

The Other Keith Moser: Extortion Attempts Expose Hidden Side of Little Rock Lawyer

By Gwen Moritz - 6/13/2005

(Editor's Note: This is the second in a three-part series tracing the life and career of former Little Rock lawyer Bobby Keith Moser. Read the first story [Here](#). Part 3 is available [Here](#).)

Y2K arrived less than two weeks after Keith Moser's 23-year marriage to his high school sweetheart was legally dissolved.

His wife's dogged divorce lawyer, Jack Wagoner III of Little Rock, had spent months trying to persuade the court that Moser was deeply involved in massive tax fraud. But the idea that Keith Moser — distinguished lawyer, dutiful son, devoted father and devout Christian — could be a criminal was slow to catch on.

Moser would eventually admit that he was committing federal crimes as early as 1996. He had already secretly invested hundreds of thousands of dollars from his client trust account into a company called Scanning Technologies, and he had started using client money to finance high-dollar gambling trips to Las Vegas.

But those revelations were still far in the future when the new millennium arrived. At the time, he was still considered one of the state's premier tax lawyers. He was one of the top vote-getters when the Arkansas Times surveyed lawyers for its "Best Lawyers" feature in 2000.

2000 was also the beginning of the end of Moser's legal career, although he may not have known it. It was in May of that year that his

client, Dan F. Whitt of Maumelle, began an extortion scheme that would send Whitt, Moser, Whitt's son and a Michigan man to federal prison.

Whitt commuted to a job as president of a video distribution company called Anchor Bay Entertainment in the Detroit suburb of Troy, Mich. Anchor Bay buys the rights to reproduce movies and then contracts with vendors to duplicate and package videocassettes and DVDs for retail sale.

After two-and-a-half years on the job, Whitt decided to use his influence over the company's choice of vendors to supplement his income. He pressured a vendor called Premiere Video Inc. of nearby Livonia, Mich., to pay him a "consulting fee" of \$500,000 — net after taxes — in exchange for a five-year contract with Anchor Bay.

In May 2000, Premiere's president, Larry E. Bennett of Plymouth, Mich., agreed to pay Whitt \$140,000 up front and then to make monthly payments for a total of \$712,000 over the next two years. For the balance of 2000, Dan Whitt collected regular kickbacks of \$18,000 a month from Premiere. In 2001, the monthly payoff increased to nearly \$30,000. First the payments were made to a company called Mid America Consulting at Whitt's home address in Maumelle; later, they were routed through an account at Merrill Lynch, where Whitt's son, David Whitt of Little Rock, was a stockbroker.

Keith Moser remained involved with his two teenage daughters and continued to be a financial supporter of Maumelle Church of Christ; the Church of Christ and the Boy Scouts in his hometown of Mount Pleasant (Izard County); and various Church of Christ ministries.

In 2000, Moser also supported, emotionally and financially, a young divorced mother named Valerie Lynn Pike Walker, whom he met on a blind date shortly before she learned that her 4-year-old son needed corrective heart surgery.

No evidence was ever presented to suggest that Moser was involved in Dan Whitt's extortion of Premiere Video. But the following summer, when Whitt tried to strike gold a second time, Moser was in it up to his neck — and failed utterly.

'No One Goes to Jail'

In July 2001, Whitt asked another vendor, Crest National Optical Services of Hollywood, Calif., to pay him \$1 million in consulting fees over a six-month period. Crest's attorney sent Moser a letter asking how Whitt's proposed consulting agreement could be legal; Moser responded with a proposed contract and a letter written on the letterhead of his Little Rock law firm, Jewell Moser Fletcher & Holleman.

Moser later testified that he expected to bill Whitt "about \$50,000" for his role in the deal, but Crest refused to sign the contract or to pay the kickbacks.

So Moser allegedly paid himself a kickback from another source. The next month, August 2001, Moser represented the Mary S. Pemberton Trust of Lonoke County in a \$2.1 million deal to sell equipment to Jimmy B. Sims Farms Inc. of Scott. The

trust's beneficiaries would later claim in a civil lawsuit that Moser's firm took a \$104,000 fee on the sale and also deposited — without their knowledge — \$43,000 into the firm's client trust account.

In October 2001, Moser was among a number of lawyers quoted by Lawyers Weekly USA who said they would not represent a defendant charged in the September 11 terrorist attacks:

"There is a big difference between defending a person who has been charged with what we would normally consider to be a criminal act and defending a person who has engaged in an act of war upon your country."

The seemingly innocuous quote is heavy with irony. Moser was himself guilty of a crime against his country — tax fraud dating back to 1996. And in the same month that he made the comment, he was engaged in at least two other activities normally considered to be criminal acts.

He persuaded a Judsonia woman, Sharon Dial, to give him control of the \$550,000 settlement that his law firm negotiated in the death of her 51-year-old husband, who ate oysters at Sir Loin's Inn in North Little Rock in June 2000. Because of liver disease, his body was incapable of fighting a bacterium that occurs naturally in oysters. Moser would subsequently steal all of the widow's settlement money and more.

Simultaneously, Moser and Whitt were again running the kickback scheme, this time on Steve Wild, president of Grace & Wild Studios Inc. of Farmington Hills, Mich.

Whitt offered Wild \$20 million in Anchor Bay business in exchange for a \$2 million consulting fee. Moser was expecting to get \$100,000. Over the course of several weeks, Moser had a number of telephone conversations with Wild and even flew to Michigan to discuss the terms of the deal over dinner.

Unbeknownst to Moser, Wild recorded several of their conversations. In a lawsuit, Anchor Bay revealed that Wild "asked if the payments were illegal, and Moser responded with words to the effect that 'if everyone keeps their mouths shut, no one goes to jail.'"

On Nov. 7, 2001, Wild received a proposed consulting contract calling for Grace & Wild Studios to pay \$1 million immediately followed by 30 monthly payments of \$33,333. The payments were to be made to a company called Professional Management Group that Keith Moser had incorporated in Wyoming, one of his favorite venues.

The package Wild received by mail "contained the appearance of a legitimate contract but which in fact was simply a guise to conceal and disguise the kickback payments," federal prosecutor Kevin Culum of the Department of Justice's Antitrust Division in Cleveland would later tell U.S. District Judge George Howard Jr. of Little Rock.

Wild didn't keep his mouth shut. He reported Whitt's demand to another Anchor Bay executive, and Whitt was fired on Nov. 12, 2001. The news meant that Premiere's wire transfer of \$29,667 on Nov. 2 was its last. Whitt had collected a total of \$592,337.

Moser collected zip.

The Feds

Before Christmas rolled around, Anchor Bay filed a civil lawsuit in U.S. District Court in Detroit against Dan Whitt, Moser, the Jewell Moser law firm and the dummy companies through which the kickbacks were to be paid. The complaint, which cited the federal Racketeer Influenced and Corrupt Organizations (RICO) Act, caught the attention of the DOJ's Antitrust Division, which was investigating allegations of anticompetitive activity in the video industry.

If Keith Moser was worried about his future, he didn't show it. In January 2002, he paid \$105,000 for a lot in the Cypress Point subdivision of west Little Rock, on which he would shortly begin construction of a 5,244-SF house. In May, he gave his younger daughter a new BMW for her 16th birthday, just as he had for his older daughter in 2000.

In the meantime, the FBI and the Internal Revenue Service were on Moser like white on rice. In April 2002, FBI agents informed Little Rock businessman Robert Bomar that the companies Moser and his law partner, Barry Jewell, lined up to invest in Bomar's Scanning Technologies Inc. back in 1993 were actually fronts for Moser and Jewell themselves. According to a lawsuit Bomar filed in 2004, the FBI also said that one of the front companies, FBN Investments, had taken out a \$5 million insurance policy on Bomar's life. (He still doesn't know who the beneficiary was.)

Even more curious: Bomar learned from the FBI that he was president of Professional Management Group, the Wyoming company through which Michigan kickbacks were to be funneled. Bomar had supposedly even filed pleadings in federal court as president of Professional Management Group. Bomar had never heard of the company.

In May 2002, IRS investigator Dan Elliott was assigned to the Moser case. The same month, a federal grand jury in Detroit subpoenaed financial records for one of the shell corporations Whitt was using. Keith Moser, as custodian of the records, went to Chuck Banks of Little Rock, the former U.S. attorney for the Eastern District of Arkansas, for advice. But he didn't follow it.

Instead, documents Moser provided to the grand jury between June and December of that year were falsified, as the Department of Justice would reveal in a January 2004 indictment for obstruction of justice:

"These documents, which include a power of attorney falsely executed in favor of the defendant, were altered to conceal and mislead the grand jury in its investigation of the defendant's illegal conduct... These documents, which include a number of promissory notes, were manufactured or backdated to conceal and mislead the grand jury in its investigation of the defendant's illegal conduct."

In June 2002, the Michigan grand jury investigating Whitt's kickback scheme also subpoenaed documents related to a Lonoke goldfish wholesaler, Pool Fish Distributors. Pool was a client of Moser. In late 2004, the fish company would plead guilty to obstruction of justice and pay a fine for failing to comply with the subpoenas until the statute of limitations had expired.

The exact connection between the two cases has never been explained, but Antitrust prosecutors said they were also investigating allegations of price-fixing in the feeder goldfish industry.

Beginnings and Endings

Bobby Keith Moser married Valerie Pike Walker on Aug. 3, 2002, on the West Indies island of St. Lucia. It is unlikely she realized the seriousness of her new husband's legal problems; after all, even his law partners were relatively slow to recognize the precariousness of his position.

"It was clear to me on July 1 that there was going to be some type of criminal investigation with Keith's activities with Detroit and the Whitts," partner Scott Fletcher told Arkansas Business in 2004. "Up until then, Keith had said it was not a big deal and it was something the law firm's malpractice carrier would handle and would go away."

"It's pretty hard to believe that any longer when you get contacted by the government."

Fletcher left the firm before the end of July. By the end of August, Jewell Moser Fletcher & Holleman — a partnership that dated back 11 years — was defunct.

"When the partners started to split in August, 2002, I stayed with Keith because I had not seen anything illegal or wrong that he had done or was doing," Patti Whitlow, the firm's bookkeeper, wrote in a letter asking U.S. District Judge Susan Webber Wright to be lenient in sentencing Moser. "He has always been there for me, supporting me in whatever I attempted, and I showed my support of him by staying with him when he needed someone to help with the office work. I did not then nor do I now believe he would or could intentionally hurt anyone."

As if August wasn't busy enough with the wedding and the collapse of his law firm, on Aug. 22 Keith and Valerie Moser executed a \$425,000 mortgage on the new house they were building in Cypress Point.

On Nov. 1, 2002, Moser settled a family feud in Lonoke County by selling a farm in which his client, Micheal Dewayne Sims, had a 99 percent interest to Sims' brother's son, Jim David Sims. Micheal Sims had previously refused to sell the farm to his nephew and would later sue Moser for exploiting a trusteeship to sell his farm without his knowledge.

To his own family, Moser was unfailingly loyal. Later in November, he traveled to Houston to attend an uncle's funeral.

Following an anonymous tip, Arkansas Business published on Dec. 2, 2002, a lengthy article describing the allegations made against Moser and Dan Whitt by Anchor Bay Entertainment and confirming the existence of a criminal investigation.

Three days later, on Dec. 5, Moser handled the sale of Humnoke Farms Inc. of England (Lonoke County) for cousins N. Hutson Way and Kenneth Way for almost \$1.14 million. He persuaded them to leave the proceeds of the sale in his client trust account for a guaranteed annual return of 5 percent.

Moser promptly invested \$153,000 of it with Sterne Agee & Leach Inc. by pretending to be the president of Humnoke Farms.

On Dec. 18, the federal government claims, Moser sent more falsified documents to the grand jury. And the other Keith Moser, the one his friends and family adored, also made an appearance that month.

"In December, 2002, I became ill and was unable to practice law," Stephen Curry of Little Rock wrote to Judge Wright. "During this emergency, and without my asking, Keith was available any time of the day or night to help me through some very rough and troubling times. For business reasons, it was necessary for me to execute a power of attorney and Keith volunteer [sic] to serve in this capacity on my behalf. No one else was willing to fill this need at the time. Keith also assisted in the transition of my active case files maintained for my clients, as I was unable to practice law."

"I know that Keith offered his efforts to me as a friend in need when he did not have the time or resources to do so, and with no expectation of payment."

On Valentine's Day of 2003, Keith Moser and his bride moved into their dream house. That was the same day that Micheal Dewayne Sims got a letter from Moser saying he had to move out of his house. It was the first inkling Sims had that he no longer owned his farm.

By Halloween, prosecutor Culum would elicit guilty pleas from Dan Whitt; his stockbroker son, David; and Larry Bennett, the Premiere Video executive who paid nearly \$600,000 in kickbacks to Dan Whitt.

The Associated Press reported the Whitts' pleas, but Arkansas Business was the only news organization in Arkansas to report Moser's role in the scheme before he was formally charged on Jan. 28, 2004.

For more than two years after Steve Wild blew the whistle on Whitt and Moser in November 2001, Moser would continue to practice law in Little Rock. He would continue taking gambling trips to Las Vegas, losing as much as \$80,000 in a single evening. He enjoyed exotic vacations and indulged in art collecting, skiing, dirt biking, scuba diving and buying Harley-Davidson motorcycles.

And he would persuade clients to leave large sums of money on deposit in his trust account.

Next week: Keith Moser's last trip.

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