffered by the loss of income, damage to the Claimants' personal and professional reputations, and other special and general damages, including pain and suffering, Claimants hereby make a claim against Canyon County, a public entity, for economic damages in the amount of twenty-five million dollars (\$25,000,000.00).

I hereby certify that I have read the above information and it is true and correct to the best of my knowledge and belief.

DATED this 24 day of March, 2011.

  
\_\_\_\_\_  
JOHN T. BUJAK  
Claimant

DATED this 24 day of March, 2011.

  
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PEPPER BUJAK  
Claimant