

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF NEW YORK

3 - - - - - X
4 UNITED STATES OF AMERICA, : 23-CR-146(DG)
5 -against- : United States Courthouse
6 : Brooklyn, New York
7 NICOLE DAEDONE, :
8 Defendant. : March 30, 2026
9 : 10:00 o'clock a.m.
10 - - - - - X

11 TRANSCRIPT OF SENTENCING
12 BEFORE THE HONORABLE DIANE GUJARATI
13 UNITED STATES DISTRICT JUDGE.

14 APPEARANCES:

15 For the Government: JOSEPH NOCELLA, JR.
16 United States Attorney
17 BY: SEAN M. FERN
18 KAYLA C. BENSING
19 NINA C. GUPTA
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1 THE CLERK: Your Honor, this is United States of
2 America versus Nicole Daedone.

3 Is the government ready?

4 MR. FERN: Yes.

5 THE CLERK: State your appearances for the record.

6 MR. FERN: Good morning, Your Honor. Sean Fern,
7 Kayla Bensing, Nina Gupta, Kaitlin Farrell. We're joined by
8 Paralegal Specialists Liam McNett and Marlane Bosler and FBI
9 Special Agent Christine Meyer.

10 THE COURT: Good morning, everybody.

11 THE CLERK: Is the defendant ready?

12 MS. BONJEAN: Good morning, Your Honor. Jennifer
13 Bonjean, B-O-N-J-E-A-N, on behalf of the defendant Nicole
14 Daedone.

15 THE COURT: Good morning to you.

16 And good morning to Ms. Daedone as well.

17 Go ahead.

18 PROBATION OFFICER WING: Good morning, Your Honor.
19 Meghan Wing from Probation. Seated to my right is Assistant
20 Deputy Chief U.S. Probation Officer Patricia Sullivan.

21 PROBATION OFFICER SULLIVAN: Good morning,
22 Your Honor.

23 THE COURT: Good morning to both of you.

24 Everyone may be seated.

25 We are here today for imposition of sentence. There

1 is an overflow room. That was already in the works but I know
2 the parties had requested it. It is on this floor and
3 everything appears to be in order, I'm told, in that room.

4 Are we ready to proceed?

5 Is it going to be Mr. Fern?

6 MR. FERN: Yes, Your Honor.

7 THE COURT: Mr. Fern, are you ready to proceed?

8 MR. FERN: Yes.

9 THE COURT: And Ms. Bonjean, is the defense ready to
10 proceed?

11 MS. BONJEAN: We are.

12 THE COURT: In May and June of 2025, a five week
13 jury trial in this case was held over which I presided. On
14 June 9, 2025, the jury returned a guilty verdict against
15 Defendant Daedone on Count One of the indictment which was the
16 sole count.

17 Count One charged Defendant Daedone with forced
18 labor conspiracy in violation of Title 18, United States Code,
19 Section 1594(b).

20 Does everyone agree that the November 1, 2025
21 sentencing guidelines manual is the appropriate manual to use
22 at today's sentencing?

23 Mr. Fern?

24 MR. FERN: Yes, Your Honor.

25 THE COURT: Ms. Bonjean?

1 MS. BONJEAN: Yes, Your Honor.

2 THE COURT: The Probation Department?

3 PROBATION OFFICER WING: Yes, Your Honor.

4 THE COURT: So in light of the fact that the
5 November guidelines manual is the operative manual, and
6 Section 5H1.11 no longer exists, is defendant seeking to have
7 the court consider the arguments she made in her papers in
8 support of her request for a departure under Section 5H1.11 as
9 part of the court's analysis of the Section 3553(a) factors?

10 MS. BONJEAN: Yes, Your Honor.

11 THE COURT: And I take it the government agrees
12 that's appropriate?

13 MR. FERN: Yes.

14 THE COURT: In preparation for today's sentencing, I
15 received and reviewed the following items. The list is long
16 but I am going to note everything that I have received and
17 reviewed.

18 The presentence investigation report, also known as
19 PSR, prepared by the Probation Department dated August 21,
20 2025, which is ECF No. 432. The sentencing recommendation
21 which is also dated August 21, 2025, which is ECF No. 432-1.
22 The addendum to the PSR dated October 2, 2025, which is
23 ECF No. 459. The second addendum to the PSR dated October 17,
24 2025, which is ECF No. 460. The revised sentencing
25 recommendation dated October 22, 2025, which is ECF No. 463.

1 The third addendum to the PSR dated November 3, 2025, which is
2 ECF No. 466. The fourth addendum to the PSR dated
3 December 30, 2025, which is ECF No. 489. The fifth addendum
4 to the PSR dated March 9, 2026, which is ECF No. 502. The
5 sixth addendum to the PSR dated March 24, 2026, which is
6 ECF No. 509. The seventh addendum to the PSR dated March 26,
7 2026, which is ECF No. 513. And the eighth addendum to the
8 PSR dated March 27, 2026, which is ECF No. 517.

9 Can I just ask whoever has papers that are near the
10 microphones maybe to move them away because I'm hearing a lot
11 of feedback?

12 MR. FERN: Yes, Your Honor.

13 THE COURT: I have received and reviewed, of course,
14 defendant's sentencing memorandum filed on November 19, 2025,
15 which is ECF No. 471, the letters of support which are at
16 ECF No. 471-1, and the transcript of the sentencing proceeding
17 in Southern District of New York Case No. 24-CR-542, United
18 States of America versus Sean Combs, which is ECF No. 471-2.
19 The electronic evidence submitted by defendant in connection
20 with the request filed at ECF No. 475. The electronic
21 evidence is a video.

22 Defendant Daedone requests that the court impose a
23 sentence not to exceed 12 months of imprisonment.

24 I received and reviewed defendant's March 22, 2026
25 letter addressing restitution filed under seal at ECF No. 507

1 and filed publicly at ECF No. 508.

2 Having considered the content of the filing, having
3 considered the proffered justification for sealing, and having
4 considered the applicable legal standard governing sealing, I
5 will permit the filing at ECF No. 507 to remain under seal.

6 Actually, I'm not sure you proffered a reason, but it is
7 because this relates to restitution. So the content of that,
8 I have considered.

9 I find that permitting the filing at ECF No. 507 to
10 remain under seal is appropriate under the applicable law in
11 light of the nature of the filing.

12 See Lugosch versus Pyramid Company of Onondaga,
13 435 F.3d 110, at 120, Second Circuit, 2006.

14 I have received and reviewed the government's
15 sentencing memorandum dated December 10, 2025, which is
16 ECF No. 482, and the government's letter dated December 10,
17 2025, which is ECF No. 483, and which encloses victim impact
18 statements.

19 The government requests that the court impose a
20 sentence of 240 months of imprisonment, to be followed by a
21 supervised release term of three years.

22 I have received and reviewed the government's
23 submissions regarding restitution filed at ECF Nos. 484, 485,
24 492, 511 and 516. I have also received and reviewed the
25 government's submission at ECF 506 which relates to

1 restitution and other victim related issues.

2 The government requests to file the submission at
3 ECF No. 506 under seal because it contains the names and
4 personal and sensitive information relating to victims in this
5 case including discussion of medical documentation. The
6 government also requests to file its submissions at
7 ECF Nos. 511 and 516 under seal because they contain the names
8 and personal and sensitive information relating to victims in
9 this case including regarding psychological treatment.

10 Having considered the content of the filings at
11 ECF Nos. 506, 511 and 516, having considered the proffered
12 justifications for sealing and having considered the
13 applicable legal standard governing sealing, I will permit the
14 filings to remain under seal. I find that permitting the
15 filings at ECF Nos. 506, 511 and 516 to remain under seal is
16 appropriate under the applicable law in light of the nature of
17 the filings.

18 Again, see Lugosch, 435 F.3d at 120.

19 As the parties are aware from orders issued by the
20 court prior to sentencing, the court has also considered
21 additional submissions the parties made relating to forfeiture
22 and to victim participation at sentencing and made rulings
23 with respect to the same. The orders I am referring to are at
24 ECF Nos. 493, 494 and 504.

25 In its filing at ECF No. 506, the government

1 indicates that a particular individual wishes to address the
2 court and wishes to do so under a pseudonym.

3 Does the government wish to be heard on this
4 request?

5 MR. FERN: Yes, Your Honor.

6 THE COURT: Go ahead.

7 MR. FERN: The victim who was referenced as a victim
8 in the presentence report is present in the courtroom today
9 and wishes to proceed anonymously if the court permits her to.
10 The victim, I think it's Jane Doe, the Jane Doe, is concerned
11 for her professional well-being if her participation in
12 OneTaste becomes publicly known.

13 THE COURT: I will hear from defense counsel if you
14 wish to be heard.

15 MS. BONJEAN: Your Honor, we would stand -- I
16 apologize.

17 THE COURT: That's okay. The mics are real loud
18 today.

19 MS. BONJEAN: We would stand on our prior arguments
20 in connection with this request. This complainant is really
21 not situated any differently than the complainants that came
22 before the Court and testified under their true name, so I
23 don't think there's much more to be said because we do stand
24 on our prior position on that.

25 THE COURT: Okay. So the request now is that this

1 person make a statement anonymously or under a pseudonym?

2 MR. FERN: Under "Jane Doe."

3 THE COURT: Okay. The request for this particular
4 individual to address the court and to do so under "Jane Doe"
5 is denied.

6 I refer the parties to my order at ECF No. 493 and
7 also to my prior rulings regarding the issue of being heard
8 anonymously and/or under a pseudonym.

9 I just want to confirm that there are no outstanding
10 sealing requests that have not already been addressed by the
11 court.

12 Mr. Fern?

13 MR. FERN: No, Your Honor.

14 THE COURT: You can confirm there are not, correct?

15 MR. FERN: I can confirm that there are not.

16 THE COURT: And Ms. Bonjean?

17 MS. BONJEAN: I can confirm there are not.

18 THE COURT: Counsel, is there anything else that I
19 should have already received that I have not mentioned?

20 Mr. Fern?

21 MR. FERN: Your Honor, I would just mention there is
22 a filing by Defendant Cherwitz filed at ECF 473-2 which
23 contains letters of support for both defendants.

24 THE COURT: So I am considering submissions by
25 Ms. Daedone or joint submissions.

1 If it was not submitted by -- if Ms. Bonjean did not
2 sign on to a submission, it should not be considered. I want
3 to hear from Ms. Bonjean on this. I think there's a lot of
4 overlap and I certainly read all the letters relating to
5 Ms. Cherwitz as well, but I want to make sure that everybody
6 understands that these two defendants are different. The
7 sentencings are different proceedings.

8 I will hear from Ms. Bonjean.

9 MS. BONJEAN: Yes, Your Honor. I believe we have
10 submitted what we are asking the Court to consider.

11 THE COURT: Thank you. Yes. And I am considering
12 what has been submitted by Defendant Daedone and/or jointly by
13 the two defendants.

14 MS. BONJEAN: Thank you.

15 THE COURT: And, obviously, what's been submitted by
16 the government.

17 MR. FERN: Yes, Your Honor.

18 THE COURT: So is there anything else that I should
19 have already received, Mr. Fern, that I didn't mention?

20 MR. FERN: I think that's everything, Your Honor.

21 THE COURT: Okay. Ms. Bonjean?

22 MS. BONJEAN: I think that's correct.

23 THE COURT: Okay. So regardless of whether I should
24 have already received something, is there anything the parties
25 want to hand up now?

1 Obviously, I'm going to hear you on a whole variety
2 of issues, but is there anything physically you want to hand
3 up now?

4 Mr. Fern?

5 MR. FERN: No, Your Honor.

6 THE COURT: Ms. Bonjean?

7 MS. BONJEAN: No, Your Honor.

8 THE COURT: Have the parties received the materials
9 I mentioned: The PSR, the addendum, second addendum, third
10 addendum, fourth addendum, fifth addendum, sixth addendum,
11 seventh addendum and eighth addendum, the Probation
12 Department's sentencing recommendation, the Probation
13 Department's revised sentencing recommendation, and the
14 parties' submissions?

15 Mr. Fern?

16 MR. FERN: Yes, Your Honor.

17 THE COURT: Ms. Bonjean?

18 MS. BONJEAN: Yes.

19 THE COURT: And have the parties had enough time
20 with each more recently filed addendum?

21 Mr. Fern?

22 MR. FERN: Yes, Your Honor.

23 THE COURT: Ms. Bonjean?

24 MS. BONJEAN: Yes.

25 THE COURT: I have read everything that's reflected

1 on the docket in this case.

2 There was a March 27, 2026 letter filed jointly by
3 Defendants Daedone and Cherwitz at ECF No. 515 requesting that
4 defendants be given leave to play a five to six minute video.

5 The video was provided to Chambers, and it appears
6 to be the same video already provided which I referenced
7 earlier and which I have reviewed.

8 So can you confirm that's the same video,
9 Ms. Bonjean, you submitted months ago?

10 MS. BONJEAN: I believe it is, Your Honor.

11 THE COURT: Yes, it appears to be.

12 MS. BONJEAN: Correct.

13 THE COURT: By letter filed yesterday, March 29,
14 2026, at ECF No. 519, the government opposes the request to
15 play the video, and by letter filed jointly yesterday by
16 Defendants Daedone and Cherwitz at ECF No. 520, defendants
17 respond to the government's opposition, acknowledging that it
18 is within the court's discretion to allow or not allow the
19 playing of the video.

20 I am happy to hear you out on this, but I watched
21 this video several times so I'm not sure it would be necessary
22 to play the video. I've watched it. I've considered it.
23 I've considered all, you know, everything in the record, but I
24 can hear -- I think both parties agree that it's in the
25 court's discretion whether to allow the playing of the video.

1 I'm happy to hear you out on this.

2 I'll start with you, Ms. Bonjean.

3 MS. BONJEAN: Yes, Your Honor. Our position is we
4 would like to play the video, but we trust the Court has
5 looked at the video, has considered the video, but we would
6 emphasize this is a public hearing, that part of the Court's
7 decisionmaking hopefully will rely, in part, on this video and
8 that there is a public interest in reviewing and seeing the
9 materials on which this Court relies in imposing a sentence.

10 So we would ask the Court to play the video because
11 of the public right, frankly, to know what the Court relies on
12 when it imposes a sentence.

13 So that's where we sit on it and we understand it is
14 at the Court's discretion.

15 THE COURT: Mr. Fern?

16 MR. FERN: Yes, Your Honor.

17 THE COURT: I'm sorry. Give me one moment, please.

18 (Pause.)

19 THE COURT: If you could just speak closer to the
20 microphone, Ms. Bonjean.

21 MS. BONJEAN: Oh.

22 THE COURT: I think that's better. Thank you. I
23 could hear you fine, but I think you need to be picked up more
24 widely.

25 MS. BONJEAN: Sure.

1 THE COURT: Okay. I'm sorry. Go ahead, Mr. Fern.

2 MR. FERN: Sure.

3 As the Court has already confirmed, the Court has
4 reviewed the video, will take it into account when it imposes
5 sentencing and consider the information contained therein.
6 There's no need to play it publicly. This sentencing hearing
7 is already expected to last a long time, potentially.

8 THE COURT: We'll see.

9 MR. FERN: The video will only prolong the
10 proceedings.

11 THE COURT: Okay. Well, that's five or six minutes,
12 so it would minimally prolong it.

13 Let me ask you, Ms. Bonjean, when were you thinking
14 you would want this played?

15 I mean, again, I've watched it. You know, I'm not
16 sure it's all that earth-shattering but you can make your
17 arguments about it, but when were you thinking you'd want this
18 played?

19 MS. BONJEAN: So, Your Honor, there is going to be a
20 moment where we argue about the 3553 factors the Court should
21 consider and those include the history and characteristics of
22 Ms. Daedone. We believe that that would be a good opportunity
23 to play it. It would actually probably mitigate some of the
24 need for me to address some of these issues.

25 THE COURT: I don't think it will, Ms. Bonjean.

1 MS. BONJEAN: I promise it will. I can guarantee
2 I'll take less time.

3 THE COURT: It's not an issue of timing. I think
4 it's probably unnecessary, but we can revisit that when I see
5 how things go and the arguments that are already made but,
6 again, I've watched this video multiple times. It's not
7 earth-shattering. It doesn't need to be, of course, but it's
8 not.

9 Okay. We can revisit that.

10 The parties have extensively and thoroughly set
11 forth their positions on the various sentencing related issues
12 the court will be taking up today, and the Probation
13 Department has addressed each of the parties' various
14 objections and has clearly given thoughtful consideration to
15 the sentencing related issues in this case.

16 The revised sentencing recommendation of the
17 Probation Department, which I am not bound by, is, as the
18 parties are aware, a sentence of imprisonment of 235 months,
19 to be followed by a term of supervised release of three years.
20 The Probation Department has also recommended standard,
21 mandatory and special conditions of supervised release. You
22 have seen all of the conditions.

23 The mandatory conditions are set forth on page 4 of
24 the revised sentencing recommendation, ECF No. 463, however, I
25 want to have Probation confirm that it is recommending

1 restitution as a mandatory condition. The condition is not
2 checked but I think that might have been an oversight.

3 PROBATION OFFICER WING: Yes, we are, Your Honor.
4 At the time, there were no victim impact statements submitted
5 so we do not have a restitution number, but considering
6 Your Honor's rulings thus far, we do believe that a special
7 condition to comply with the restitution order, along with a
8 financial condition.

9 THE COURT: Right. I was asking about the mandatory
10 conditions, not your special conditions, which, of course,
11 also include restitution.

12 PROBATION OFFICER WING: It should be checked.

13 THE COURT: Yes. Okay. I think that was just an
14 oversight.

15 Okay. There are 13 standard conditions. The
16 standard conditions are set forth on pages 4 to 5 of the
17 revised sentencing recommendation, ECF No. 463. The four
18 recommended special conditions are set forth on pages 5 to 6
19 of the revised sentencing recommendation. Just to summarize,
20 they are a financial records disclosure and financial accounts
21 related condition, a restitution compliance condition, a
22 self-employment related condition, and a victim contact
23 related condition.

24 I want to confirm that everybody has read what the
25 Probation Department has provided on the standard, mandatory

1 and special conditions.

2 Have you read them, Mr. Fern?

3 MR. FERN: Yes, Your Honor.

4 THE COURT: And Ms. Bonjean?

5 MS. BONJEAN: Yes, Your Honor.

6 THE COURT: And to the extent that I impose any or
7 all of the conditions of supervised release, either standard,
8 mandatory or special, do the parties waive a public reading of
9 that?

10 Mr. Fern?

11 MR. FERN: Yes, Your Honor.

12 MS. BONJEAN: Yes.

13 THE COURT: And can you confirm, Ms. Bonjean, your
14 client has read those conditions as well?

15 MS. BONJEAN: Yes, we've reviewed it.

16 THE COURT: Okay.

17 Defendant Daedone has indicated in her papers her
18 view that a Fatico hearing would be necessary before the court
19 could impose particular sentencing guidelines enhancements.
20 The government has indicated in its papers its view that no
21 Fatico hearing is necessary.

22 The court has determined that on the record here, a
23 Fatico hearing is not necessary with respect to any of the
24 disputed issues. Here, there was a five week trial, the
25 parties have been heard extensively on the disputed issues via

1 the court's consideration of the submissions, and the parties
2 will have the opportunity to be heard further shortly. You
3 are welcome to proffer additional information if you wish to
4 do so.

5 Mr. Fern, were all applicable victim notification
6 requirements complied with?

7 MR. FERN: Yes, Your Honor.

8 THE COURT: Were all victims notified of their right
9 to attend sentencing?

10 MR. FERN: Yes, Your Honor.

11 THE COURT: Are any victims present?

12 MR. FERN: Yes.

13 THE COURT: And do any wish to speak?

14 MR. FERN: There is one victim who is on her way
15 here. We expected her to be here by 10:20, 10:30. She wishes
16 to speak.

17 THE COURT: And please tell me the name.

18 MR. FERN: Michal Neria. M-I-C-H-A-L, N-E-R-I-A.

19 THE COURT: Thank you.

20 The court notes that in the January 22, 2026
21 memorandum and order at ECF No. 493, it concluded, among other
22 things, that the government has sufficiently demonstrated that
23 those individuals who are characterized as victims by the
24 government and who testified at trial are in fact victims
25 within the meaning of the relevant statutes.

1 The government requests that the court order
2 restitution to be owed jointly and severally by
3 Defendant Cherwitz and Defendant Daedone to the following
4 testifying victims: Michelle Wright, Michal Neria, Dana Gill,
5 Rebecca Halpern, Anthia Gillick, Max Pixley, and Lyndsi Keves.
6 The government has set forth the specific amounts with respect
7 to each of these seven victims in its filings at ECF Nos. 484,
8 506, 511 and 516. The total of the amounts is \$887,877.64.
9 Again, \$887,877.64.

10 Can I just have the government state on the record
11 the amounts for each of these victims? I gave you the total
12 but it would be helpful to have you just state, so we're all
13 on the same page, what the government is asking for for each
14 of these victims and if you start with Michelle Wright.

15 MR. FERN: Yes, Your Honor. Michelle Wright, the
16 government submits is owed \$232,375.

17 THE COURT: Michal Neria?

18 MR. FERN: The government submits that she is owed
19 \$181,049.14.

20 THE COURT: Dana Gill?

21 MR. FERN: The government submits that she is owed
22 \$167,261.

23 THE COURT: Rebecca Halpern?

24 MR. FERN: The government submits that she is owed
25 \$55,226.

1 THE COURT: Anthia Gillick?

2 MR. FERN: The government submits that she is owed
3 \$178,730.

4 THE COURT: Max Pixley?

5 MR. FERN: \$61,740.

6 THE COURT: And Lyndsi Keves?

7 MR. FERN: \$11,496.50.

8 THE COURT: And have I accurately stated the total?

9 MR. FERN: Yes, Your Honor.

10 THE COURT: Okay. And for spelling, "Michelle" is
11 with two L's, is that correct?

12 MR. FERN: That's correct.

13 THE COURT: And Lyndsi Keves is L-Y-N-D-S-I,
14 K-E-V-E-S?

15 MR. FERN: Yes, Your Honor.

16 THE COURT: Okay.

17 The government submits that the amounts sought are
18 appropriately awarded under the relevant statutory provisions.

19 In light of the record to date, the court will be
20 imposing restitution today. I note that I will not be
21 entering a separate restitution order but will be including
22 the relevant restitution information on the judgment form
23 itself.

24 As the parties are aware, a preliminary order of
25 forfeiture dated March 18, 2026, ECF No. 504-1, has been

1 entered which indicates that Defendant Daedone shall forfeit
2 to the United States the amount of \$12 million, and zero
3 cents, and all right, title and interest in the assets defined
4 as the seized assets, as specified in the order.

5 Ms. Bonjean, have you read the PSR including the
6 addendum, second addendum, third addendum, fourth addendum,
7 fifth addendum, sixth addendum, seventh addendum and eighth
8 addendum and discussed it with your client?

9 MS. BONJEAN: Yes, Your Honor.

10 THE COURT: Ms. Daedone, have you read the PSR
11 including the addendum, second addendum, third addendum,
12 fourth addendum, fifth addendum, sixth addendum, seventh
13 addendum and eighth addendum?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: Have you discussed the PSR and each
16 addendum with Ms. Bonjean?

17 THE DEFENDANT: I have.

18 THE COURT: Have you had enough time and opportunity
19 to review these materials and to discuss them with your
20 attorney?

21 THE DEFENDANT: I have.

22 THE COURT: Okay. Have you had the opportunity to
23 go over with your attorney any errors you think there might be
24 in the materials?

25 THE DEFENDANT: I have.

1 THE COURT: Have you had the opportunity to discuss
2 with your attorney anything that you would like to have taken
3 up with the court today?

4 THE DEFENDANT: I have.

5 THE COURT: Are you satisfied with Ms. Bonjean's
6 representation including having her represent you at
7 sentencing?

8 THE DEFENDANT: Definitely.

9 THE COURT: One moment, please.

10 (Pause.)

11 THE COURT: Mr. Fern, have you read the PSR
12 including the addendum, second addendum, third addendum,
13 fourth addendum, fifth addendum, sixth addendum, seventh
14 addendum and eighth addendum?

15 MR. FERN: Yes, Your Honor.

16 THE COURT: When I refer to the PSR during this
17 proceeding going forward, I am going to use that term to refer
18 to the PSR and the addendum, second addendum, third addendum,
19 fourth addendum, fifth addendum, sixth addendum, seventh
20 addendum and eighth addendum together.

21 MR. FERN: Your Honor, I would just note Michal
22 Neria is in the courtroom.

23 THE COURT: Thank you.

24 I am going to go over now whether there are any
25 objections to the PSR regarding the accuracy of the factual

1 recitations contained therein. I will ask you about the
2 guidelines calculation contained in the PSR shortly, but right
3 now, I want to focus on the accuracy of the factual
4 recitations.

5 The parties each submitted objections to the PSR and
6 the Probation Office addressed the parties' objections.

7 Does either party have any objections to the
8 accuracy of the factual recitations in the PSR that they wish
9 to raise now?

10 Mr. Fern?

11 MR. FERN: No, Your Honor. The government would
12 just ask that the Court, at its discretion, order Probation to
13 file a clean copy.

14 THE COURT: No, I'm not going to order that. The
15 Probation Department has, I think, taken great care to make
16 clear what the changes are that it has been making throughout
17 many iterations and that's where we're going to leave that.

18 Is there any objection you have to the accuracy of
19 the factual recitations in the PSR?

20 MR. FERN: No, Your Honor.

21 THE COURT: And Ms. Bonjean? And I'm talking now
22 about the facts now, not the guidelines calculation.

23 MS. BONJEAN: I understand. And I would just like
24 some clarification.

25 We set forth factual objections in our papers that

1 we submitted. I don't know if the Court wants me to go
2 through those orally or --

3 THE COURT: I just want to know if you have at this
4 time any objections to the accuracy of the factual recitations
5 because, of course, the Probation Office did many addendums
6 and so there were changes.

7 If there's anything you still want to raise as a
8 factual objection, please raise it now, because I know you
9 filed objections but then some of them were resolved in your
10 favor, some of them probably were not, as I recall, but if
11 there's anything that you want to raise now about the factual
12 recitations, I'll hear from you.

13 Go ahead.

14 MS. BONJEAN: Yes. Thank you, Your Honor.

15 I do think there are factual objections that were
16 not, I guess, corrected or that were not modified by
17 Probation. I think I'm happy to go through them and perhaps
18 the time is now. They are rather lengthy though and I think
19 many of them were not actually modified by Probation. And
20 so --

21 THE COURT: I can tell you, just in general terms,
22 having read everything and considered all of what the parties
23 submitted and what Probation did, that whether something was
24 changed or not -- and I'm talking, again, about the facts now,
25 we're going to go to the guidelines separately -- is not

1 material to the sentence the court will be imposing here.

2 So if that's helpful to you, but I'm happy to hear
3 whatever you want but, you know, the factual disputes that I
4 think were not resolved or not resolved in your favor are not
5 going to be affecting the sentence that the court is going to
6 impose.

7 MS. BONJEAN: That's what I sort of assumed. I
8 think, unless the Court has some opposition to that, we're
9 happy to rest on the objections in the papers we submitted.

10 To the extent that Probation did not modify the PSR,
11 we just stand on those objections. And I hear the Court that
12 those are not going to be material to the Court's decision.
13 We're comfortable proceeding that way. I think there are
14 bigger fish to fry in this sentencing.

15 THE COURT: Yes. And I also think, Ms. Bonjean, and
16 you'll correct me if I'm wrong, but some of the arguments you
17 made in connection with some of the objections you are going
18 to be repeating today in connection with the 3553(a) analysis,
19 correct?

20 MS. BONJEAN: Correct.

21 THE COURT: Okay. So you're not requesting a
22 specific ruling on any of these objections at this time having
23 heard that none of these will affect the Court's sentence,
24 correct?

25 MS. BONJEAN: That's right, Your Honor. We stand on

1 our objections but we understand the Court has taken this all
2 into consideration and we're not asking for a specific ruling
3 on any factual disputes that may still exist between the
4 defense and Probation.

5 THE COURT: Okay.

6 Does the government want to be heard on that at all?

7 MR. FERN: No, Your Honor. Just to add that the
8 government submits that the PSR is correct in its current
9 iteration. Any factual disputes are supported either by the
10 trial evidence or by relevant 3500 material.

11 THE COURT: Okay. Well, you heard what I said to
12 Ms. Bonjean.

13 MR. FERN: Yes.

14 THE COURT: Okay. I adopt the factual recitations
15 in the PSR including the addendum, second addendum, third
16 addendum, fourth addendum, fifth addendum, sixth addendum,
17 seventh addendum and eighth addendum. And you heard what I
18 said to Ms. Bonjean about any objections she had that were not
19 resolved in her favor will not affect sentencing.

20 I'm just trying to figure out where the noise is
21 coming from. Is somebody at one of the tables shuffling
22 papers perhaps? Okay. We'll continue.

23 No matter what courtroom we're in, there's
24 technology issues, I take it.

25 Okay. Although the court is no longer required to

1 follow the United States sentencing guidelines because they
2 are not mandatory, I am still required to consider the
3 applicable guidelines in imposing sentence. To do that, it is
4 necessary for me to accurately calculate the guidelines
5 sentencing range.

6 In the PSR, the Probation Department has set forth
7 its guidelines calculation. The Probation Department has
8 calculated a total offense level of 38 and has set forth how
9 it arrived at that number.

10 The Probation Department has determined a criminal
11 history category of I, based on a criminal history score of
12 zero. The Probation Department sets forth that at offense
13 level 38, with a criminal history category of I, the advisory
14 guidelines range of imprisonment is 235 to 293 months,
15 however, the Probation Department also notes that the
16 statutory maximum term of imprisonment is 20 years and,
17 therefore, the restricted guidelines range is 235 to
18 240 months of imprisonment.

19 Have I accurately stated your position,
20 Officer Wing?

21 PROBATION OFFICER WING: Yes, Your Honor.

22 THE COURT: The Probation Department has noted a
23 guidelines fine range of \$50,000 to \$250,000 pursuant to
24 Section 5E1.2(c)(3). The Probation Department has noted that
25 the maximum fine is \$250,000 pursuant to Title 18, United

1 States Code, Section 3571(b).

2 Can I confirm that I've accurately stated your
3 position?

4 PROBATION OFFICER WING: Yes, Your Honor.

5 THE COURT: The Probation Department has also noted
6 a guidelines range of supervised release of one to three years
7 pursuant to Section 5D1.2(a)(2), however, the supervised
8 release range appears to be based on the previous version of
9 the guidelines.

10 Does the Probation Department agree that the new
11 applicable guidelines range of supervised release is not more
12 than three years?

13 PROBATION OFFICER WING: We agree, Your Honor.

14 THE COURT: The Probation Department has noted that
15 because Count One is a class C felony, defendant is eligible
16 for not less than one nor more than five years of probation,
17 pursuant to Title 18, United States Code, Section 3561(c)(1).

18 The Probation Department has also noted that since
19 the applicable guidelines range is in Zone D of the sentencing
20 table, the defendant is ineligible for probation pursuant to
21 sentencing guideline Section 5B1.1, Note 2.

22 Have I accurately stated your position,
23 Officer Wing?

24 PROBATION OFFICER WING: Yes, Your Honor.

25 THE COURT: The parties have raised certain

1 objections to the guidelines calculation in their sentencing
2 submissions. To the extent that the parties wish to persist
3 in any of those objections and/or to raise any additional
4 objections, I will hear your arguments but, in the first
5 instance, I would just like to get a list from you of the
6 objections you maintain or want to raise for the first time
7 now. And, again, I'm talking about the guidelines now.

8 So let me ask the government: What objections, if
9 any, do you have to the guidelines calculation set forth in
10 the PSR? And I don't want the argument yet. I just want the
11 list.

12 MR. FERN: Yes, Your Honor.

13 The government would persist in its position that an
14 enhancement under Section 3B1.3 for abuse of position of
15 private trust still applies.

16 THE COURT: And that's your only objection to the
17 guidelines calculation in the PSR, correct?

18 MR. FERN: That's correct.

19 THE COURT: Okay. Let me go to Ms. Bonjean.

20 So what objections, if any, do you have to the
21 guidelines calculation set forth in the PSR?

22 Just, again, the categories, and I'll hear everyone
23 out fully on the specifics.

24 MS. BONJEAN: Yes, Your Honor. I'll try to sit
25 back.

1 We object generally to any specific offense
2 characteristic enhancement including Section 2H4.1(b)(3)(A).

3 THE COURT: Just if you could speak -- I'm not
4 asking you to speak up, but if you could, when you're saying
5 the section numbers, if you could just --

6 MS. BONJEAN: Absolutely.

7 We object to any specific offense characteristic
8 starting with Section 2H4.1(b)(3)(A).

9 We object to the cross reference for criminal sexual
10 abuse which is 2A3.1.

11 We object to the victim related adjustments in the
12 following way: The abuse of trust which is 3B1.3.

13 We object to the obstruction of justice enhancement
14 under Section 3C1.1.

15 We contend that no role enhancement is warranted
16 and that it is inapplicable pursuant to its meaning under
17 United States sentencing guidelines 3B1.1(a).

18 We contend as we did in our papers that Ms. Daedone
19 is a qualifying zero-point offender pursuant to
20 Section 4C1.1(a)(1). I know Probation and the government
21 disagree.

22 We contend that Ms. Daedone is entitled to a
23 one point deduction to avoid a trial penalty under
24 Section 3E1.1 as set forth in our papers.

25 And it's our position that Ms. Daedone is further

1 entitled to a downward departure under Section 5H1.1.

2 THE COURT: I think we discussed there is no more
3 departure and --

4 MS. BONJEAN: Oh, yes.

5 THE COURT: -- you wanted me to consider what you
6 previously had raised in support of that request for departure
7 under the 3553(a) factors. Right?

8 MS. BONJEAN: Yes. That's correct, Your Honor.

9 THE COURT: And just for record clarity, that issue
10 is about, I think you've phrased it as her devotion to helping
11 others, correct?

12 MS. BONJEAN: Correct.

13 THE COURT: Okay. So we're going to go sort of one
14 by one and if I have not asked about something that you just
15 raised, you can let me know but I think we have the same list.

16 I will now hear the parties out on each enhancement
17 and reduction that has been objected to but, first, I want to
18 remind the parties to keep in mind that I presided over the
19 pretrial litigation in this case and over the five week jury
20 trial. I am very familiar with the record and with the
21 parties' views on the many disputed issues.

22 I also remind the parties that with respect to the
23 sentencing guidelines, the concept of relevant conduct is an
24 important one that cannot be ignored. See United States
25 Sentencing Guidelines Section 1B1.3.

1 I also remind the parties of the rule of lenity.

2 I'm not sure you specifically raised this,
3 Ms. Bonjean, but it's in your papers. So I turn now to the
4 issue of the applicability or non-applicability of sentencing
5 guidelines Section 2X1.1(b)(2).

6 I will hear from defendant as to why she believes
7 that pursuant to Section 2X1.1(b)(2), a three level reduction
8 in offense level is warranted.

9 MS. BONJEAN: Yes, Your Honor.

10 One second.

11 (Pause.)

12 MS. BONJEAN: As the Court is aware, and as I think
13 Probation ultimately conceded, 2X1.1 is applicable in the
14 context of a defendant who is convicted of a conspiracy
15 offense.

16 It's our position that because the government has
17 failed to demonstrate -- one second.

18 THE COURT: Take your time.

19 MS. BONJEAN: Yes. I'm sorry. We're going in a
20 little different order than I prepared, but you are the judge
21 so I'm going to go in the order the Court wants me to.

22 THE COURT: I think for the rest, we're going in the
23 order of the guidelines.

24 MS. BONJEAN: That's fine.

25 (Pause.)

1 MS. BONJEAN: Okay. Thank you, Your Honor.

2 It's our position that in this scenario where we
3 have a conspiracy to commit the offense of forced labor, that
4 a decrease by three levels is appropriate and that is
5 determined by whether or not the defendant in this case,
6 Ms. Daedone, completed all the acts that the conspirators
7 believed were necessary on their part for a successful
8 completion of the substantive offense or the circumstances
9 demonstrate that the conspirators were about to complete all
10 such acts but for apprehension or interruption by some similar
11 event beyond their control. So I set that forth. That is
12 2X1.1(b)(2).

13 The Court is certainly aware that our position is
14 that not only did the defendants not complete the offense of
15 forced labor, that the government did not seek essentially for
16 the jury to not only return a verdict on forced labor but
17 didn't even argue that forced labor had been committed. In
18 fact, they made it very clear from our perspective that the
19 jury did not need to even consider whether or not forced labor
20 had been completed.

21 I think the Court, having sat through the testimony,
22 understands the defense's position was very clear. The forced
23 labor was not committed. Why? Because there was no serious
24 harm that resulted in this forced labor or that there was a
25 threat of serious harm and that that is based on a lengthy

1 record that individuals who came forward to this court were,
2 while regretful, while they felt, in hindsight, that they had
3 been manipulated, that they had been coerced in some ways,
4 that they feel, again, in hindsight that they had been forced
5 to carry out certain activities that they otherwise would not
6 have without that coercion, and that, that this, again, this
7 recognition and realization occurred many, many years later.
8 And I think that it is very dangerous, I think it is
9 unprecedential to look at these things through a lens in
10 hindsight.

11 Really, the Court, and if the question had been
12 posed to the jury, would need to look at these issues in the
13 moment and what was, A, in the minds of the alleged victims,
14 but also what was in the mind of Ms. Daedone because this
15 offense does have a *mens rea*, Ms. Daedone had to have been on
16 notice that her conduct was causing harm or causing harm that
17 actually created labor that otherwise she would not have been
18 able to obtain.

19 The question of -- and I don't know if the Court
20 wants me to get into it as of yet. As the Court is aware, we
21 have argued that to ask this Court to make those types of
22 judicial findings runs very far afield of the Fifth and
23 Sixth Amendment and the dictates of Apprendi, irrespective of
24 the fact that the government has taken the position that so
25 long as the Court is imposing a sentence that is below the

1 statutory maximum, that we're in safe territory on
2 constitutional grounds. I think some of the language of the
3 United States Supreme Court, particularly, in Blakely,
4 suggests otherwise.

5 So our position -- and I think this relates not only
6 to whether or not there should be a three level decrease, but
7 whether or not these specific offense characteristics should
8 apply at all. And so I want to focus on that. I think
9 there's a lot of overlap.

10 THE COURT: Yes.

11 MS. BONJEAN: And if the Court doesn't mind, I'd
12 like to sort of address this. I don't want to repeat what I
13 have written, but I do want to address these issues.

14 THE COURT: Okay. I mean I am going to go
15 enhancement or reduction by enhancement or reduction.

16 MS. BONJEAN: Sure.

17 THE COURT: But that doesn't mean you can't be heard
18 either while you're addressing each of the enhancements or
19 reductions or more generally later, but I hear you and you are
20 correct that there is some overlap in these issues.

21 So if you want to say more on the three level
22 reduction, I can hear you now. If not, I'll turn to the
23 government on this specific three levels.

24 MS. BONJEAN: The only thing I will add, and I do
25 think, again, some of the argument on the enhancements does

1 have overlap, but our position is this is a unique case where
 2 not only was no substantive offense charged, I think it is the
 3 only case of its kind at least in a forced labor case where
 4 you did not have -- where you had a conspiracy to commit
 5 forced labor and no other substantive offense.

6 There might be cases where you have forced labor
 7 conspiracy and some other offense like sex trafficking, for
 8 instance, but I believe, as far as my research shows, and I
 9 haven't seen anything from the government that suggests
 10 otherwise, that this is a case where the only count is a
 11 forced labor conspiracy count and now we have a scenario where
 12 a court is being asked to make a judicial finding about an
 13 offense, and not just an enhancement, but the offense itself,
 14 and actually two offenses but we'll get to that in a second.

15 So our position is that this also goes to, the
 16 2X1.1(b)(2) also goes to the state of mind. It really talks
 17 about the intent of the defendant or these co-conspirators and
 18 whether or not they believed that they had committed all the
 19 facts that were necessary to complete this substantive
 20 offense. And I think that the evidence showed time and time
 21 again through the intended victims that they did not
 22 communicate, that in the moment that they did not wish to be,
 23 to engage in certain conduct. Everything ranging from working
 24 in the kitchen, doing OM, living in the OM facilities, and
 25 even probably the most controversial, providing sexual, I know

1 the government would call it services, but sexual acts with
2 Reese Jones.

3 Every single woman who testified, Dana Gill,
4 Michelle Wright, as well as Christina Berkeley, admitted that
5 they did not communicate at any point that they did not want
6 to engage in such conduct. Now, they argued that they felt
7 pressured, they felt manipulated to do so, but if we're
8 looking at 2X1.1(b)(3) or (b)(2), we are talking about the
9 state of mind of the defendant herself and given the context
10 of OneTaste, what people were there for, why they came there,
11 without communication to Ms. Daedone. She was not a mind
12 reader. And this was not conduct that was so outside the norm
13 of the activities of OneTaste.

14 I would remind that the, OneTaste -- the
15 government's kind of position on what OneTaste is and what
16 OneTaste was sort of expanded over the course of the
17 sentencing, I think, and we may see OneTaste, I know the
18 government sees it as some large enterprise, some fraudulent
19 enterprise. They weren't charged with that and it cannot be
20 doubted what OneTaste was. They didn't conceal it.

21 Ms. Daedone was very open about what she believed,
22 what the core tenets were of OneTaste and people went there
23 for it. They didn't go there blindly. And what our -- and
24 our position has not changed in terms of our defense at trial,
25 it did not prevail, but that the participants went there kind

1 of eyes wide open, and that while the experience ultimately,
2 for some of them, was not a pleasant one and they left, some
3 came back, some of them did not view this experience as an
4 unpleasant one until many years later, the reality is in the
5 moment when it mattered, when states of mind matter, the
6 record does not demonstrate that Ms. Daedone knew that
7 whatever was being asked of these women was not with their
8 consent.

9 So to demonstrate the intent that is required, we
10 feel the government has fallen short, we think the trial did
11 not demonstrate the intent that would be required, and that
12 the three level decrease is therefore appropriate.

13 The intent is not required to demonstrate the
14 substantive offense of forced labor and, therefore, the
15 decrease of three levels is appropriate under 2X1.1.

16 I might return to some of these themes later on.

17 THE COURT: That's fine.

18 MS. BONJEAN: But I'll leave it at that.

19 THE COURT: Thank you.

20 Mr. Fern, do you want to be heard as to why the
21 government believes that, pursuant to Section 2X1.1(b)(2), a
22 three level reduction in offense level is not warranted?

23 MR. FERN: Yes, Your Honor.

24 First, Ms. Bonjean, I think, in her argument is
25 conflating, for the most part, guilt phase elements that were

1 put before the jury to determine the defendant's guilt with
2 sentencing phase factors and the Court's analysis using the
3 relevant conduct standard.

4 Under 2X1.1(b)(2), and Ms. Bonjean did not read this
5 portion of the sentencing guideline, that a three level
6 reduction is appropriate -- is not appropriate if the
7 circumstances demonstrate that the conspirators were about
8 to involve such acts -- sorry. I misphrased that.

9 The guidelines say to decrease by three levels if
10 the circumstances demonstrate that the conspirators were about
11 to complete all such acts but for apprehension or interruption
12 by some similar event beyond their control.

13 Here, Ms. Bonjean points to no impediment to the
14 fact that multiple victims during trial testified of the years
15 in which they were forced to work. The record is replete with
16 examples of victim after victim who said that they were forced
17 to work under the coercive system that the defendant created.

18 So the government submits that under applicable law,
19 the crime here ran its full course regardless of whether or
20 not the defendants were charged or convicted with a
21 substantive count.

22 THE COURT: Okay. The court finds that a three
23 level reduction pursuant to Section 2X1.1(b)(2) is not
24 warranted. Here, the court finds by a preponderance of the
25 evidence that Defendant Daedone and, among others,

1 co-conspirator Defendant Cherwitz completed all the acts the
2 conspirators believed necessary on their part for the
3 successful completion of the substantive offense of forced
4 labor.

5 I turn now to the issue of the applicability or
6 non-applicability of sentencing guidelines
7 Section 2H4.1(b)(3)(A).

8 I'll hear from the government as to why it believes
9 that pursuant to Section 2H4.1(b)(3)(A), a three level
10 increase in offense level is warranted, and I will ask the
11 government to be specific about dates and victims.

12 MR. FERN: Yes, Your Honor.

13 The government submits, again, that the record, the
14 trial record here established that multiple victims who
15 testified at trial described in their testimony being
16 compelled to provide unpaid labor and sexual services for
17 years, again, under threat of economic, psychological and
18 reputational harm.

19 For instance, Dana Gill worked for OneTaste between
20 2009 and 2013. Trial transcript 1250 and 1326.

21 Christina Berkeley worked for OneTaste from 2007 to
22 2010. Again, that's trial transcript 1015, 1100, 1129.

23 And Michelle Wright worked for OneTaste for at least
24 four years. Again, that's trial transcript 2319. Those years
25 were 2010 to 2014. That's trial transcript 2318.

1 The witnesses testified as to why they did not
2 leave, why they were forced to work.

3 For instance, for Michelle Wright, she did not leave
4 OneTaste because it was unthinkable for her to leave. You
5 were expected to help and do things.

6 For Gill, leaving didn't feel like an option.

7 The government submits, again, that one victim
8 suffices for the Court to impose the enhancement here and in
9 this case, just as the example we just gave, multiple victims
10 were held in a condition of involuntary servitude for over a
11 year.

12 THE COURT: Do you want to speak to Ms. Halpern?

13 MR. FERN: I don't have her dates in front of me,
14 Your Honor. One second.

15 (Pause.)

16 MR. FERN: I'm sorry, Your Honor.

17 Ms. Halpern worked for OneTaste from approximately
18 2010 through 2014. There may have been a break in that for a
19 few, for at least a year that the government submitted in its
20 restitution filing, but she would still have been working for
21 the company for over a year.

22 THE COURT: Is there anything else you want to raise
23 in support of your request that that offense level increase
24 applies?

25 MR. FERN: No. Again, Your Honor, I expect

1 Ms. Bonjean to, again, relitigate the jury's verdict by
2 stating that the victims were free to leave and could have
3 left at any time but, again, that theory was rejected by the
4 jury in finding that the defendants were guilty in this case.

5 Again, the defendants -- the victims testified that
6 they were forced to work because they were subject to serious
7 harm and threats of serious harm.

8 THE COURT: Okay. I'll hear from Ms. Bonjean as to
9 why she believes that pursuant to Section 2H4.1(b)(3)(A), a
10 three level increase in offense level is not warranted.

11 MS. BONJEAN: Yes, Your Honor. Thank you.

12 I think Mr. Fern touches on something important that
13 we disagree on the premise. The jury did not find forced
14 labor. They can say it over and over and over again. They
15 did not find forced labor. And I would remind the Court that
16 the jury was expressly told that they need not do so.

17 In fact, the Assistant U.S. Attorney argued
18 successfully, frankly, and persuasively, that this was all a
19 big misconception. The defendants were operating under a big
20 misconception. And, quote: This case is not about what was
21 in the victim's minds and it doesn't really matter whether
22 they suffered harm or whether they acted out of fear of harm.
23 What matters was the defendants' intent and whether or not
24 there was an agreement either between Ms. Daedone and
25 Ms. Cherwitz or some other co-conspirator to, and I think the

1 language that was used, to extract unlawfully a single act of
2 labor from a single person, there was an agreement to do so.

3 So there was quite a bit of testimony from the
4 complainants, but that theory was not presented to the jury,
5 and I think that's where we have a fundamental difference.

6 I do think it's an interesting issue. I think it's
7 an unprecedented issue. And it's our position, as the Court,
8 I'm sure, is aware from reading the papers, that to ask this
9 court to make such a judicial finding on the actual offense of
10 forced labor, to do so when, A, they were not charged with the
11 offense, B, it wasn't presented to a jury of twelve people,
12 that it wasn't proved beyond a reasonable doubt, that this all
13 runs afoul of those Fifth Amendment and Sixth Amendment
14 constitutional guarantees of their jury trial rights, of their
15 rights to be proven guilty by proof beyond a reasonable doubt
16 under Winship, and to say that the jury rejected this is
17 simply not what the verdict reflects.

18 There has to be this link between what the verdict
19 was and what punishment will be and it's our position that
20 this link is simply nonexistent. And what the government is
21 asking the Court to do, and what I think is a fairly unusual
22 circumstance, is to bridge that gap, to create the link
23 through judicial findings.

24 Our position is that Apprendi does not permit it.
25 And, yes, Apprendi has some differences insofar as Apprendi

1 really spoke to whether or not it's permissible to go above a
2 statutory maximum. And, obviously, you know, this court, I
3 think, understands, we don't need Appendi to say you can't
4 sentence someone above a statutory maximum. Appendi
5 really -- and I think some of the United States Supreme Court
6 law on this issue is helpful.

7 I believe we, in our papers, we cited to I think
8 Blakely which I think is an important case where there, you
9 had a situation where there was a plea agreement that, I think
10 the plea agreement was for 43 or 53 months and it was based on
11 certain facts. Come sentencing time, the court made
12 additional factual findings, sentenced the defendant to
13 90 months, and the 90 months was still within the statutory
14 guidelines and the United States Supreme Court found that
15 under the principles of Appendi, that was impermissible. It
16 ran afoul of that defendant's constitutional guarantees.

17 I believe in Booker, the United States Supreme Court
18 said that: "More important than the language used in Appendi
19 are the principles we sought to vindicate." So our position
20 is that those principles are very much at play here.

21 So, in essence, for this court to apply the
22 enhancement that the government is asking and the Probation is
23 asking, the Court indeed has to find that Ms. Daedone
24 committed forced labor and as the Court is aware from our
25 papers, it's our position that that finding, making such a

1 finding would be unconstitutional, but putting that aside,
2 even if the Court were to disagree that there's a
3 constitutional impediment to making that finding, our position
4 is under 261.1, it has to be made at a standard of proof that
5 is higher than preponderance of the evidence. There has to be
6 reasonable certainty.

7 It is true, of course, we heard a great deal of
8 evidence, but that evidence that we heard from the witness
9 stand was not evidence that satisfied, whether it's under
10 preponderance, certainty, reasonable certainty, and certainly
11 not proof beyond a reasonable doubt which is really the
12 standard, we submit, it should be considered under, that there
13 was serious harm at the time.

14 There has to be a nexus between the serious harm at
15 the time and the labor that was allegedly forced and
16 retrospective or retroactive perspectives on what that
17 coercion was and, again, we are talking very much in the
18 bucket of vague, ambiguous generalized levels of coercion.

19 I mean even the government and Probation, you know,
20 they talk about, you know, economic harm and fear. I mean,
21 you know, according to these restitution submissions, they
22 didn't make a penny. So I don't know what they feared leaving
23 if that's, if that's the argument. It doesn't sound like they
24 were reliant financially.

25 And, again, we have to look at the individuals.

1 We're not talking about children. We're not talking about
2 people who are undocumented. We're not talking about people
3 who didn't have other support systems. We're not even talking
4 about people that didn't come and go freely and willingly at
5 all times. We are talking about people who, by their own
6 testimony, had freedom to leave. They admitted it over and
7 over and over again, and that their reasons for staying ranged
8 but, generally, it came down to, you know, I was fearful that
9 I would be kicked out or that someone would be mean to me or
10 that there was some shame involved.

11 I understand that there are scenarios where
12 psychological -- I'm not quarrelling with the law that
13 psychological harm is a type of harm that can induce labor,
14 but this is -- what we heard from the witness stand is not the
15 serious type of harm. It certainly did not involve any type
16 of physical force or physical restraint, and the type of
17 psychological harm we were talking about is so vague that it
18 really is -- we are in dangerous territory because it is the
19 same type of psychological harm that shows up in so many
20 contexts of our life.

21 I think during trial, and I know the government is
22 going to say, oh, the trial is over, you lost, and that is --
23 while it is true but, again, this jury was not asked to
24 decide. As Ms. Bensing argued, you don't have to decide
25 whether there was any serious harm.

1 THE COURT: Okay.

2 MS. BONJEAN: And I will leave my comments on that
3 specific point right there.

4 THE COURT: Okay.

5 MS. BONJEAN: That we believe that because this
6 court has to find forced labor and it is not, it's an offense
7 that should not be made by judicial finding, that it runs
8 afoul of the constitution, but even if the Court feels that it
9 can, without violating the constitution, the government did
10 not prove it by a reasonable certainty or by the lower
11 standard of preponderance.

12 (Continued on next page.)

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(continuing.)

MR. FERN: Yes, Your Honor. I think my first point would be that Ms. Bonjean is asking this Court to adopt the constitutional standard under Apprendi that just doesn't exist. This Court is bound by Second Circuit precedent, namely *United States versus Padilla* and *United States versus White*, in which the Court may find enhancements applied based on relevant conduct which direct the Court to exercise its discretion within the statutory range, here below the statutory maximum of 20 years or up to the statutory maximum.

No Court has ever found in this Circuit, that I found, has adopted Ms. Bonjean's argument that judicial fact-finding under the preponderance standard within the applicable range is a violation of constitutional rights of the defendant. Here I would just say that the question is not under the relevant conduct standard. The question is not whether a victim could walk away from a building.

It's whether the scheme compelled victims to work. In this case multiple victims testified that over the course of several years they were forced to work because they were subject to economic harm, psychological harm, reputational harm, and sexual abuse.

THE COURT: Okay. Thank you. The Court finds that a three level increase pursuant to Section 2H4.1(b)(3)(A) is warranted. The Court finds by a preponderance of the evidence

1 that a victim was held in a condition of peonage or
2 involuntary servitude for more than one year. The guidelines
3 define peonage or involuntary servitude to include forced
4 labor. See application note one of Section 2H4.1.

5 Although not required for application of the
6 increase, the Court finds that multiple victims were held in a
7 condition of peonage or involuntary servitude for more than
8 one year. This was amply established by the trial evidence.
9 Various victims testified as to the conditions and duration of
10 the forced labor.

11 I turn now to the issue of the applicability or
12 non-applicability of sentencing guidelines Section
13 2H4.1(b)(4)(B). I will hear from the government as to why it
14 believes that pursuant to Section 2H4.1(b)(4)(B) an increase
15 in offense level to Level 32 is warranted. I would like to
16 ask you to address the statutory language of fear.

17 MR. FERN: Yes, Your Honor. Again, in its
18 submission, the government respectfully submits that under the
19 applicable cross reference of 2H4.1(b)(4)(B), if another
20 felony offense was committed during this offense the
21 guidelines instruct to increase the greater of two plus the
22 offense level of the other offense guidelines.

23 Here, the government submits that 18 United States
24 Code, Section 2242(1) is another offense committed during the
25 instant offense. Section 2242(1) criminalizes causing another

1 person to engage in a sexual --

2 THE COURT: Can you just slow down when you're
3 reading, please.

4 MR. FERN: I'm sorry. Causing another person to
5 engage in a sexual act by threatening or placing that other
6 person in fear. Fear need not be limited to bodily harm.

7 THE COURT: You didn't read the rest of the
8 statutory provision, though.

9 MR. FERN: No.

10 THE COURT: Okay. Why don't you speak to fear.

11 MR. FERN: Fear, parentheses, other than by
12 threatening or placing that other person in fear that any
13 person will be subjected to death, serious bodily injury, or
14 kidnapping. Again, fear need not be limited to bodily harm.
15 Under applicable law, fear is defined broadly. It is also --

16 THE COURT: Do you have a Second Circuit case
17 discussing the meaning of fear in this subsection of this
18 statute that you can point the Court to?

19 MR. FERN: Under *United States versus Denjen*, 101 F.
20 App'x 362, Second Circuit, 2004, the Circuit rejected the
21 defendant's argument that Section 2242 requires bodily harm in
22 a conviction where a victim complied with sexual demands out
23 of fear that if she refused she would have gotten other
24 sanctions against her.

25 Other circuits have defined fear broadly. Again, it

1 should be focused on the victim's state of mind. Here, the
2 victims testified about fear of financial loss, fear of
3 reputational ruin, fear of social ostracism, fear of losing
4 housing, fear of a loss of community. Christina Berkley
5 testified that she was brainwashed into believing that she had
6 to get on board and have sex with Reese Jones.

7 She felt that if she refused she would be
8 sanctioned. Michelle Wright sexually serviced Reese Jones
9 because she was abused and was afraid of the repercussions of
10 saying no. Those repercussions included economic duress,
11 isolation, shame, humiliation. Michelle Wright heard that
12 Defendant Daedone told Michelle Wright's partner, who left
13 OneTaste and stopped servicing Reese Jones, that, "If I ever
14 see that little cunt again, I'll smash her head against the
15 sidewalk."

16 The government submits that those fears constitute
17 the type of harm that Section 2242 criminalizes, where the
18 victims consent because intimidation, and the fears that I
19 just enumerated, render refusal impossible. I expect Ms.
20 Bonjean to cite to the Sean Combs case.

21 THE COURT: Do you want to speak to that? Of course
22 that case is not binding on me, but do you want to speak to
23 Judge Subramanian's analysis there?

24 MR. FERN: Yes. Well, I think, first, that case is
25 in opposite because in the first instance it dealt with a

1 complex interplay of acquitted conduct in which the government
2 and probation, I'm not entirely sure who, but that cross
3 reference applicability depended on findings that the jury
4 acquitted the defendant on.

5 Also, I think the threats, based on the transcript
6 that I read -- again, I'm not fully involved or do not know
7 the depths of that case, but the threats from the record were
8 that to release unspecified sex tapes and unspecified threats
9 concerning a victim's home, threats that were untethered to a
10 coercive hierarchy that existed at OneTaste, as the victims in
11 this case testified existed.

12 Again, the Combs case, Judge Subramanian's decision
13 did not hold that Section 2242 requires bodily harm, just that
14 it would be sufficient to establish the effects. I think one
15 other argument, that I expect Ms. Bonjean to raise, concerns
16 the jurisdictional elements of Section 2241.

17 THE COURT: You don't need to spend much time on
18 that, but I can hear you on that, if you would like.

19 MR. FERN: I think there's a Judge Komitee decision
20 in this district in which Judge Komitee found that that cross
21 reference applies, regardless of whether or not the
22 jurisdictional element was met.

23 THE COURT: Is there anything else you would like to
24 raise? I asked you about fear. But if there is anything else
25 you would like to raise as to why you believe an increase in

1 offense level to 32 is warranted, you can let me know.

2 MR. FERN: At this point, no. Again, the government
3 submitted in its sentencing memo that if the Court finds that
4 the two examples cited in the PSR insufficient, there are
5 other instances of sexual harm that may apply.

6 THE COURT: I think you're going to need to be less
7 cryptic.

8 MR. FERN: So the government cites to instances of
9 sexual harm committed by the defendant's co-conspirators that
10 should have been reasonably foreseeable to the defendant,
11 including the instance of Becky Halpern being sexually abused
12 by co-conspirator Cherwitz; Dana Gill being forced to have sex
13 with Reese Jones by other co-conspirators of the defendant;
14 Liana Lifson being forced to have oral sex with a student at
15 co-conspirator Kandell's direction. And in general, the PSR
16 cites to victims being forced to have sex with OneTaste
17 customers and participants.

18 THE COURT: Let me turn to Ms. Bonjean. I will hear
19 you on why you believe that pursuant to Section 2H4.1(b)(4)(B)
20 an increase in offense level to 32 is not warranted. You can
21 start with the same issue of fear I asked about.

22 MS. BONJEAN: Yes, Your Honor. I'm happy to start
23 with that issue. I just want to make sure the record is clear
24 that our arguments on the constitutional theories that we've
25 raised apply here, frankly, in tenfold because we're really

1 outside the link between the verdict, and the sentencing now
2 is further removed. But let's get to what the Court is
3 looking for here.

4 The Court presumably finds that it is within the
5 Court's discretion to make a judicial finding about whether
6 this cross reference applies without running afoul of the
7 Constitution. Our position is the government simply cannot
8 meet its burden under a reasonable certainty standard or a
9 preponderance of the evidence.

10 It is clear that overwhelming authority, including
11 in this Circuit, is that while psychological -- threats of
12 psychological harm, or fear of repercussions in some general
13 sense may be relevant, but invariably there is a component of
14 fear of bodily harm. And that is a threat of some level of
15 physical harm. Maybe not kidnapping, maybe not death, but
16 there has to be some threat of physical harm.

17 The government, notably they cite a string cite of
18 cases with parentheticals where they pick out language that
19 they want the Court to rely on. But when you look at the
20 facts, they simply are in opposite to what we have here. For
21 example, in this Denjen case that they've cited, that was a
22 case where you had a guilty plea where someone actually pled
23 guilty to criminal sexual abuse and at some later point the
24 defendant decided that the allocution was insufficient because
25 it didn't expressly state what the physical -- threat of

1 physical harm was, and it was more an ambiguous threat of
2 sanctions. The Court found that this was inadequate to undo
3 the guilty plea.

4 This is a case where someone pled guilty to criminal
5 sexual abuse. To suggest that this is a parallel case or that
6 it provides some guidance to us is, frankly, a little
7 far-fetched in my view. Other cases, for example, the
8 government relies on this Fish case. I think it's a Tenth
9 Circuit case where there is some language that the fear of
10 bodily harm doesn't have to be frankly solely physical harm.
11 There could be other types of harm that are considered that
12 goes into the bucket of physical harm or bodily injury.

13 There, there was a child, a 13-year old, who was
14 taken by an uncle and was told, essentially, you're going to
15 engage in sexual conduct with me and I'm going to leave you on
16 the side of the road if you don't engage in this sexual
17 conduct with me. Now, threatening a 13-year old to leave him
18 on the side of the road is physical harm. It is a threat of
19 physical harm. Leaving a 13-year old on the side of a highway
20 is a threat of physical harm.

21 So that kind of clearly falls into the category. I
22 might add that that child ended up getting sexually molested
23 multiple times during the course of that trip. To compare
24 this case to that case is just apples and oranges. So this
25 case, and we're looking specifically at Ms. Daedone, the

1 allegation was by the government that she has somehow caused a
2 rape. That's what they're saying, that Ms. Daedone raped Ms.
3 Berkley and Ms. Wright because she, through some type of
4 threat of harm, caused them to engage in sexual conduct.

5 And yet, there is no testimony whatsoever from
6 either one of these women that that threat was physical in
7 nature or involved a threat of serious bodily injury, and, as
8 a result, it just does not apply. The rape cross reference
9 cannot apply to these circumstances.

10 And it's interesting -- I mean, words have to mean
11 something at the end of the day. We cannot get so generalized
12 that these words have no meaning. The statute is then subject
13 to a challenge on ambiguity grounds, frankly, if that's where
14 we're at.

15 THE COURT: I think what I'm hearing you say, you
16 can tell me if I'm mischaracterizing, I think looking at the
17 statutory language of 2242, Subsection 1, I think what you're
18 saying is that there is a lot of space between what is in that
19 parenthetical and the word fear.

20 MS. BONJEAN: Correct. I think Judge Subramanian --
21 and I don't want to mispronounce it -- made that exact point
22 in his remarks. Of course, the Court is not bound by it. But
23 it was a well-reasoned, I think, analysis.

24 And the government wants to say well, it was this
25 inner play with acquitted conduct. That was not what his

1 logic turned on, whether it was acquitted conduct. I mean,
2 this is uncharged conduct. So he didn't analyze that statute
3 differently because it involved acquitted conduct versus
4 uncharged conduct.

5 His comments were rooted, in part, on the Sand
6 treatise that made it very clear that the defendant's
7 actions -- that the Sand treatise recommended a requirement
8 the defendant's actions implicitly placed the victim in fear
9 of some bodily harm. That is what he relied on.

10 And, furthermore, he pointed to parallel statutes
11 where this type of language was used and where it led him to
12 believe that, yes, there are these more serious forms of
13 bodily harm. But there still had to be some bodily harm. I
14 disagree with Mr. Fern on this point, that the type of harm
15 that the government in Combs was referring to was far more
16 serious than what we are addressing here. So I think that
17 Judge Subramanian's analysis is applicable.

18 THE COURT: If I recall correctly, he also
19 referenced the rule of lenity in connection with his analysis
20 of this particular provision. Is that right?

21 MS. BONJEAN: Yes. He pointed to the rule of lenity
22 as support for a narrower reading. He cited *United States*
23 *versus Parkins*, I believe, which is a Second Circuit case.
24 And we know that in these circumstances the rule of lenity
25 should be resolved in favor of the defendant.

1 It's our position that all of these arguments,
2 certainly the logic that was used in Combs, that there has to
3 be some bodily harm, threat of bodily harm, that has to be
4 physical in nature. And the government just has been unable
5 to point to that in these circumstances.

6 The record doesn't back it up. Again, our position
7 is that that cross reference should not apply and should not
8 be this really kind of radical seven offense increase based on
9 that cross reference.

10 THE COURT: Okay. I can hear from Mr. Fern, if
11 there is anything additional. If not, I can move on.

12 MR. FERN: Yes, Your Honor. The Court cited to the
13 rule of lenity. I think that rule only applies where the
14 language of the statute is ambiguous. Here, it is not
15 ambiguous. Fear is fear, and multiple circuits have defined
16 fear in a number of different ways.

17 THE COURT: Do you want to speak to Judge
18 Subramanian's analysis on exactly this issue?

19 MR. FERN: Yes, Your Honor. I think Judge
20 Subramanian talked about imminence, and I think imminence here
21 is met. Multiple victims testified that if they refused some
22 of the mandates imposed on them, including the sexual
23 mandates, they feared being kicked out of OneTaste and,
24 therefore, they complied.

25 They feared losing their housing. They feared

1 reputational ruin. They feared economic loss, concrete
2 imminent fears that they witnessed and fear. I think Michelle
3 Wright feared for her sense of safety. That reflects the kind
4 of mental apprehension that Courts have found sufficient to
5 establish coercion.

6 I would add that this is not uncharged conduct,
7 because the indictment, specifically in paragraph six of the
8 indictment, which alleged that defendants -- that the
9 defendants subjected victims to, among other things, sexual
10 abuse, and paragraph nine of the indictment alleging that the
11 defendants recruited and groomed victims to engage in sexual
12 acts with OneTaste current and prospective investors.

13 Those were litigated at trial. The defendants had
14 multiple opportunities to cross-examine victims who were
15 testifying directly to that effect. And under, I think, the
16 applicable standards of relevant conduct, it's clear that that
17 happened here.

18 THE COURT: The Court does not find that the
19 increase to Level 32, pursuant to Section 2H4.1(b)(4)(B), is
20 warranted. The government argues that the felony offense of a
21 violation of Title 18, United States Code, Section 2242,
22 Subsection 1, was committed during the commission of or in
23 connection with the forced labor conspiracy.

24 The Court does not find that the government has
25 demonstrated by a preponderance of the evidence that this is

1 so.

2 I recognize that this is a close question,
3 especially on the unique facts of this case. I also recognize
4 that the Court's resolution of the Section 2H4.1(b)(4)(B)
5 issue significantly affects the guidelines calculation. But,
6 of course, the applicable advisory sentencing guidelines range
7 is only one factor a Court must consider in imposing sentence,
8 pursuant to Title 18, United States Code, Section 3553(a). I
9 will discuss the 3553(a) factors more later.

10 I turn now to the issue of the applicability or
11 non-applicability of sentencing guidelines Section 3B1.1(a).
12 I will hear from the government as to why it believes that
13 pursuant to Section 3B1.1(a), a four level increase is
14 warranted. I'd like you to address whatever you want to
15 address, but I'd like you to include in your comments
16 discussion of the "otherwise extensive" language of the
17 guideline provision.

18 I would also like to ask you about recruitment of
19 accomplices. But I'll hear you on anything you want to tell
20 me on this particular section of the guidelines.

21 MR. FERN: Yes, Your Honor. So under Section 3B1.3,
22 the question is whether --

23 THE COURT: No. I'm at 3B1.1(a).

24 MR. FERN: I'm sorry.

25 THE COURT: The role.

1 MR. FERN: Sorry, Your Honor.

2 THE COURT: That's okay.

3 MR. FERN: So the government submits that this
4 aggravating role enhancement is appropriate because the
5 defendant was an organizer and a leader of a criminal activity
6 that involved five or more participants and was otherwise
7 extensive.

8 To determine whether, again, she qualifies as a
9 leader, the Court should look to the exercise of
10 decisionmaking authority, the nature of participation of
11 accomplices.

12 THE COURT: Can you slow down, please. I will
13 appreciate it and the court reporter will appreciate it.

14 MR. FERN: Sorry. Her claimed right to rely on her
15 share of the fruits of the crime, the degree of participation
16 in planning and organizing, and the degree of control and
17 authority she exercised over others.

18 Here, again, the defendant founded OneTaste. She
19 served as its CEO. She established sales goals. She directed
20 victims to perform sexual services, and she personally
21 profited \$12 million from the offense.

22 She also set the company's philosophy, its training
23 methods, business model. She recruited and delegated
24 responsibilities to enforcers who, in turn, supervised dozens
25 of employees, and she dictated how the handling of victims

1 worked.

2 I think under the voluminous trial record there's no
3 doubt that the defendant sat at the apex of this criminal
4 conspiracy. With respect to the participants in this
5 conspiracy, as the Court found in its analysis of the
6 *Bourjaily* factors, multiple co-conspirators participated in
7 this crime. I think the Court found in addition to Defendant
8 Daedone, Defendant Cherwitz, other co-conspirators included
9 Joanna Van Vleck, Yia Vang, Rachael Hemsli, Robert Kandell,
10 Maya Block, Eli Block, Marcus Rathnathicam, and Aubrey Fuller.

11 In addition, there was a larger contingent of
12 employees who pressured victims to sign up for OneTaste
13 courses and to go into debt, therefore, forcing them to submit
14 to economic harm.

15 The scheme was, again, otherwise extensive, as well.
16 It lasted over a decade. It spanned multiple cities. It
17 spanned two countries. It had a national sales
18 infrastructure. It had dozens, again, of unknowing
19 salespeople who pressured victims. Again, those salespeople
20 were essential to the operation of the conspiracy here. It
21 lasted over a decade, that if the Court finds that there were
22 not five or more participants is the functional equivalent of
23 five or more participants.

24 THE COURT: Ms. Bonjean, do you wish to be heard as
25 to why you believe pursuant to Section 3B1.1(a), a four level

1 increase is not warranted? I know your position is that no
2 increase under 3B1.1 is warranted. Correct?

3 MS. BONJEAN: Yes. I will briefly address that,
4 Your Honor. Of course, we rest on our papers. I understand
5 the government's position as to the element of involved five
6 or more participants. I think the Court is aware that we, of
7 course, object to and maintain our objection to whether or not
8 the individuals they've identified, whether those *Bourjaily*
9 factors were actually satisfied. We made those objections at
10 trial. I'm not going to reiterate them here.

11 So I just want to rest on that. I think one, again,
12 another premise that the government and I are just simply not
13 seeing eye to eye on is that after charging a particular
14 offense, after arguing to a jury, sort of I don't want to say
15 minimizing, but really narrowing the work of the jury into a
16 single act of one victim, they now have argued that there was
17 this vast conspiracy over 12 years that had no legitimacy
18 whatsoever.

19 We take issue with that. Frankly, that was not
20 demonstrated. Of course the Court can consider all the
21 relevant conduct and can look at the whole picture here, but
22 to suggest that this entire enterprise was a criminal one, a
23 fraudulent one, is simply not borne out by the evidence. And
24 I would point out that for the seven complainants that
25 testified and that are identified as victims by the

1 government, the Court did not find that this was relevant to
2 the jury determination. But there are thousands and thousands
3 of others who would come in and tell of an entirely different
4 experience.

5 It's fine to focus on what the jury did find, the
6 evidence, but to, again, extrapolate to this entire
7 enterprise, this company, was at its core just a criminal
8 enterprise, I think takes it a step too far. We object to
9 that characterization, particularly where they simply did not
10 prove it. They had an opportunity to charge it. They didn't
11 charge it. They had an opportunity to charge it and prove it.
12 They did not do so.

13 So at sentencing to characterize it differently --
14 in fact, as I recall, throughout the proceedings the
15 government very much said we're not saying this organization
16 or that OM itself are inherently illegal or inherently
17 unlawful. I think they shied away from that position.

18 So to now come back in here at sentencing, based on
19 a verdict where a jury returned a forced labor conspiracy
20 conviction, to now say a-ha, I know we were singing a
21 different tune before but now this jury came back and this is
22 what they have found, it's just, from our perspective, really
23 not accurate. It's not quite fair.

24 Our position is that while Ms. Daedone clearly was
25 the CEO of this company, we're not going to dispute that, and

1 we do not, we wholeheartedly disagree that this -- that this
2 entire enterprise of her creation of OneTaste was an extensive
3 fraudulent enterprise, which is how it's been characterized.
4 And apart from that, we rest on our papers but argue that no
5 role enhancement is warranted here.

6 THE COURT: The Court finds that a four level
7 increase pursuant to Section 3B1.1(a) is warranted. The Court
8 finds by a preponderance of the evidence that defendant was an
9 organizer or leader of a criminal activity that involved five
10 or more participants. Indeed, she was both.

11 And although not necessary for imposition of the
12 four level increase, the Court also finds that the criminal
13 activity was otherwise extensive within the meaning of the
14 guidelines and applicable case law. The trial evidence amply
15 demonstrates that there were at least five participants in the
16 criminal activity, including Defendant Daedone and her
17 co-defendant, Rachel Cherwitz, and those others who were
18 identified by the government at trial as co-conspirators.

19 The trial evidence also amply demonstrates that
20 Defendant Daedone, inter alia, exercised decisionmaking
21 authority, actively participated in, planned, and organized
22 the criminal conduct, exercised a high degree of control and
23 authority over others, and received a larger share of the
24 fruits of the criminal conduct than others. And the trial
25 evidence further amply demonstrates that the criminal activity

1 was extensive, including that it was lengthy in duration and
2 wide ranging in its means, effects, and geographic scope.

3 I turn now to the issue of the applicability or
4 non-applicability of sentencing guidelines Section 3B1.3. I
5 will hear from the government as to why it believes that
6 pursuant to Section 3B1.3 a two level increase is warranted.

7 MR. FERN: Yes, Your Honor. Again, Section 3B1.3
8 applies when a defendant abused a position of public or
9 private trust, or used a special skill in a manner that
10 significantly facilitated the commission for concealment of
11 the offense. Importantly, a position of private trust is
12 characterized by substantial discretionary judgment that is
13 ordinarily given considerable deference.

14 Of importance here, whether a defendant is in a
15 position of private trust should be viewed from the position
16 of the victims. Here, multiple victims testified that they
17 trusted the defendant. Christina Berkley "trusted her." Dana
18 Gill "trusted people in positions of power over her,"
19 including Daedone. Anthia Gillick noted that, "It's hard to
20 speak up to your teachers and people you respect when they're
21 saying this is the best for a person and you trust them."

22 Multiple victims believed that Defendant Daedone has
23 a specialized knowledge and placed faith in her judgments.
24 That trust enabled the abuse here. It's akin to a teacher or
25 a doctor who abuses the trust of students or their patient

1 places in them, or a financial advisor who defrauds her
2 clients.

3 Defendant Daedone presented herself as a guru and a
4 gatekeeper of growth. She conditioned her followers to
5 believe that their worth depended on compliance with her
6 directives that she claimed were important on the path to
7 enlightenment.

8 In addition, the defendant exercised discretionary
9 authority over her victims' housing, employment, and finances.
10 The coercion only succeeded because the victims here ceded
11 their discretion to Daedone in terms of what they viewed was
12 best for themselves. Victims remained compliant, and in one
13 case failed to seek medical care which, again, facilitated the
14 offense and made it harder to detect because victims were
15 unlikely to question what was happening.

16 The test, again, is whether as the head of OneTaste
17 the victims gave the defendant the freedom to make it
18 difficult to detect wrong. Daedone had that freedom in
19 abundance. Her victims revered her, trusted her as their
20 guide, and submitted to her directives because they trusted
21 her superior knowledge, her claimed superior knowledge, and
22 her judgments.

23 Probation's theory, I think, that her authority
24 derived from coercion, rather than trust, gets the sequence of
25 events wrong here. The trust in this case came first.

1 Defendant Daedone abused that trust. And that's why the
2 government submits that this enhancement applies.

3 THE COURT: Are you arguing that the enhancement
4 applies only because of the abuse of a position of private
5 trust, or also because of the use of a special skill? You
6 mentioned something about education, I believe, or training.

7 MR. FERN: I think the government submits that
8 private trust here is sufficient.

9 THE COURT: It is sufficient. What I'm asking is
10 are you making both arguments. It would be sufficient if I
11 were to find it. Are you making both arguments?

12 MR. FERN: We're making both arguments. Here, the
13 special skill being the teachings and her sort of spiritual
14 superiority in terms of how victims could achieve the
15 spiritual goals.

16 THE COURT: I think your papers were really focused
17 on the private trust. It sounds like you are more heavily
18 relying on that. Is that correct?

19 MR. FERN: We're more heavily relying on that.

20 THE COURT: Ms. Bonjean, do you wish to be heard as
21 to why you believe that pursuant to Section 3B1.3 a two level
22 increase is not warranted?

23 MS. BONJEAN: Yes, Your Honor. Probation and I
24 don't agree on a lot, but we agree on this. The government
25 has been using the word trust in really a colloquial sense, I

1 think. As probation points out and, again, we agree on this,
2 that usually the abuse of trust enhancement comes by the way
3 of a scenario where the individual, the defendant, is in a
4 position of a professional or fiduciary trust, rather than, as
5 probation points out, a charisma, persuasion, or authority
6 that's rooted in personality.

7 Yes, it is true, Ms. Daedone has always -- hasn't
8 shied away from the fact that she sees herself as a writer, a
9 teacher, someone who has espoused sort of novel ideas. She
10 does not call herself a guru. This is really, frankly,
11 something that I think the government has leaned into. But
12 she wrote books. She's like anyone else who has some novel
13 ideas. She wrote books and she started a company based on her
14 philosophical ideas, and people came to that.

15 Frankly, she was very forthcoming about what her
16 views are, and people came to listen to those views. You
17 heard witnesses during the trial that don't necessarily reject
18 her ideas still. They very much were like -- I think Ms.
19 Halpern said, those are beautiful. These are people who have
20 no issue with her teachings, and I think there were witnesses
21 who testified.

22 We heard video from Ms. Daedone where she wasn't
23 saying you must follow this. She really presented it in a
24 more kind of Socratic type of approach that these are my
25 views. This is what worked for me. I challenge you to think

1 about this. Again, these are not views that maybe the
2 complainants would resonate with them today, or that resonate
3 with the rest of us in this room, but these were teachings and
4 she did not put herself out as some type of spiritual leader.

5 Spiritual teacher, maybe, and I don't know that that
6 necessarily means and can be equated with the type of position
7 of trust that the enhancement contemplates, which is more
8 professional or managerial type of discretion.

9 So I think, again, we're talking about personality.
10 We're talking about charisma. We're talking about teachings
11 that she offered that people could accept or not accept, and I
12 think that is what the evidence showed and that, like
13 probation's position, the abuse of trust is not applicable.

14 Just because someone trusted someone is not what
15 abuse of trust means. That is far more colloquial and has to
16 have some more defined meaning and the law, from our position,
17 does not support the government's argument that just because
18 people and individuals who attended OneTaste, who signed up
19 for those courses with open eyes because they respected and
20 admired her teachings, it doesn't convert this into the kind
21 of professional trust that's contemplated by Section 3B1.3.

22 MR. FERN: Your Honor, I would only add that
23 regardless of how the defendant thought she presented herself,
24 what's important here is how the victims viewed Ms. Daedone
25 relative to themselves. What matters is that the victims

ceded discretion here over their emotional, their financial, and their sexual lives to the defendant and her co-conspirator, and the defendant weaponized it.

THE COURT: Here, the Court finds that a two level increase pursuant to Section 3B1.3 is warranted. The Court finds by a preponderance of the evidence that Defendant Daedone abused a position of private trust in a manner that significantly facilitated the commission or concealment of the offense.

Here, the record amply demonstrates that Defendant Daedone held a position of trust that enabled her to both commit and conceal her criminal conduct. It was in significant part because of this position of trust that she was able to commit and for a time conceal her crime.

And her abuse of a position of trust is not in tension with the use of coercion. I note that the record amply reflects that both existed here, as the government persuasively argues. It also appears from the record that Defendant Daedone used a special skill in a manner that significantly facilitated the commission or concealment of the offense. However, the Court need not and does not rely on this latter basis for imposing the two level increase.

I turn now to the issue of the applicability or non-applicability of sentencing guidelines Section 3C1.1. I will hear from the government as to why it believes that

1 pursuant to Section 3C1.1, a two level increase is warranted.

2 There are a few things I would like you to focus on.
3 I would like you to focus on the language of the provision,
4 particularly the instant offense language, the relevant
5 conduct language, and the closely related offense language.
6 Also, I'd like you to focus on willfulness.

7 MR. FERN: I'm sorry, Your Honor. The instant
8 offense language, the relevant conduct language, and closely
9 related offense.

10 THE COURT: And willfulness. I am asking you to
11 look at 3C1.1 and to address various parts of that, in
12 addition to anything else you want to say on that topic.

13 MR. FERN: Yes, Your Honor. So important here are
14 two government exhibits that the government introduced at
15 trial, Government Exhibit 2075-DR and Government
16 Exhibit 2256-DR, both of which when read together establish
17 that the defendant attempted to obstruct justice prior to the
18 start of the instant investigation.

19 Again, for the record, Government Exhibit 2075-DR
20 involves a text message thread in which on March 9, 2016
21 Defendant Daedone told Co-Conspirator Van Vleck to, "Erase
22 your texts," in which then Co-Conspirator Van Vleck replied,
23 "Got it, will do, and done."

24 The thread, when read in its context, shows that
25 that direction to erase text messages was driven by escalating

1 legal troubles, including "being seen as prostitution." And
 2 Van Vleck asking Daedone, "What would a prosecutor say the
 3 purpose of OM is?" And suggested reframing OneTaste as
 4 devoted to, "A higher consciousness or spiritual awakening,
 5 which would provide a bit of protection from the First
 6 Amendment."

7 In Government Exhibit 2256-DR, Defendant Daedone, in
 8 January of 2017, admitted that she, "Erased everything when
 9 the legal scare last year." Again, obstructive conduct that
 10 occurred prior to the start of a federal investigation of the
 11 instant offense, obstructed conduct that occurred prior to the
 12 start of the investigation of the instant offense, or if the
 13 conduct was purposefully calculated and likely to thwart the
 14 investigation or prosecution of the offense of conviction, the
 15 guidelines provision of 3C1.1 applies.

16 The text messages here in which Daedone directed the
 17 deletion contained ostensibly contemporaneous communications
 18 that would have revealed the dynamics of the forced labor
 19 scheme.

20 THE COURT: Let's focus on ostensibly. Is that just
 21 speculation on your part?

22 MR. FERN: It's well-founded assumptions. Again,
 23 the government does not have those text messages, so it cannot
 24 speak directly. Given the context that the text messages, the
 25 deletion directive was given to a co-conspirator in the

1 context of being seen as prostitution and what a "prosecutor
2 would say" makes it seem that those texts, whatever they were,
3 were probative of the instant crime, the instant offense.
4 Again, it's not --

5 THE COURT: That is where I started -- by asking you
6 to focus on instant offense, relevant conduct, and closely
7 related offense. I am not hearing much on those concepts. If
8 you have more to say, I will hear you. If not, I can move to
9 Ms. Bonjean.

10 MR. FERN: No, Your Honor. Again, the deletion
11 order occurred after OneTaste encountered potential scrutiny
12 that OneTaste was engaged in prostitution. The prostitution
13 inquiry was linked to the same scheme here. Law enforcement
14 complaints at the time centered on coercive sexual premises.
15 Conduct, again, that could be investigated under various
16 frameworks, not just forced labor, but sex trafficking.

17 Again, the relevant inquiry is not the particular
18 charge that prosecutors would lay an indictment against the
19 defendant, but whether the scheme is sort of part and parcel
20 of the conduct. Here, again, the defendant with respect to
21 the offense of conviction and instant offense would not
22 necessarily know what charge the government would file against
23 her, what specific charge.

24 I think that if that question were presented,
25 obstruction would never necessarily be found because not every

1 layperson would know the potential statutes that would apply
2 to criminal conduct. Here, again, the sex trafficking and the
3 prostitution were wrapped up in the entire forced labor scheme
4 with which the defendant was convicted.

5 THE COURT: Ms. Bonjean, do you want to be heard as
6 to why you believe that pursuant to Section 3C1.1 a two level
7 increase is not warranted?

8 MS. BONJEAN: Yes, Your Honor. Our position is that
9 we are dealing in rank speculation. There is nothing in this
10 record that suggests that at the time the text messages were
11 going back and forth that there was a criminal investigation,
12 that they knew of a criminal investigation.

13 There was some bad publicity, that, and what the
14 perception was of OneTaste. They were working, I think, I
15 don't want to -- I think they were working with individuals to
16 discuss how they could make changes to the organization, how
17 they could improve the image of the organization, whether or
18 not someone could see this as prostitution. Those text
19 messages are there.

20 But there is nothing that suggests that the "erase
21 these texts" has any correlation to that. If you look at the
22 text messages, it suggests something very different, frankly,
23 and we have the full text messages that it was completely
24 unrelated to that. It certainly has nothing to do with a
25 criminal investigation that they did not know was underway or

1 was even on the horizon. The interpretation is -- at least
2 our interpretation is at least plausible. Their
3 interpretation leaves too much room for speculation.

4 And as a result, the Second Circuit, I think, has
5 been very clear. When we have this level of speculation you
6 have to show some willfulness, and there has to be willfulness
7 and there has to be an understanding that this is, in fact, an
8 effort to obstruct the instant investigation or the instant
9 case, which, again, was not on the horizon at that point.

10 By the nature of their work they may have been
11 trying to see whether or not they could do things differently
12 and whether they had risks. That is not the same as
13 obstructing. I would argue that all those messages that they
14 have are as a result of the production by OneTaste.

15 So there are a number of equally plausible
16 explanations for these text messages. They, again, by their
17 own words really can't point to anything, other than rank
18 speculation, and that just doesn't rise to the level necessary
19 to impose this particular enhancement.

20 THE COURT: Do you want to respond?

21 MR. FERN: Yes, Your Honor, two things. First, on
22 the willfulness argument, the government cites *United States*
23 *versus Ayers*, a Second Circuit case, that states that the
24 willfulness required by Section 3C1.1 pertains to the
25 obstruction of "the administration of justice and not a

1 particular investigation."

2 And importantly, the Government Exhibit 2256-DR, the
3 January 2017 text message where Daedone admitted she erased
4 everything after the legal scare last year, refers to a demand
5 letter that the defendant received from Ayries Blanck
6 concerning allegations that were made against OneTaste and the
7 defendant. That is the legal scare that was referred to in
8 the text messages.

9 THE COURT: Here, the Court finds that a two level
10 increase pursuant to Section 3C1.1 is not warranted. The
11 Court does not find that the government has demonstrated
12 otherwise by a preponderance of the evidence. The Court notes
13 that this is somewhat of a close question, however.

14 I turn now to the issue of the applicability or
15 non-applicability of Section 3E1.1. I will hear from
16 defendant as to why she believes that pursuant to
17 Section 3E1.1 a one level reduction is warranted.

18 MS. BONJEAN: Well, Your Honor, you know there is
19 limited authority on this particular issue. But we would
20 endorse Judge Rakoff's analysis and position on this, that the
21 guidelines as written unconstitutionally penalize defendants
22 who exercise their right to go to trial, rather than plead
23 guilty.

24 And so consistent with *United States versus*
25 *Tavberidze*. I don't know exactly how to pronounce it, but

1 it's T-A-V-B-E-R-I-D-Z-E. As Judge Rakoff stated there,
2 Section 3E1.1(b) of the guidelines allows for a one point
3 reduction in the offense level of defendants.

4 Our position is that because the defendant should
5 not be effectively penalized for going to trial, she is still
6 entitled to that reduction by one point. I'll rely on my
7 papers to the extent --

8 THE COURT: So you don't want to make any arguments
9 factually about acceptance of responsibility. Is that right?

10 MS. BONJEAN: I think, Your Honor, that I will rest
11 on my papers on that point.

12 THE COURT: Okay. Let me hear from the government
13 why it believes that pursuant to Section 3E1.1 a one level
14 reduction is not warranted.

15 MR. FERN: Yes, Your Honor. Again, Judge Rakoff's
16 decision is not binding on this Court. There's a Second
17 Circuit case cited in October of 2025, that's *United States*
18 *versus Powell*, in which the Circuit affirmed denial of a
19 reduction under Section 3E1.1 where the defendant argued his
20 failure to receive a trial -- a deduction was tantamount to a
21 trial added penalty.

22 In addition, the defendant is only entitled to that
23 one level reduction under the guidelines if subsection A
24 applies, and there is no evidence here that the defendant has
25 accepted responsibility.

1 THE COURT: I think that Ms. Bonjean actually seeks
2 the reduction under A, at least I think that is in the papers.
3 I am not sure her argument depends on which subsection it is.
4 She's essentially asking under 3E1.1 for a one level
5 reduction. I do think, and you can correct me if I'm wrong,
6 Ms. Bonjean, I think in your papers you mentioned 3E1.1(a). I
7 don't know whether it's A or B from your perspective matters,
8 although Mr. Fern is correct about the operation of B.

9 MS. BONJEAN: I think I cited 3E1.1(b).

10 THE COURT: For clarity, just tell me which
11 subsection or both you're moving under, or you're requesting.

12 MS. BONJEAN: I'll cover my bases and move under
13 both. I think that --

14 THE COURT: That's fine.

15 MS. BONJEAN: I think our position is that just by
16 demanding trial is not evidence that someone is not entitled
17 to that reduction. Our position is that Ms. Daedone had no
18 choice but to put the government to its proof on this single
19 charge, absent pleading guilty. I'll leave it at that.

20 THE COURT: Mr. Fern.

21 MR. FERN: Yes, Your Honor.

22 THE COURT: I didn't mean to cut you off on the
23 subsection, if you had more to say.

24 MR. FERN: Not necessarily. Again, there's a two
25 level reduction under 3E1.1(a). The only provision that

1 applies a one level reduction is B, and under the operation of
2 the guidelines that only applies if the defendant qualifies
3 under A.

4 THE COURT: And if the government makes a motion.
5 Correct?

6 MR. FERN: And if the government makes the motion,
7 and the government is not making a motion, nor has the
8 defendant accepted responsibility for her conduct.

9 THE COURT: Do you want to speak about that? Do you
10 want to comment on why you think that she hasn't accepted
11 responsibility? Setting aside going to trial, because that's
12 not what the focus is here. Just what she is asking for,
13 under her one level request.

14 MR. FERN: Yes. Page 1 of the defendant's
15 sentencing memorandum states that the defendant vehemently
16 maintains her innocence. The defendant has also given quotes
17 to media outlets in which she continues to maintain her
18 innocence. By continuing to maintain her innocence, I don't
19 see how she's accepted responsibility for her crimes.

20 THE COURT: Do you want to speak to any of what has
21 been submitted by defendant with respect to the victims and
22 how the victims are characterized, or whether there has been
23 any victim blaming that's been going on? Do you want to speak
24 to any of those issues?

25 MR. FERN: Yes, Your Honor. I think it's been part

1 and parcel of the defendant's defense throughout this trial to
2 blame the victims for not walking away. It sort of shifts
3 responsibility away from the defendant for the crimes that she
4 committed, and which the record is replete with examples of
5 severe conduct warranting a criminal conviction.

6 And it sort of feigns -- it just doesn't make sense
7 to be able to say that you're accepting responsibility while
8 at the same time blaming the victims for sort of ceding to the
9 crime.

10 THE COURT: Here, the Court finds that a one level
11 reduction pursuant to Section 3E1.1 is not warranted. The
12 Court does not find that defendant has demonstrated
13 entitlement to any reduction for acceptance of responsibility.
14 Defendant has demonstrated no acceptance of responsibility at
15 all. And that is not a comment on her exercising her right to
16 trial. She is not incurring any penalty for exercising that
17 right. To the contrary, she is just not getting a benefit for
18 accepting responsibility because she has not done so.
19 Although a given defendant may be awarded an acceptance of
20 responsibility reduction under the guidelines post trial, that
21 is not appropriate here on the facts and circumstances of this
22 particular case and, of course, as Mr. Fern noted, the Judge
23 Rakoff decision is certainly not binding on me.

24 I turn now to the issue of the applicability or
25 non-applicability of sentencing guideline Section 4C1.1(a). I

1 will hear from defendant as to why she believes that pursuant
2 to Section 4C1.1, a two level reduction is warranted. Now, of
3 course, I have already found that a role enhancement applies,
4 which would make her ineligible, but I know that you take a
5 different position. So I will hear you out on why you believe
6 pursuant to Section 4C1.1, a two level reduction is warranted.

7 MS. BONJEAN: Yes, Your Honor. I think we disagree,
8 obviously, on this factor. I think we know that going into
9 this. But it is our position that Ms. Daedone is entitled to
10 this two level decrease under the zero point offender
11 guideline.

12 As the Court is aware, she has no criminal history.
13 She did not receive an adjustment for terrorism. The offense
14 did not result in serious bodily injury.

15 THE COURT: Just slow down, please.

16 MS. BONJEAN: Sure. Sorry. It's our position, and
17 I know the government disagrees, that she did not personally
18 cause substantial financial hardship to any of the intended
19 victims.

20 I don't want to belabor this point, but we do stand
21 on our argument. I know the government continues to suggest
22 that the jury has rejected those. We disagree with that
23 premise. These were, again, educated women who came to
24 OneTaste with eyes wide open, signed up for classes, and feel
25 that they were manipulated in hindsight. That's all fine and

1 well, but no one caused them financial hardship any more than
2 any organization or business does when they try to sell their
3 product. I think the Court would argue or it has found, not
4 argue, but the Court has found that because of Ms. Daedone's
5 role in this company she is not subjected to the zero point
6 offender adjustment.

7 Our position remains the same that she should not be
8 found in that position and, therefore, this would apply. So
9 it's the same argument we made previously. We adopt it for
10 the purposes of Section 4C1.1(a)(1).

11 (Continued on next page.)

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1 THE COURT: I think you just mean A.

2 MS. BONJEAN: Oh, yes, correct.

3 THE COURT: Okay. I'll hear from the government as
4 to why it believes that pursuant to Section 4C1.1, a two level
5 reduction is not warranted.

6 Obviously, I've addressed the role, but I'd like you
7 to speak to financial hardship as well and anything else you
8 would like to raise.

9 MR. FERN: Yes, Your Honor.

10 Obviously, the Court has found that the defendant
11 is, did receive an adjustment under 3B1.1, which makes the
12 defendant ineligible for the zero-point offender reduction.

13 The government also submits that the defendant
14 personally caused substantial financial harm. Multiple
15 victims testified at this trial that they were constantly in
16 debt to OneTaste in light of the financial tactics that
17 OneTaste employed, such as underpaying or not paying their
18 workers and forcing their workers into debt by forcing them or
19 coercing them into signing up for expensive courses that they
20 could not afford. The victims testified that these financial
21 tactics made it difficult for them to leave and kept them
22 working for OneTaste.

23 Daedone, Defendant Cherwitz and their
24 co-conspirators prevented OneTaste participants who worked for
25 commissions from closing large sales such that they could not

1 earn their way out of this debt. And given the number of
2 victims and the financial difficulties that these victims
3 faced as a result of the defendant's actions, again,
4 substantial financial hardship was caused during the course of
5 this conspiracy.

6 THE COURT: Here, the court finds that a two level
7 reduction pursuant to Section 4C1.1 is not warranted. The
8 court does not find that defendant has demonstrated
9 entitlement to such reduction. Indeed, in light of the
10 court's determination that an offense level increase for role
11 applies, defendant is ineligible for a decrease under
12 Section 4C1.1. And although the court need not and does not
13 determine whether Defendant Daedone is ineligible for a
14 decrease under Section 4C1.1 for the additional reason that
15 she personally caused substantial financial hardship, the
16 court notes that the government makes persuasive arguments in
17 this regard.

18 Are there any objections to the guidelines
19 calculation in the PSR that have not been addressed yet,
20 Mr. Fern?

21 MR. FERN: No, Your Honor.

22 THE COURT: Ms. Bonjean?

23 MS. BONJEAN: No. Thank you.

24 THE COURT: For the enhancements I have found apply,
25 the preponderance standard was easily met. The preponderance

1 of the evidence standard is the appropriate standard here.
 2 But I note for record completeness that even under a higher
 3 reasonable certainty standard, which is the standard
 4 Defendant Daedone urges at least with respect to certain
 5 contested issues, the court's findings would be the same.

6 I also note that whether or not I apply any
 7 particular disputed enhancement or reduction under the
 8 guidelines does not affect the ultimate sentence I will be
 9 imposing. And I note that where I did not agree with a
 10 party's position with respect to particular enhancements or
 11 reductions under the guidelines, I will nevertheless consider
 12 the arguments advanced by the parties in my consideration of
 13 the Section 3553(a) factors, which I will discuss further
 14 later.

15 This is a unique case and the court needs to
 16 consider all of the Section 3553(a) factors, of course.

17 One moment, please.

18 (Pause.)

19 MR. FERN: Your Honor, if the Court is inclined, can
 20 we take a brief bathroom break?

21 THE COURT: I was thinking we would do that in just
 22 a few minutes.

23 MR. FERN: Thank you.

24 THE COURT: Does that work for everybody?

25 MS. BONJEAN: Yes.

1 THE COURT: Okay.

2 Based on my independent evaluation of the sentencing
3 guidelines, I find a total offense level of 31 calculated as
4 follows.

5 A base offense level of 22, pursuant to
6 Section 2H4.1(a)(1). See also Sections 2X5.1 and 2X1.1.

7 A three level increase, pursuant to Section
8 2H4.1(b)(3)(A), because a victim was held in a condition of
9 peonage or involuntary servitude for more than one year.

10 A four level increase, pursuant to Section 3B1.1(a),
11 because defendant was an organizer or leader of a criminal
12 activity that involved five or more participants and was
13 otherwise extensive. Again, I note that my determination that
14 the criminal activity was otherwise extensive is not necessary
15 to my determination that the four level increase applies here.

16 A two level increase, pursuant to Section 3B1.3,
17 because defendant abused a position of private trust in a
18 manner that significantly facilitated the commission or
19 concealment of the forced labor conspiracy. Again, I note
20 that it also appears that defendant used a special skill in a
21 manner that significantly facilitated the commission or
22 concealment of the forced labor conspiracy, but I do not rely
23 on that for imposition of the two level increase.

24 I find a criminal history category of I.

25 At offense level 31, with a criminal history

1 category of I, the advisory guidelines range of imprisonment
2 is 108 to 135 months.

3 The guidelines term of supervised release is not
4 more than three years, pursuant to Section 5D1.2(a)(2).

5 The fine range is \$30,000 to \$250,000, pursuant to
6 sentencing guidelines Section 5E1.2(c)(3).

7 Are there any objections to the guidelines
8 calculation as I've just stated, other than what's already
9 been raised?

10 Mr. Fern?

11 MR. FERN: No, Your Honor.

12 THE COURT: Ms. Bonjean?

13 MS. BONJEAN: No, Your Honor.

14 THE COURT: With respect to the PSR, I have asked
15 about any objections to the accuracy of the factual
16 recitations, I have asked about objections to the guidelines
17 calculations, and I have addressed those issues.

18 I just ask now, out of an abundance of caution, are
19 there any objections to any part at all of the PSR including
20 the addendum, second addendum, third addendum, fourth
21 addendum, fifth addendum, sixth addendum, seventh addendum and
22 eighth addendum that either party wants to raise that have not
23 been raised yet?

24 Mr. Fern?

25 MR. FERN: No.

1 THE COURT: Ms. Bonjean?

2 MS. BONJEAN: We stand on our objections previously
3 raised.

4 THE COURT: I adopt the PSR with the addendum,
5 second addendum, third addendum, fourth addendum, fifth
6 addendum, sixth addendum, seventh addendum and eighth addendum
7 consistent with what I have already stated on the record with
8 respect to my findings and guidelines calculation.

9 Is anyone seeking a reduction from the applicable
10 advisory guidelines range under any guidelines provision? And
11 I am distinguishing between the guidelines provisions and the
12 Section 3553(a) statutory factors.

13 Mr. Fern?

14 MR. FERN: No, Your Honor.

15 THE COURT: Ms. Bonjean?

16 MS. BONJEAN: No, Your Honor.

17 THE COURT: One moment, please.

18 (Pause.)

19 THE COURT: Okay. So before I hear from the parties
20 further, we will take a break. I don't want it to be a long
21 break at all. Ten minutes max. So it's 12:25. So 12:35,
22 we'll be back here. We'll recess until then.

23 (Recess taken.)

24 THE COURT: I think everyone is back including
25 Ms. Daedone.

1 I will give the government, then any victims, which
2 I understand is only Ms. Neria who wishes to speak, then
3 defense counsel and then the defendant the opportunity to be
4 heard as to sentencing. I will give the opportunity to the
5 government first.

6 Do you wish to be heard with respect to sentencing,
7 Mr. Fern?

8 MR. FERN: Yes, Your Honor.

9 At the outset, the government would say that the
10 government in its initial sentencing submission calculated a
11 guidelines range above the statutory maximum and calculated
12 its recommended sentence based on what the government believed
13 was an appropriate sentencing guidelines range.

14 The government respects Your Honor's calculations of
15 the applicable guidelines range and while we maintain that our
16 original calculation was correct, we are now seeking or
17 recommending a guidelines range at the high end of
18 Your Honor's calculated --

19 THE COURT: So, specifically, 135 months, is that
20 right?

21 MR. FERN: Yes, although we would note for the
22 Court's consideration that a number of the factors under
23 3553(a) that the government submitted as aggravating factors
24 in its submission would warrant an upward departure in this
25 case under the 3553(a) factors.

1 THE COURT: Upward variance, you mean?

2 MR. FERN: Yes.

3 THE COURT: Is that what you're asking for or not?
4 It's a little unclear what you're saying.

5 Do you want time to think about what your position
6 is?

7 MR. FERN: Your Honor, the government will seek a
8 sentence at the high end of the guidelines of 135 months.

9 THE COURT: Okay. Go ahead.

10 MR. FERN: We do have, with respect to the 3553(a)
11 factors, a statement for the Court's consideration and I'll
12 proceed.

13 THE COURT: Okay, but if you're reading something,
14 I'm going to really encourage you to read slowly. People tend
15 to go quickly when they're reading. You can't go too slow for
16 me.

17 MR. FERN: Thank you, Your Honor.

18 THE COURT: So just go ahead.

19 MR. FERN: Your Honor, today is about accountability
20 and justice, accountability for a defendant who ran a criminal
21 conspiracy for more than a decade and justice for the victims
22 whose lives, whose finances, whose relationships, whose senses
23 of self were systematically destroyed, all to build Nicole
24 Daedone's business and, ultimately, her wealth.

25 As the Court heard throughout the course of a five

1 week trial, this defendant built an enterprise designed to
 2 make the most intimate aspects of human life, the need for
 3 connection, for belonging, and for healing, and convert them
 4 into unpaid labor and sexual services for her own profit.
 5 This was exploitation masquerading as empowerment. And every
 6 3553(a) factor demands a sentence at the high end of the
 7 applicable guidelines range.

8 Let me start, first, with the nature and
 9 circumstances of this offense.

10 As this Court knows from having sat through this
 11 trial, the defendant has repeatedly belittled the serious harm
 12 described by the victims in this case. Indeed, in her own
 13 sentencing submission, she calls it tactics that are used
 14 routinely in everyday relationships, but, Your Honor, the jury
 15 has already litigated the defendant's guilt.

16 It is worth refocusing on what made this crime
 17 especially heinous and what the conspiracy looked like in
 18 practice.

19 Women directed to sexually service OneTaste's
 20 primary investor, to masturbate him, to use sex toys on him,
 21 to walk him on a leash, so that he would continue to fund her
 22 enterprise.

23 Women compelled to perform sex acts on clients and
 24 prospective customers to close sales.

25 Workers driven to debt by courses they were

1 pressured to buy, told that money was a "third dimensional
2 problem," while Daedone paid them little or nothing.

3 Those who said "no" were publicly shamed, shunned,
4 stripped of their community, their income, their home. The
5 fusion of forced labor with sexual exploitation here makes
6 this crime particularly grave.

7 The defendant recruited people who were looking for
8 community, for healing, for meaning. She had them disclose
9 their deepest traumas, their sexual histories, their fears.
10 And she used them to direct their labor, to compel their
11 compliance, and to ensure that they would not leave. But the
12 real measure of this offense is not in the years or the cities
13 or the dollars. It is in the people.

14 This was not a one time offense or any kind of
15 accident or mistake. Regardless of the defendant's own
16 personal beliefs about sexual wellness, the defendant's profit
17 at the expense of her victims was intentional and it was
18 orchestrated.

19 The Court noted -- I mean. I'm sorry.

20 The defendant's victims powerfully testified to the
21 lasting trauma they have suffered as a result of the
22 defendant's crimes.

23 Christina testified that her time at OneTaste had a
24 "very dramatic impact on her psychologically that then took
25 many years to come out of." It changed her identity and sense

1 of self.

2 Max described a slow whittling down of who they were
3 and how they saw the world.

4 Anthia described how she was totally devastated when
5 she left OneTaste. She felt there was no space for the things
6 she wanted in life, like having a husband and children.

7 Lianna testified that she was in a really bad head
8 space when she left OneTaste and that it was really hard to
9 function when she left.

10 Similarly, this court has before it victim impact
11 statements that speak more powerfully than anything I can say.

12 Dana, for instance, described how she became wholly
13 dependent on OneTaste and the trauma has not gone away, the
14 pain is like a death by a million paper cuts.

15 Michal, who is here today, who left OneTaste
16 sexually traumatized, bereft of outside friends and family and
17 financially in debt, describes what was waiting for her when
18 she finally got out.

19 She writes: I was suffering from posttraumatic
20 distress disorder and severe depression. My OneTaste partner
21 and I filed for divorce less than two months after leaving. I
22 have lost my apartment. I didn't have a job. There were
23 times in my first two years out of OneTaste that I
24 contemplated suicide because of my experience there.

25 Michelle wrote that OneTaste obliterated her

1 creative, explorative bravery and replaced it with fear,
2 shame, guilt, depression, anxiety and all manner of traumatic
3 aftereffects. She says the damage to her relationships is
4 irreparable, that Nicole Daedone took precious time in her
5 young life that she cannot get back.

6 These are the consequences of what the defendant's
7 12 year forced labor conspiracy did to these women.

8 Your Honor, the Court has before it additional
9 statements from the government that the government received
10 from several additional individuals. We understand the
11 Court's ruling about who qualifies statutorily as a victim in
12 this case, but we respectfully submit that the Court should
13 take into consideration that the defendant's exploitation of
14 women and her workers have ramifications far beyond just the
15 witnesses who were brave enough to come to court.

16 I want to turn to the next 3553(a) factor which is
17 the defendant's history and her characteristics because that
18 was also something that the Court heard from the victims, from
19 the victims on, and that is the defendant's complete lack of
20 remorse.

21 The Court has seen this at every stage, through the
22 vicious treatment of the victims throughout the pendency of
23 this case as part of the defendant's purported PR strategy,
24 but also in her sentencing submission where she repeatedly
25 minimizes her own culpability and the harm that she caused.

1 The Court can and absolutely should consider that
2 lack of remorse when fashioning an appropriate sentence here
3 both as it relates to the defendant's history and
4 characteristics, but also as it relates to her likelihood of
5 reoffending.

6 As Becky put it in her impact statement to this
7 court: What is clear to me about the defendant is that she
8 shows little to no remorse for her actions. I am certain that
9 given the change" -- "that given a chance, they would return
10 to the crimes of which they are convicted. They will give it
11 a new name, a new face, new branding, but the mechanisms will
12 be the same. I doubt very much their ability to reflect upon
13 or modify their behavior.

14 And Your Honor, the defendant has made much of her
15 work as a writer, a teacher and a spiritual practitioner. And
16 so when the defendant is urging the Court to consider what she
17 calls community building, the government respectfully submits
18 that those are also the means through which she committed this
19 crime.

20 This was a business model deliberately constructed
21 and deliberately sustained on subjugating women to perform
22 sexual and other unpaid labor for over a decade. She
23 exploited members of her own community that she built for her
24 own profit.

25 The defense has submitted letters from supporters

1 describing Ms. Daedone as compassionate and transformative.
 2 The government does not dispute that some people view her that
 3 way, but those descriptions also help explain the offense of
 4 the conviction. The coercion here operated through
 5 dependency, shame, isolation, and the manipulation of people
 6 searching for healing.

7 I also want to address the defendant's arguments as
 8 to sentencing disparities.

9 The defense cites a series of forced labor cases and
 10 makes various arguments about those cases and how it should
 11 impact the Court's determination.

12 The government has already addressed many of these
 13 cases in its sentencing submission and can address any the
 14 Court has particular questions about, but it's worth noting
 15 that, as a general matter, many of the cases the defense has
 16 cited do not involve sexual abuse. Many of the cases involved
 17 only one victim, whereas this crime involved numerous victims,
 18 spans geographically, involved sexual abuse, in addition to a
 19 host of other psychological coercive tactics, financial harm,
 20 physical exhaustion and psychological harm, and significantly,
 21 as this Court has found, this defendant sits at the top of
 22 this criminal conspiracy.

23 And, finally, with respect to deterrence and the
 24 protection of the public, a significant sentence is needed in
 25 this case.

1 General deterrence matters enormously in cases like
2 this one. This court should deter others who might field the
3 next OneTaste by imposing a sentence that makes clear that
4 this conduct will not be treated as a lesser crime because it
5 arrived dressed in the language of spirituality and growth.

6 This court's sentence will be seen by the victims
7 themselves, including those who have not yet come forward. A
8 sentence that reflects the gravity of what happened here tells
9 those survivors that the system took that seriously. A
10 sentence that falls far short would tell them the opposite.

11 On specific deterrence, the defendant's conduct at
12 trial and her continued refusal to acknowledge the harm that
13 she caused coupled with the loyal following that she still
14 retains, as her supporters' letters and conduct at trial
15 suggests, shows that a substantial custodial sentence is
16 necessary, not only to punish past conduct, but to protect the
17 public from future manipulation.

18 Finally, Your Honor, Michal Neria wrote that the
19 worst part of what Nicole Daedone did was the way she targeted
20 common vulnerability, our very human need for healthy human
21 relationships, and manipulated it for her own gain.

22 That is what the Court must sentence today. Not an
23 idea. Not a philosophy. A person who looked at the most
24 fundamental human longing or connection for belonging for
25 help, healing, and deliberately, over 12 years, built a

1 criminal enterprise around it, and took the trust of people at
2 their most vulnerable and converted it into labor, into money,
3 into sexual services for her own profit, and who even now
4 refuses to acknowledge that any of it was wrong.

5 The government respectfully requests that the Court
6 impose a 135 month sentence.

7 THE COURT: Do you want to speak to the issue of
8 restitution? I know that there have been significant
9 submissions on that. Do you want to speak to that at all?

10 I think you laid out your methodology. If you want
11 to say anything about that now, I will hear you on that.

12 MR. FERN: Your Honor, we would rest substantially
13 on our papers.

14 The government's burden for restitution is to
15 provide a reasonable approximation of the victims' losses
16 using sound methodology. As the government has outlined in
17 its many submissions, it is relying on trial testimony and
18 affidavits of loss to calculate how much these victims worked
19 and used a very I would say reasonable approximation of the
20 federal minimum wage to approximate how much they were owed,
21 and subtracted from that estimate how much they were paid, to
22 give the Court a general guideline of how much restitution
23 they were owed, coupled with medical expenses that were
24 supported in most parts, most cases by receipts corroborating
25 the expenses.

1 THE COURT: And you have backed out certain expenses
2 that you do not believe are recoverable under the Trafficking
3 Victims Protection Act, is that correct?

4 MR. FERN: That's correct, Your Honor.

5 THE COURT: And you have backed out a
6 reimbursement -- compensation from the New York State Office
7 of Victim Services, is that correct?

8 MR. FERN: In the case -- in one case where the
9 victim has received --

10 THE COURT: Yes.

11 MR. FERN: -- compensation, yes.

12 THE COURT: And that's Ms. Neria?

13 MR. FERN: That's correct.

14 THE COURT: And in your papers, you've set forth
15 your arguments about proximate cause?

16 MR. FERN: Correct.

17 THE COURT: Meaning that costs were proximately
18 caused by the offense, correct?

19 MR. FERN: That's correct, Your Honor.

20 THE COURT: And I think you've addressed some of the
21 issues that have been raised by the defense about the
22 calculation of hours, correct?

23 MR. FERN: That's correct, and where appropriate, we
24 have reduced from our initial submission to our current
25 submission.

1 THE COURT: Do you want to speak to any of the
2 special conditions of supervised release that have been
3 recommended or any of the other aspects of sentence other than
4 just imprisonment or, just imprisonment?

5 MR. FERN: Yes.

6 We would request the maximum term of supervised
7 release under the applicable guidelines. Given what I have
8 just stated in terms of specific deterrence, we believe it's
9 appropriate. And we would defer to Probation on the special
10 conditions.

11 THE COURT: Do you want to speak to the special
12 condition related to victim contact or do you just want to
13 defer to Probation on that?

14 MR. FERN: We would defer to Probation on that, but
15 we would provide a list of victims that we believe the
16 defendant should not be permitted to contact.

17 THE COURT: Do you want to speak to the issue of
18 fine?

19 MR. FERN: Yes, Your Honor.

20 In the government's submission, we understand that
21 Probation has taken the position that the defendant is unable
22 to pay a fine. We do not believe that that is correct.

23 Again, as we laid out in our sentencing submission,
24 there is a huge delta between what the government ultimately
25 seized from the proceeds of the defendant's sale of OneTaste

1 versus what she realized, acknowledging, of course,
2 Your Honor, that the Court has imposed a \$12 million
3 forfeiture money judgment, but we do not know where that money
4 has gone.

5 We also noted for the Court that the defendant is
6 party to numerous civil proceedings in which she may or may
7 not receive an award.

8 We also note that the defendant is continuing to
9 publish books, although we would note that her most recent
10 book which she published from prison, the proceeds from that
11 are being directed to nonprofit entities. So without --

12 THE COURT: Directed by whom?

13 MR. FERN: According to the book, 60 percent of the
14 proceeds from the trust that was established that receives the
15 rights from her book go to a group of women who are
16 incarcerated at the same time as Ms. Daedone.

17 THE COURT: I just meant --

18 MR. FERN: Who?

19 THE COURT: The government hasn't directed anything,
20 correct? Because I haven't directed anything.

21 MR. FERN: Sorry. That's correct, Your Honor.

22 THE COURT: Okay.

23 Is there anything else, Mr. Fern?

24 MR. FERN: No, Your Honor.

25 THE COURT: Okay. Sorry. Ms. Bensing, is there

1 something you wanted to say? No. Okay.

2 I will now hear from the victim that the government
3 has indicated wishes to be heard.

4 MR. FERN: Yes, Your Honor.

5 THE COURT: And I think we are mic'd over there at
6 the podium if that's the most convenient place to do it from.

7 And I'm going to ask her what I've been asking
8 everybody is just to speak slowly.

9 MS. NERIA: You got it.

10 THE COURT: Okay. And any time you're ready, just
11 say your name and then go ahead.

12 MS. NERIA: Michal Neria.

13 Your Honor, thank you for giving me the opportunity
14 to read my statement today.

15 For me personally, the worst part of this crime is
16 not the exuberant amount of money Nicole and her company
17 pressured me to spend, nor the countless hours I worked
18 without pay. It is, however, the way she intentionally took
19 advantage of women like me by targeting a common vulnerability
20 we share.

21 Nicole manipulated our very human need for healthy
22 intimate relationships for her financial gain and power. She
23 understood that there was a lot of money to be made by
24 appealing to women who felt dissatisfied in their sexual lives
25 by making it seem like she cared about female empowerment and

1 offering a solution. She promised me healing through the
2 practice of orgasmic meditation and then, again, if I followed
3 her instructions, in my intimate relationships. Instead, I
4 left the organization sexually traumatized, financially in
5 debt, and more depressed than I have ever been.

6 Nicole and OneTaste promised to fix me. They said
7 that if I followed their path of sexual enlightenment, I would
8 become enlightened myself and would no longer be bogged down
9 by my issues of unsatisfying sexual relationships,
10 insecurities and a history of depression.

11 I felt so excited at the time to follow Nicole's
12 instructions and become part of her group of people that
13 seemed to really care for my well-being and that of all women.
14 They made me feel like I was part of a movement meant to
15 change the world for the better. I trusted Nicole and wanted
16 to be part of her so-called feminist mission to raise
17 awareness around societal oppressions of female sexuality and
18 desires. When I joined, she told me and others that we have
19 finally found our purpose in life: To spread her teachings to
20 the world.

21 In reality, I fell into Nicole's trap. As I learned
22 later by doing sales for the organization, I was a perfect
23 target because I was a vulnerable woman who was looking to
24 better my life. Not only that, under her direction, I was set
25 up in an emotionally abusive relationship with a rich member

1 so that he would pay them even more money in my name. My
2 relationship and eventual marriage to him was part of a plan
3 to get as much money as they could out of us while also
4 turning us into lifelong devotees who would provide free labor
5 and living advertisement for their company.

6 When I left OneTaste after only a year of being
7 there, I was left with significant financial damage and
8 emotional harm that I'm still working through.

9 Psychologically, I was suffering from posttraumatic
10 stress disorder and severe depression. My OneTaste partner
11 and I filed for divorce less than two months after leaving
12 together. I had lost my apartment when I moved into the
13 communal housing and had to move in with my parents right
14 before my 30th birthday. My relationships with my parents and
15 siblings was under extreme duress because of the fracture we
16 experienced while I was in OneTaste. I didn't have a job nor
17 friends who could understand what I've been through. I felt
18 isolated and traumatized by my sexual encounters in OneTaste.
19 I was plagued by recurring nightmares about Nicole and others
20 in OneTaste and experienced panic attacks throughout the day.
21 There were times during my first two years out of OneTaste
22 that I contemplated suicide because of my experiences there.

23 Fortunately, I found ways to rebuild my life with
24 the love and support of my family, friends and therapists.
25 Today, I have a young family who make me feel lucky every day

1 but I still suffer from the consequences of my time there.
2 Flashbacks, nightmares and anxiety from the time are part of
3 my everyday life.

4 I believe in justice and I want to make sure that I
5 do my small part to ensure a safer world for my kids to grow
6 in where it is against the law to take advantage and make a
7 profit out of people's most vulnerable parts, needs and
8 desires.

9 Thank you so much for listening.

10 THE COURT: Thank you, Ms. Neria.

11 Ms. Bonjean, do you wish to be heard with respect to
12 sentencing?

13 I am happy to have you play a five to six minute
14 video because it's short. Again, I've watched it many times,
15 but you're welcome to play it if you want to play it. If not,
16 I'll hear you on anything you want to be heard on.

17 MS. BONJEAN: Well, first, Your Honor, I would like
18 to start with the nature and circumstances of the offense,
19 characteristics, and I want to make something very clear here.

20 Oh, there we go.

21 I want to make something very clear here.

22 I know the government has repeatedly stated that
23 there's been no accountability, there's been no accepting of
24 responsibility, there's been no remorse, and I just want to be
25 very clear, and it seems to be directed at me also. I don't

1 know if that's what the intent is but I want to be very clear.

2 Putting the government to its proof and challenging
3 the government's case -- and the Court certainly is aware that
4 from the beginning, our position is that this offense that
5 Ms. Daedone and Ms. Cherwitz were charged with did not fall
6 neatly into offenses that we, as defense attorneys, are used
7 to seeing and we still, you know, stand on that. That does
8 not necessarily mean that there isn't -- and I will speak for
9 myself but I think I can speak on behalf of my client. No one
10 revels in seeing people experience pain or experience having
11 an experience at OneTaste that ultimately they found harmful
12 to them.

13 I know that the government, you know, looks at this
14 differently, but just because Ms. Daedone didn't plead guilty,
15 it does not necessarily mean that anyone on the defense side
16 is, you know, takes any joy in hearing about people's
17 experiences that caused them suffering or pain. We may
18 disagree --

19 THE COURT: When you say "the defense," do you mean
20 your client's agents as well?

21 MS. BONJEAN: Well, yes, I actually do.

22 THE COURT: Okay.

23 MS. BONJEAN: I do. I mean I think it's complex,
24 but I can say with 100 percent assurances that no one, either
25 my client or any of her -- you know, I take some issue with

1 the idea of these are her agents, but let's just say these are
2 people with the, that care very much.

3 THE COURT: I mean her actual agents. We had this
4 discussion at the bail hearing.

5 MS. BONJEAN: I understand.

6 And, no, I think I can fairly attest that there is a
7 sense of deep mourning about how some people have experienced
8 their time at OneTaste and, you know, I think the government
9 is inaccurate. I don't think that was the intent going into
10 the creation of OneTaste. It just wasn't.

11 Ms. Daedone, I think her history, and I don't want
12 to get into that yet, but let me first just say on the nature
13 and circumstances of the offense, in no way -- she's been
14 found guilty of a serious offense. In no way are we
15 minimizing the seriousness of that offense.

16 That being said, you know, I think our position is
17 that seriousness is on a continuum and without minimizing the
18 harm that people experience, this is a more nuanced case.

19 This is not a case -- we are not talking about
20 children. We are not talking about sex trafficking, although
21 I know the government uses the word "sexual abuse" at times.
22 I think we disagree with that characterization, but be that as
23 it may, it certainly, we've heard loud and clear what they
24 view their experience as being, and they have used the word
25 "abuse" and I will -- I won't quarrel with it, but this is not

1 a situation where there was physical violence or physical
2 restraint or sex trafficking.

3 To put, you know, Ms. Daedone in the category of
4 certain other individuals who have been charged with similar
5 type of offenses, I think, is simply inaccurate. It's unfair
6 and that is in no way minimizing the offense for which she has
7 actually been convicted, but I do think that there is a place,
8 in fact, it is my job to draw distinctions in seriousness of
9 offenses. And, you know, in terms of the disparity in
10 sentencing, you know, I'll get to that in one second, but that
11 matters. It really does matter.

12 I understand the government will say, well, there
13 are more alleged victims and it carried on for an extended
14 period of time, but there are many, many people still to this
15 day that see Ms. Daedone as a transformative figure in their
16 life. The government may have doubts about that or think
17 that's a fraud, and there may be people in this room who felt
18 victimized by Ms. Daedone who don't see her that way, but it
19 doesn't take away the fact that she created a company that did
20 resonate with people.

21 We only heard from a handful, and I understand those
22 were individuals that were relevant to the allegations that
23 were brought in the charged offense, the Court ruled as much,
24 but I think for sentencing purposes, I don't think it's fair
25 to say that these individuals' experiences necessarily reflect

1 the vast majority of people who took classes at OneTaste.

2 I mean, in all fairness, we heard from certain
3 complainants from the witness stand who still loved much of
4 the message that they received at OneTaste, still practice
5 orgasmic meditation. Ms. Berkley, I believe, started her own
6 orgasmic meditation program. And frankly, I mean almost
7 surprisingly, many of them talked very fondly about some of
8 their experiences.

9 Now, I understand that that is very different than
10 what they ultimately found to be most troubling, but to paint
11 Ms. Daedone with a single brush or to paint this OneTaste
12 enterprise, if you want to call it, or this company or the
13 whole vision as just, from the beginning, some nefarious,
14 something with a nefarious intent to just profit off people --
15 I mean, Ms. Daedone was doing this long, long before there was
16 any profit involved. And if we're being completely honest,
17 wellness is a very, very -- it's a business. And so that, in
18 and of itself, standing alone, I think, is just not entirely
19 fair.

20 So I want, on the nature and circumstances of this
21 offense, without trying to minimize the experiences of these
22 women who have testified, and not to minimize the seriousness
23 of the offense, to put it in a little different context than I
24 think the government has presented here.

25 I also, you know, think it's fair to point out that

1 at no point, did Ms. Daedone conceal the mission or purpose of
2 OneTaste. We disagree that she targeted vulnerable people.

3 It may be that the mission and purpose of OneTaste
4 naturally brought people who were vulnerable in some ways to
5 the organization, but that is very different than targeting
6 people who had specific vulnerabilities and I don't think the
7 government presented any such evidence.

8 I think we heard time and time again that these
9 introductory courses were available, people came and that they
10 went there of their own volition maybe because they were
11 experiencing something and that resonated with them, but I
12 don't think that's the same as targeting, and I think it's
13 important to make that distinction.

14 Then again, I do think that it's important to
15 remember that maybe times have changed as well, but
16 Ms. Daedone's message, her teachings, her book "Slow Sex," all
17 of that, was highly acclaimed.

18 So I just, again, I think we just need to
19 compartmentalize a little bit what, that this whole -- the
20 government wants to paint OneTaste, paint Ms. Daedone's work
21 in one broad brush and I just don't think that's fair.

22 I think she contributed a lot to women's wellness
23 and certainly people who ultimately had a different experience
24 are entitled and the whole case was brought on those
25 individuals' experiences, but that's not necessarily, and I

1 would push back on the idea that that is reflective of the
2 entire viewpoint, why, you know, there might be people who
3 still find Ms. Daedone's message resonating.

4 So on the question of the nature and circumstances
5 of the offense, I think it is complex. I do think we have to
6 look at it on a continuum. There are certain aggravating
7 factors that do not exist here and if they did exist, we would
8 hear the government arguing them, there can be no doubt, if
9 there was certain types of physical violence, physical
10 restraint. We've heard other types of cases where people
11 were, you know, forced to create Kompromat on themselves.
12 There's all types of tactics and they pointed to some that
13 they found that they believe, that they believe the evidence
14 shows were carried out in this case, but there are a whole
15 range of tactics that are arguably far more aggravating that
16 weren't present here.

17 And while it always sounds like we're minimizing
18 when we're talking about the nature and circumstances of the
19 offense, but that is part of the analysis. So I don't want to
20 be misconstrued as trying to minimize but at the same time, I
21 do think it is important to put this offense in context,
22 without minimizing, and to also take note not only of what is
23 alleged, what has been proven, but also what was not alleged
24 and what was not proven that we do see in forced labor cases,
25 time and time again, or in certain other more serious types of

1 offenses.

2 So I do want to move to the history and
3 characteristics of Ms. Daedone.

4 And I would defer to the Court. I know that the
5 Court looked at the video. I think the Court has already
6 indicated that it has taken that into account, it's familiar
7 with the video. It is not my goal necessarily to expend more
8 time on this. My client has indicated that she's not deeply
9 committed to that being played, but I do want to point to a
10 number of things that are part of our submission and that were
11 reflected in this video.

12 Ms. Daedone is a complex person. I vehemently
13 reject that she is just some fraudster who, at the age of, in
14 her early 20s, embarked on some path to try to manipulate
15 women into engaging in sexual conduct from which she would
16 profit.

17 Ms. Daedone has demonstrated throughout her life
18 that she has faced difficulties, hardships, and from those
19 difficulties and hardships, she developed a world view that is
20 novel, that is not necessarily in line with how many of us
21 look at the world, but she was passionate about it. She wrote
22 about it. She was espousing her belief.

23 She became deeply involved in spirituality and not
24 just Buddhism. We know she has studied Buddhism and she's
25 deeply involved in that spirituality, but she has embraced

1 many other spiritualities including Christianity and Judaism.
2 She is a believer in spirituality and no one can take that
3 from her. That existed long before OneTaste and it was her
4 way of coping with the world that she faced. So I think that
5 is an important thing to remember about her as a human being.

6 And she -- as the Court is aware, she did educate
7 herself. She had humble beginnings. She is a loving
8 daughter. She is a, by all accounts, to the people closest to
9 her, the best of friends. Someone you could call on. Someone
10 that will show up when you need her.

11 The Court is aware of how many letters that were
12 submitted on Ms. Daedone's behalf. And these are not all
13 people who have been brainwashed by OneTaste which I think is
14 how sometimes this has been characterized. It is unfair.
15 There are so many people in her life, so many people here
16 today supporting her that --

17 THE COURT: So let me just note that I read those
18 letters.

19 MS. BONJEAN: Yes.

20 THE COURT: And I didn't just read them once even
21 though there were a lot of them, I read them multiple times,
22 and they are very broad in terms of people from sort of
23 different walks of life and knowing her at different stages of
24 her life, et cetera.

25 MS. BONJEAN: Thank you. And with that, I won't

1 necessarily read from these letters. I know the Court has
2 read them. I want to just highlight a couple of things.

3 First of all, Ms. Daedone's contribution to
4 addiction and helping people who have suffered from addiction,
5 she herself has been sober for many, many years, and whatever
6 you want to say about OneTaste, many people came there with
7 addiction issues and they left without them. There was good
8 that OneTaste did. And Ms. Daedone, she's written books about
9 addiction. She is passionate about it and she has helped so
10 many people.

11 I think part of the Court's job is to take into
12 account these things and, yes, there's a whole picture to
13 consider, but this is important work that she did. She was
14 doing work around community and feeding people who didn't have
15 the resources and means to feed themselves. Long -- frankly,
16 2002, we're going back before even OneTaste existed or,
17 certainly, in its infancy, she was committed to those types of
18 endeavors. And you cannot take that away from her. There is
19 a body of support and evidence for this. She is not just this
20 one dimensional human being.

21 I would also point out that obviously orgasmic
22 meditation is, I guess, controversial in many respects and I
23 think the government early on said we're not trying to put
24 orgasmic meditation on trial here. I think the Court
25 reiterated that. And I haven't heard that today so I think

1 that is a good sign, but that is a form of meditation that
2 Ms. Daedone developed and that she is still very proud of.

3 The Court saw the video. There are people in the
4 scientific world who have nothing to do with OneTaste, very
5 accomplished scientists who are studying this, who are looking
6 at its effects on the brain, whether it is a protocol that can
7 treat trauma, can treat, treat addiction, treat other types of
8 suffering that people have experienced. Now, people may be
9 suspicious of that but, you know, people were suspicious of
10 hallucinogens and other types of medication.

11 So I want to put that in context because I don't
12 want to mischaracterize Ms. Daedone. She is proud of that
13 work. She's proud of that work. She's proud of what she
14 created and she, even upon her retirement or resigning from
15 OneTaste, has used money to fund that research and it's, you
16 know, it is important to her and that has not changed.

17 I would emphasize, and I'm not going to read from --
18 the Court has read, I know, the many, many letters that have
19 been proposed, that have been submitted to the Court for its
20 consideration.

21 Ms. Daedone is a prolific writer but not just about
22 orgasmic meditation or the work of OneTaste in that respect.
23 She has written about -- and I don't know if it's ironic or
24 not, but even before she was in this position, she was deeply
25 committed to the concept of providing tools for people who

1 were imprisoned and how to deal with that experience.

2 As someone who's a criminal defense attorney and
3 represented many, many people, I was blown away personally
4 about the concept of helping people live under terrible
5 conditions.

6 THE COURT: And work. It sounds like she also, at
7 least from the submissions, did some work related to prison
8 guards.

9 Am I correct about that?

10 MS. BONJEAN: Yes. This program is turning prisons
11 into monsters and the power of meditation and the power around
12 that to cope with really kind of hopeless circumstances. And
13 this is for people who have been righteously convicted and
14 people who maybe have been wrongly convicted. People who have
15 to live day to day in prisons, that can be extremely
16 difficult, and to have the tool of meditation is really a
17 powerful thing. And that was her idea.

18 So I think that was really important work and, yes,
19 she walked the walk. Not just talked the talk but she did
20 walk the walk and wrote a book and implemented it and I think
21 there are many people that have -- and she does, she
22 meditates, if the Court can imagine, to this day, in the MDC
23 many, many hours a day and I know she has imparted some of
24 that meditation -- I wouldn't know how to do it but apparently
25 it takes teaching and, you know, that is something she has

1 imparted to other people. That's not bad.

2 There is no -- again, I want to reiterate she's not
3 a one dimensional character or one dimensional person and I
4 think that's, I think that's -- I know the Court will consider
5 that. And so, and her programs have been successful and I
6 think there's a lot of evidence of that.

7 And I -- and I did forget one of the important
8 programs which is this free food program that she does in
9 Harlem that she started and that's real. You can come and
10 check it out. There are people that are coming regularly to
11 have meals, to be fed. I have attended them myself. This is
12 not some indoctrination type of enterprise. These are people
13 just sharing, breaking bread together, talking about issues
14 that they care about.

15 So, again, these are good works and they're real.
16 This is not just fake. And I understand the government's
17 position, oh, it's through these works that allowed her to do
18 these bad things. I disagree but I think, irrespective of the
19 government's position on this, this is real stuff and no one,
20 and no one should take that away from her because she is
21 entitled to be considered as a whole person, her entire
22 character, not just this one aspect that we are here focusing
23 on tonight or today. I guess it feels like tonight at this
24 point.

25 And that you, the Court has read so many letters,

1 but if we were in this position -- I'm sure the Court
2 understands that there would be dozens and dozens of people
3 who we could put forward to testify. We're not going to do
4 that because we have presented sufficient evidence. So I do
5 think I've said enough about that and I think, I trust the
6 Court will take that all into account in imposing an
7 appropriate sentence here.

8 Touching briefly on the need to avoid unwarranted
9 sentencing disparities, I think, with the government's revised
10 position, I'm very grateful. I think that shows good
11 discretion and not something they needed to do. So I
12 appreciate that.

13 I do think that the sentencing Ms. Daedone pursuant
14 to what the initial kind of recommendations of Probation was
15 would have created an unwarranted sentencing disparity and
16 when you look at these cases as a whole, sure, we can find
17 distinctions between them, but the overall takeaway is simply
18 that whatever, whatever harm the Court ultimately is seeking
19 to address, that we could make qualification type of judgment
20 calls on this based on these other far more serious cases
21 where people were sentenced to significantly less than what
22 was initially being proposed.

23 I think the sentencing disparity is not as relevant
24 now that I think the government has taken a slightly different
25 position. Of course, we --

1 THE COURT: They've taken a dramatically different
2 position.

3 MS. BONJEAN: They have. They have.

4 THE COURT: I mean they went from 20 years.

5 MS. BONJEAN: I understand. And that's why -- I'm
6 not one to usually commend the government in open court, but I
7 do so today because I feel that it was an exercise of
8 discretion that -- it was warranted, but also that they did
9 not need to and were not obligated to take.

10 So, but I'm greedy. I'm still going to ask for a
11 lower --

12 THE COURT: Before you go on, on the issue of
13 disparity, do you want to speak to the co-defendant in this
14 particular case?

15 I know you focused on some of the other cases in the
16 forced labor context, but do you want to make any comments?
17 You don't have to but if you would like to be heard on
18 disparity as between Ms. Cherwitz.

19 MS. BONJEAN: Ms. Cherwitz and Ms. Daedone? I don't
20 know that that is, I don't know that this is my place
21 necessarily to do.

22 THE COURT: Okay.

23 MS. BONJEAN: I suspect the Court sees Ms. Daedone,
24 because, in a different light because of her position within
25 the organization and so I'm not really comfortable speaking to

1 that. I think Ms. Cherwitz's counsel -- unless the Court has
2 a specific question.

3 THE COURT: No. I just wanted to know if you
4 wanted, in connection with your argument about disparity, to
5 address it. It's not necessary but if you wanted to, I did
6 want to give you a chance to do that.

7 MS. BONJEAN: No, I don't think I will necessarily
8 make that argument and so I appreciate the opportunity to have
9 addressed it. So, again, I will rely on our papers. Our
10 position is -- we've laid out our position of what we believe
11 the appropriate sentence is. Ms. Daedone -- and I think this
12 dovetails nicely into the specific deterrence question.

13 I think the Court must understand that this,
14 according to the government, this conspiracy ended in 2018.
15 Ms. Daedone long, has long been, left as CEO of OneTaste. I
16 would also point out CEO -- OneTaste, to the extent it exists
17 in its current form, is nothing, frankly, like how it existed
18 during the relevant time period.

19 They have not, for instance, done sort of classes in
20 a public forum of orgasmic meditation. You know, those days
21 have long been gone. We're talking about a decade. Yes,
22 there are still teachings around it. And, frankly, any
23 research can show that their teachings have expanded far
24 beyond OneTaste. There are people teaching orgasmic
25 meditation in many, many different forms, but its structure

1 has changed dramatically.

2 Even if we're looking at the allegations in this
3 case, I mean they're -- this is, you know, a good many years
4 ago now and my point is that the Court does not need to really
5 speculate much about whether or not Ms. Daedone needs to be
6 specifically deterred. She has shown in the last, I don't
7 know, we'll call it, maybe since 2018, '19, even before that,
8 perhaps, I don't want to call it a full decade, but she has
9 shown for quite some time that she is not and will not engage
10 in the type of conduct that the government has accused and
11 that the government believes she would return to.

12 I think she has shown that she's taken a very
13 different approach at this juncture. She doesn't -- again, I
14 don't want to overstate it, but she does not -- she still
15 stands by her work, but that does not mean that she hasn't
16 learned a thing or two about how to promote that work. And,
17 again, I do not believe, and I think the record shows that
18 there is little concern about what she will do if released
19 from prison or when she is released from prison.

20 Now, Ms. Daedone is always going to be charismatic.
21 She's always going to be someone who wants to change the
22 world. She's always going to be someone with ideas. And I
23 believe that the government admits that they're not trying to
24 punish ideas. That is not what we are here to do. And so
25 there's no evidence that she would use her charisma or her

1 personality for evil at this point or bad. I think that she
2 is someone who has demonstrated a desire to want to impart her
3 ideas in a way that has no risk of harming anyone and I think
4 she has demonstrated that.

5 So I don't think there's much of a need to impose a
6 sentence that is, even at the higher end of a guideline
7 sentence, based on specific deterrence. She is someone with
8 no criminal history, as the Court is aware, and I don't think
9 she needs any additional deterrence than what she has faced.

10 This has been quite a journey for Ms. Daedone. And
11 this is not about, you know, garnering sympathy for her as
12 much as to point out that this is not someone who has been let
13 off with a slap on the hand. She is, she -- her entire world
14 was changed. She was -- her work has been challenged. She
15 has her -- her person has been criticized in a way that I
16 think has gone in some ways, you know, in a direction that's
17 not entirely fair but, either way, she faced a serious charge
18 here in federal court, she put the government to its proof,
19 she sat for a five week trial and she was remanded, and she
20 has already served, I don't know, I guess we're at about ten
21 months in the MDC. That is no easy experience. And I mean,
22 amazingly, she has done it with incredible, incredible grace.

23 THE COURT: Do you want to just address the issue of
24 the medical situation at MDC?

25 I think there were references in your papers --

1 MS. BONJEAN: Yes.

2 THE COURT: -- to her having asked for medicine and
3 not gotten it. Has that been resolved at this point?

4 MS. BONJEAN: Yes. Some of the medicines without
5 getting too much into the specifics --

6 THE COURT: Yes.

7 MS. BONJEAN: -- that has been an ongoing issue.
8 There were certain medications she was on prior to being
9 remanded that she has still been unable to get.

10 And, you know, I have to say just, and I don't want
11 to make this a personal thing, but I'm just absolutely amazed
12 and I think she has demonstrated that despite the hardships of
13 incarceration, she has just risen to the occasion in a way
14 that is remarkable, and trying to do good in there.

15 I mean her experiences with other inmates, the
16 correctional officers, she is not a complainer. And I think
17 it should go without saying that she's, she's going to, she's
18 going to do well in prison, she's going to do well outside of
19 prison, and I think that it would be unfair to see this
20 experience as something less than really catastrophic.

21 I mean this is amongst -- this is serious
22 consequence and I do not believe that a sentence, certainly a
23 sentence that is at the upper range of the guidelines, but any
24 sentence of incarceration, I think, is unnecessary. I
25 obviously take that position. I know the Court is unlikely to

1 agree with that, but I do think the sentence that is, the
2 sentence that has the ability to ensure that she will not be a
3 future risk is not nearly as high as the government believes.
4 I think she's already there.

5 I think she has demonstrated through her work, and I
6 think that she will continue to do that work and that the
7 Court does not need to wonder how she would be on the outside
8 at this point because I think she was already there before
9 this incarceration.

10 (Continued on next page.)

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(continued.)

MS. BONJEAN: As to general deterrence, this is a very unique case. I'm not suggesting that there might not be, of course, a reason to impose a sentence that considers and respects general deterrence. But, again, a lengthy period of incarceration, in our view, is not necessary.

I think there has been adequate deterrence in this case to criminal conduct to the general public, and there's also -- there is one other thing I wanted to point to that I think was in my papers. This goes more to specific deterrence.

Ms. Daedone is not a young woman. She is 58 years old. I think the statistics show that rates of recidivism are negligible for women of her age. And so apart from the fact that I think she's demonstrated that she's not inclined to carry out behavior that the government has suggests she may if she is released, I think that has not been demonstrated.

Apart from that, I think the statistics are on her side. She is not a young woman. I think that a sentence that would be de facto or tantamount to essentially the rest of her -- at least the rest of her middle-aged life would be unnecessarily harsh.

So with that, Your Honor, I would point out that there are, obviously, under sentencing ranges pertinent policy considerations. I know the Court has considered all of that

1 in our submission, and we would ask the Court, that this
2 Court, impose a short of -- again, we were different on the
3 guidelines a little bit, but within the guidelines, to the
4 extent the Court is inclined to be within the guidelines, a
5 lower guidelines range sentence.

6 THE COURT: I am not sure I followed exactly what
7 you said at the end. Which guidelines range are you talking
8 about, the one the Court found or something else?

9 MS. BONJEAN: Yes. So my initial papers, obviously
10 we have the guidelines range at a very different --

11 THE COURT: Right.

12 MS. BONJEAN: But assuming the Court -- the
13 guidelines range that the Court intends to use, within that
14 guidelines range, again, assuming the Court is inclined to
15 impose a guidelines range, we would be asking for the lower
16 end of that guidelines range.

17 THE COURT: 108 months?

18 MS. BONJEAN: Yes.

19 THE COURT: Do you want to speak to any other
20 aspects of the sentence? I know I had asked the government
21 about fine. You don't have to. I know you've made arguments
22 in your papers, but if you want to speak to anything else
23 we're here now and I'll hear you out.

24 MS. BONJEAN: Yes. Just to be clear, I should make
25 it very clear, the Court still has, of course, the discretion

1 to go below the guidelines range that the Court has set out.
 2 We would be asking the Court to do so based on our
 3 submissions, but with the assumption that the Court would --
 4 and then, of course, could go above, too. I know the Court
 5 has the discretion to really go anywhere at this point.

6 Bearing in mind, if the Court is inclined to impose
 7 a guidelines range, we would ask for the very low end of that,
 8 short of going below the guidelines range, which we asked for
 9 in our sentencing papers.

10 Moving to fines. I know Mr. Fern suggested that we
 11 don't know where this \$12 million is. That's not quite
 12 accurate. They do know where it's at. I mean, Ms. Daedone
 13 and OneTaste, responsive to subpoenas issued by the
 14 government, had all the tax returns for Ms. Daedone for many,
 15 many years. This \$12 million payout was quite sometime ago.
 16 We're talking like 2017.

17 Some of that money, as the government knows, was
 18 placed into a trust. Some of it has gone to fund this
 19 research that she's so passionate about. There's been quite a
 20 few legal fees, as the Court is aware. So I don't -- I don't
 21 think it's really a mystery. Not that \$12 million isn't a lot
 22 of money, but over the course of ten years I don't think
 23 there's really an argument that can be made that it was spent
 24 on some other nefarious purpose. I mean, she lived,
 25 obviously, and spent money during the course of the last ten

1 years.

2 I guess on the fine situation, I know the government
3 may find it unbelievable that she doesn't have money to pay a
4 fine, but that is, in fact, the case at this juncture. They
5 know that because they have done all their due diligence to
6 determine what assets Ms. Daedone has at this juncture. On
7 that point, that is a forthcoming position on the fines
8 matter. I don't know if the Court wants to address
9 restitution now.

10 THE COURT: You can talk to me about restitution
11 now, yes. Before we do that, actually, go ahead and we will
12 turn to another issue.

13 MS. BONJEAN: Okay. Restitution is set forth really
14 in a very fulsome manner.

15 THE COURT: Yes. I have all of the submissions and
16 the cross submissions. I read everything. I have looked at
17 all the materials that the government submitted and, also, the
18 materials that were very recently submitted by the defendant,
19 all of the backup. I have gotten everything and very
20 carefully reviewed it.

21 MS. BONJEAN: Thank you. Then I won't belabor the
22 point. Again, there was a lot of work that obviously went
23 into these submissions, but we do contend, and I have to give
24 Ms. Cohen props on this, because I was in the middle of trial
25 when we were working through this. So she deserves more

1 credit than I do.

2 We did do a lot of work in trying to present a case
3 to the Court that in some of the claims we believe for
4 restitution are not sufficiently linked to the charged
5 offense, the offense of conviction, I should say, and that
6 there are serious questions about whether those claims and the
7 support, therefore, are insufficient and whether, frankly,
8 it's overstated in some degree.

9 But our argument is set forth in great detail. I
10 know the Court always comes prepared and I assume the Court
11 has read the submission closely.

12 THE COURT: I have.

13 MS. BONJEAN: I rest on that, unless the Court has
14 questions.

15 THE COURT: I don't have questions on that. I have
16 questions for you, if you want to speak to any of the special
17 conditions of supervised release. I will tell you right now,
18 based on my review of the record and based on what the
19 government has said today about deferring to Probation, I am
20 inclined to impose the first three special conditions but not
21 the victim contact related condition.

22 So I am happy to hear you on any of the four, but,
23 again, to summarize there is a financial records disclosure
24 and financial accounts related condition, a restitution
25 compliance condition, a self employment related condition, and

1 then there's the victim contact related condition, which I'm
2 not inclined to apply that last one -- or to impose.

3 MS. BONJEAN: That's fine, Your Honor.

4 THE COURT: No objections to those?

5 MS. BONJEAN: No objection to those special
6 conditions.

7 THE COURT: One moment, please. Ms. Daedone, as
8 always, is paying close attention, obviously aware of
9 everything that's happening here. Ms. Daedone, you have the
10 right to make a statement or present any information to
11 mitigate the sentence. You're not required to, but you
12 certainly have that right. You're certainly welcome to do
13 that. Do you wish to do that?

14 THE DEFENDANT: No. Thank you.

15 THE COURT: Is there any reason why sentence should
16 not be imposed at this time, Mr. Fern?

17 MR. FERN: No, Your Honor.

18 THE COURT: Ms. Bonjean?

19 MS. BONJEAN: No, Your Honor.

20 THE COURT: We will proceed then. I will start by
21 explaining the factors I have considered in arriving at Ms.
22 Daedone's sentence. I have considered each of the factors set
23 forth in Title 18, United States Code, Section 3553(a). Those
24 factors are as follows:

25 The first factor, the nature and circumstances of

1 the offense and the history and characteristics of the
2 defendant.

3 The second factor, the need for the sentence
4 imposed, A, to reflect the seriousness of the offense, to
5 promote respect for the law, and to provide just punishment
6 for the offense, B, to afford adequate deterrence to criminal
7 conduct, C, to protect the public from further crimes of the
8 defendant and, D, to provide the defendant with needed
9 educational or vocational training, medical care, or other
10 correctional treatment in the most effective manner.

11 The third factor is the kinds of sentences
12 available.

13 The fourth factor: The guidelines range.

14 The fifth factor: Any pertinent policy statement.

15 The sixth factor: The need to avoid unwarranted
16 sentence disparities among defendants with similar records who
17 have been found guilty of similar conduct.

18 And the seventh factor: The need to provide
19 restitution to any victims of the offense.

20 Under Title 18, United States Code, Section 3553(a),
21 I am required to impose a sentence sufficient but not greater
22 than necessary to comply with the purposes set forth in
23 Title 18, United States Code, Section 3553(a)(2), which I just
24 described.

25 I have considered each of the factors I am required

1 to consider in arriving at the sentence I am going to impose
2 today, and have considered those factors in light of the
3 particular facts of this case.

4 The offense that Ms. Daedone committed, forced labor
5 conspiracy, is a very serious offense.

6 For a significant period of time, Ms. Daedone played
7 a critical role in a conspiracy that involved coercing others,
8 through a variety of means, to perform labor and services,
9 including sexual services.

10 Ms. Daedone and her co-conspirators benefited from
11 the conspiracy and the acts taken in furtherance of the
12 conspiracy. Ms. Daedone made money off of her criminal
13 conduct. And money was not the only benefit she obtained from
14 her criminal conduct.

15 Ms. Daedone makes much of the fact that the
16 indictment did not charge her with the substantive crime of
17 forced labor. But what she appears to fail to appreciate is
18 that the trial evidence amply demonstrated that there wasn't
19 just an agreement here to commit forced labor, there were
20 concrete actions taken to that end. Many, many, serious
21 actions. Deliberate actions. Harmful actions. The trial
22 evidence demonstrated by at least a preponderance of the
23 evidence that forced labor itself occurred.

24 Ms. Daedone and her co-conspirators, including
25 Rachel Cherwitz, caused significant harm to numerous victims.

1 The harm they caused included financial harm, physical harm,
2 and psychological harm. Some of the harm caused has proven to
3 be long lasting, if not irreparable.

4 Ms. Neria spoke today about some of that harm, and
5 she is just one of the victims who experienced harm. I
6 appreciated her remarks today.

7 As the government aptly put it in its submissions
8 and I think echoed today, the offense involved long-term human
9 exploitation.

10 There is nothing mitigating about the conduct
11 itself.

12 I presided over the five-week jury trial in this
13 matter. The testimony and other evidence presented at trial
14 painted a clear picture of coercion, carried out in
15 deliberate, orchestrated, methodical, calculated, and
16 egregious ways, including in insidious ways.

17 The government was correct when it said in summation
18 at trial that, "This was a deliberate and calculated
19 conspiracy to exploit vulnerable people for money and power."
20 And that, "The defendants built a business on the backs of a
21 select group of women who they targeted, abused, and
22 exploited."

23 The trial evidence puts the lie to any suggestion
24 that what this case is really about is a small number of women
25 who simply came to regret actions in which they had

1 voluntarily engaged years earlier. The trial evidence also
2 puts the lie to any suggestion that all that Ms. Daedone and
3 her co-conspirators were trying to do was to empower women.

4 The government's description in its papers is apt.
5 "Hers was a crime of exploitation masquerading as empowerment.
6 Daedone leveraged her position as OneTaste's founder and
7 leader to recruit individuals with promises of healing and
8 community, only to strip them of autonomy and compel them into
9 coerced labor."

10 The trial evidence also puts the lie to any
11 suggestion that Ms. Daedone and Ms. Cherwitz were charged and
12 convicted because of how society views women.

13 Ms. Daedone exploited certain women in a calculated
14 way and made money off of that exploitation. Ms. Daedone is
15 not the victim here.

16 The sentence here must reflect the seriousness of
17 the offense of conviction. The sentence must also provide
18 just punishment. That is important here given the gravity of
19 the offense of conviction.

20 There is also a strong need for deterrence here.
21 Both general deterrence and specific deterrence. People must
22 in general be deterred from engaging in conduct that preys on
23 and exploits vulnerable people and causes immense, lasting
24 harm.

25 And Ms. Daedone must be deterred. The need for

1 specific deterrence is very strong, particularly given the
2 nature and duration of Ms. Daedone's criminal conduct and the
3 fact that she does not appear to be remorseful.

4 Ms. Daedone's conduct was not a momentary lapse of
5 judgment. It took place for many years and was calculated.
6 And what she was doing was not about enlightenment or
7 operating in a different dimension. It wasn't a game or a
8 show. It wasn't Harry Potter or the Matrix. It was criminal.
9 Ms. Daedone makes much of the fact that her victims were
10 educated women, as if that somehow excuses her criminal
11 conduct. It is notable that Ms. Daedone, too, was an educated
12 woman at the time of her crime. She knew better.

13 The sentence here must promote respect for the law,
14 which Ms. Daedone has demonstrated through her conduct she
15 lacks. And the sentence must serve to protect the public.
16 That is important here. The government put it well when it
17 wrote in its submission, "The public requires protection from
18 leaders who prey upon the vulnerable under the guise of
19 self-help, therapy, or community."

20 There are many reasons to impose a significant
21 sentence of imprisonment. There are also mitigating factors
22 in the record before me. I have considered all of the
23 arguments that have been raised in mitigation, and have
24 considered all of the mitigation related information in the
25 record before me.

1 I have, for example, considered that Ms. Daedone has
2 no prior criminal history. I have considered Ms. Daedone's
3 background and family circumstances, both when she was growing
4 up and now, including that she has an elderly mother. I have
5 considered Ms. Daedone's health, including her mental health,
6 and what she says about the medical treatment she is receiving
7 at the MDC. I have considered what was said today about her
8 addiction in the past.

9 I have considered that Ms. Daedone appears to have
10 been the victim of abuse in the past. I would be remiss,
11 however, if I didn't note that the trial record reflects that
12 she used her status as an abuse victim in connection with the
13 instant crime.

14 I have considered the numerous letters of support
15 for Ms. Daedone that have been submitted. I have read each
16 and every one of them carefully and, as I said earlier, more
17 than once. The letters speak to various positive qualities of
18 Ms. Daedone and speak to various charitable activities in
19 which she has engaged. Numerous people have provided
20 testimonials about the positive impact Ms. Daedone has had on
21 them, and the positive impact orgasmic meditation has had on
22 them. I was struck, however, by the references to the
23 importance of dignity in the letters and in the video
24 submitted because Ms. Daedone and her co-conspirators took
25 actions that stripped victims of their dignity.

1 I have considered the issue of disparity. Both
2 disparity within this case and disparity with respect to other
3 cases in the forced labor context.

4 Because of the unique facts and circumstances of
5 this case, there isn't a particularly close comparator in
6 terms of other cases.

7 But I have considered the other cases and other
8 defendants referenced by the parties. And, of course, I have
9 taken into consideration Ms. Cherwitz, who will be sentenced
10 shortly.

11 This is a unique case. That may be the only thing
12 that the parties agree on and everybody, I think, agrees on.
13 And, again, I note that my resolution of the various
14 guidelines disputes between the parties does not affect the
15 sentence I intend to impose. I would impose the same sentence
16 whether or not I applied any particular disputed guidelines
17 enhancement or reduction.

18 Upon consideration of all of the 3553(a) factors in
19 the context of this unique case, I have determined that a
20 sentence of imprisonment of 135 months, which is what the
21 government seeks, would be greater than necessary to serve the
22 purposes of sentencing that must be served. And, certainly,
23 the government's initial request of 240 months would be
24 greater than necessary. But the government has revised its
25 request today.

1 I have also determined that the sentence requested
2 by Ms. Daedone, namely a sentence -- in her papers
3 requested -- of at most 12 months of imprisonment, would be
4 woefully insufficient. But I also hear her today to be,
5 perhaps, asking for maybe something different, although I
6 understand she either wants the low end of the guidelines
7 range or ideally she wants a variance below the guidelines
8 range.

9 Have I summarized that right?

10 MS. BONJEAN: Yes, you have. Thank you.

11 THE COURT: I will now state the sentence I intend
12 to impose. Ms. Daedone, please rise.

13 Ms. Daedone, it is the judgment of the Court that
14 you are sentenced to a term of imprisonment of 108 months, to
15 be followed by a term of supervised release of two years.

16 I am imposing the term of supervised release having
17 conducted an individualized assessment. I have considered the
18 factors set forth in Title 18, United States Code,
19 Section 3583(c). And I note that the term I am imposing of
20 supervised release is lower than what probation and the
21 government have requested.

22 I will describe the conditions of supervised release
23 that you will be subject to momentarily, but first I will
24 address some additional aspects of your sentence.

25 In light of the record and in light of the

1 restitution and forfeiture that is being ordered today, the
2 Court determines that you are unable to pay a fine and
3 therefore no fine is imposed.

4 Restitution is mandatory in this case pursuant to
5 Title 18, United States Code, Section 1593.

6 Defendant Daedone shall pay restitution in the
7 amount of \$887,877.64.

8 Specifically, she shall pay restitution to the
9 following victims in the following amounts, and these were the
10 victims and amounts read earlier, but I will repeat them now.

11 Michelle Wright: \$232,375.00.

12 Michal Neria: \$181,049.14.

13 Dana Gill: \$167,261.00.

14 Rebecca Halpern: \$55,226.00.

15 Anthia Gillick: \$178,730.00.

16 Max Pixley: \$61,740.00.

17 And Lyndsi Keves: \$11,496.50.

18 Again, the total is \$887,877.64.

19 I'll have the government confirm I've read all those
20 numbers and names correctly.

21 MR. FERN: That's correct, Your Honor.

22 THE COURT: Okay. You can sit down.

23 The restitution obligation is joint and several with
24 any restitution ordered as to Defendant Rachel Cherwitz in the
25 instant case bearing Docket No. 23-CR-00146. As you know,

1 Ms. Cherwitz will be sentenced shortly.

2 The restitution amount shall be due immediately and
3 shall be payable at a rate of \$25 per quarter while defendant
4 is in custody and at a rate of ten percent of gross monthly
5 income while defendant is on supervised release.

6 Restitution payments shall be directed to the Clerk
7 of Court, 225 Cadman Plaza East, Brooklyn, New York 11201.

8 The interest requirement is waived based on the record, which
9 indicates that defendant does not have the ability to pay
10 interest.

11 The government is directed to provide all necessary
12 address information to the Clerk of Court to facilitate the
13 distribution of the restitution.

14 The restitution amount ordered is the total of the
15 amounts that the government requested for each of the victims
16 as to whom restitution is being ordered.

17 In determining the restitution amount for each
18 victim, I followed the framework set forth in Title 18, United
19 States Code, Section 1593, which incorporates by reference
20 Title 18, United States Code, Section 2259(c)(2) and the Fair
21 Labor Standards Act. I assume the parties' familiarity with
22 the relevant framework.

23 The Court previously concluded on the record before
24 the Court, and having presided over the five-week jury trial
25 in this case, that the government had sufficiently

1 demonstrated that those individuals who are characterized as
2 victims by the government and who testified at trial are in
3 fact victims within the meaning of the relevant statutes.

4 On the unique facts of this case, the Court
5 concludes that the government has demonstrated by a
6 preponderance of the evidence that the victims' losses were
7 sustained as a proximate result of the offense and the amounts
8 requested by the government represent a reasonable
9 approximation of losses supported by a sound methodology.

10 With respect to the amount of restitution requested
11 for each victim, I note that the government relies on trial
12 testimony, sworn affidavits and/or information provided by the
13 victims in support of their sworn affidavits.

14 As the parties are aware, the record contains a
15 significant amount of restitution related information.

16 The record contains information as to costs that
17 fall within the categories set out in Title 18, United States
18 Code, Section 2259, including, inter alia, medical services
19 relating to physical, psychiatric, and/or psychological care,
20 lost income, and attorneys' fees.

21 The record also contains information relevant to the
22 issue of the value of the victims' labor as guaranteed under
23 the FLSA.

24 Here, I considered all of the materials in the
25 record with respect to each victim as to whom the government

1 is requesting restitution, including the parties' submissions.
2 And, of course, I heard the victims testify at trial and I
3 credit what they had to say on the matters relevant to the
4 issue of restitution.

5 Again, I conclude that the government has
6 demonstrated by a preponderance of the evidence that the
7 victims' losses were sustained as a proximate result of the
8 offense and the amounts requested by the government represent
9 a reasonable approximation of losses supported by a sound
10 methodology.

11 The government set forth its methodology, in its
12 submissions, and it is sound, particularly given the unique
13 facts and circumstances of this case. In certain respects,
14 the government's methodology and resulting approximations of
15 losses are conservative. And the degree of precision and
16 parsing urged by defendant is not required, including with
17 respect to therapy costs.

18 Forfeiture is ordered as specified in the order of
19 forfeiture dated March 18, 2026, which I make part of the
20 judgment in this case.

21 You are ordered to pay to the United States a
22 mandatory special assessment of \$100, which shall be due
23 immediately.

24 The 13 standard conditions of supervised release
25 adopted by the Court shall apply.

1 As I noted earlier, the standard conditions are on
2 pages 4 to 5 of the revised sentencing recommendation, which
3 is ECF No. 463 and, again, I'm happy to read that out loud, if
4 anyone would like.

5 Does anyone want the 13 standard conditions read?

6 MR. FERN: No, Your Honor.

7 MS. BONJEAN: No, Your Honor.

8 THE COURT: In addition, you will be subject to the
9 following mandatory conditions.

10 You must not commit another federal, state, or local
11 crime. You must not unlawfully possess a controlled
12 substance. You must refrain from any unlawful use of a
13 controlled substance. You must submit to a drug test within
14 15 days of release on supervised release and at least two
15 periodic drug tests thereafter for use of a controlled
16 substance. You must cooperate in the collection of DNA as
17 directed by the Probation Department. You must make
18 restitution in accordance with the applicable statutes and
19 with the restitution ordered.

20 Given the nature and circumstances of your offense,
21 given the need to protect the public from further crimes by
22 you, given the need for deterrence, and given the restitution
23 and forfeiture ordered, you will also be subject to and must
24 comply with three special conditions.

25 These are the first three special conditions

1 recommended by the Probation Department, which you have seen
2 in full and, again, they are at pages 5 to 6 of the revised
3 sentencing recommendation, ECF No. 463. The Probation Office
4 also set forth its reasons for recommending each condition.
5 Again, I am not imposing the condition related to contact with
6 victims, but the other three special conditions I am imposing.

7 I heard you say earlier that there was no objection,
8 but I will just confirm that you don't want those three
9 special conditions being imposed read and that you have no
10 objection. Is that right?

11 MS. BONJEAN: That's correct, Your Honor.

12 THE COURT: Government?

13 MR. FERN: Yes, Your Honor.

14 THE COURT: So no objection and you don't want them
15 read; correct?

16 MR. FERN: Correct.

17 THE COURT: So neither party has an objection to any
18 of the three conditions, correct, special conditions?

19 MR. FERN: No objection.

20 THE COURT: Just confirm again, Ms. Bonjean.

21 MS. BONJEAN: Yes.

22 THE COURT: I do find that each of these conditions
23 complies with the requirements of Section 3583(d). Each of
24 these conditions is reasonably related to the relevant
25 Section 3553(a) factors set forth in Section 3583(d), involves

1 no greater deprivation of liberty than is reasonably necessary
2 for the purposes set forth in the relevant 3553(a)(2)
3 provisions set forth in Section 3583(d), and is consistent
4 with pertinent policy statements issued by the sentencing
5 commission and I note, in this regard, sentencing guidelines
6 Section 5D1.3.

7 Do you need a minute, Mr. Fern?

8 MR. FERN: No, Your Honor. We're just conferring on
9 the restitution order that the Court has ordered, there are
10 two victims where we provided their names as we know them, but
11 not necessarily their legal names. Becky Halpern is Rebecca
12 Halpern.

13 THE COURT: I think I read it out as Rebecca.

14 MR. FERN: And Max is Margaret.

15 THE COURT: Does it matter what I put? She
16 testified under Max; correct?

17 MR. FERN: No, just for the record, Your Honor.

18 THE COURT: Okay. Well, I'm going to be using the
19 names that I read out earlier, which is I believe the names
20 the government had provided in your submission. I don't think
21 there is any confusion that the wrong people are going to get
22 restitution.

23 MR. FERN: That's fine, Your Honor.

24 THE COURT: Ms. Daedone, you should know that
25 violating the terms of your supervised release could lead to

1 your supervised release being revoked. Under that
2 circumstance, you could be ordered back to prison.

3 I direct that the Probation Department provide the
4 defendant with a written statement that sets forth all the
5 conditions to which the term of supervised release is subject,
6 and that is sufficiently clear and specific to serve as a
7 guide for the defendant's conduct and for such supervision as
8 is required.

9 Does either counsel know of any legal reason why the
10 sentence that I have indicated I intend to impose should not
11 be imposed as stated?

12 Mr. Fern?

13 MR. FERN: No, Your Honor.

14 THE COURT: Ms. Bonjean?

15 MS. BONJEAN: No, Your Honor.

16 THE COURT: I order the sentence I have described to
17 be imposed as stated.

18 I find that this sentence is sufficient but not
19 greater than necessary to comply with the sentencing purposes
20 set forth in Title 18, United States Code, Section 3553(a)(2),
21 including the need to reflect the seriousness of the offense,
22 to promote respect for the law, to provide just punishment for
23 the offense, to afford adequate deterrence to criminal
24 conduct, and to protect the public from further crimes of the
25 defendant.

1 I don't believe there are any open counts to be
2 addressed. But could you confirm that, Mr. Fern?

3 MR. FERN: There are no open counts, Your Honor.

4 THE COURT: And you agree with that, Ms. Bonjean, I
5 take it?

6 MS. BONJEAN: I do.

7 THE COURT: I will tell Ms. Daedone now about her
8 appeal rights.

9 You can appeal your conviction. You also have the
10 right to appeal the sentence imposed.

11 Any notice of appeal must be filed within 14 days of
12 the entry of judgment, or within 14 days of the filing of a
13 notice of appeal by the government.

14 If you request, the Clerk of Court will prepare and
15 file a notice of appeal on your behalf. If you cannot afford
16 to pay the cost of an appeal, you have the right to apply for
17 leave to appeal in forma pauperis, which means that you can
18 apply to have the Court waive the filing fee. If you cannot
19 afford to pay for appellate counsel, you may also apply for
20 court appointed counsel.

21 The PSR will be made part of the record in this
22 matter and placed under seal. If an appeal is taken, counsel
23 on appeal may have access to the sealed report without further
24 application to this Court. In addition, I direct that a
25 transcript of today's sentencing be made part of the court

1 record for purposes of an appeal --

2 PROBATION OFFICER WING: Your Honor, I do just want
3 to clarify with the mandatory condition about the three
4 mandatory UAs. We had recommended that it be waived
5 considering --

6 THE COURT: I didn't hear. The UAs?

7 PROBATION OFFICER WING: The three mandatory urine
8 samples.

9 THE COURT: I know you recommended that, but I am
10 not taking that recommendation.

11 PROBATION OFFICER WING: I just wanted to confirm,
12 Your Honor.

13 THE COURT: Thank you. I appreciate that. If there
14 is anything else that you want to raise?

15 PROBATION OFFICER WING: No, Your Honor.

16 THE COURT: Thank you. I appreciate all of the
17 Probation Department's work on this case. Are there any other
18 matters to resolve in this case? Obviously, the defendant
19 remains remanded. Mr. Fern?

20 MR. FERN: No, Your Honor.

21 THE COURT: Ms. Bonjean?

22 MS. BONJEAN: No, Your Honor.

23 THE COURT: Again, I want to thank the Probation
24 Office. I also want to thank the parties for their advocacy.

25 I imagine that this is probably a difficult day for

1 Ms. Daedone and -- oh, she's shaking her head no. I won't
2 imagine anything, then. I do just want to note that I wish
3 you the best of luck. And on the issue of the medical
4 situation at the MDC, can the government be at all helpful on
5 that?

6 I think the government can often be helpful on that,
7 even at the time of sentencing or after. Is there anything
8 the government can do? If there are certain medications or
9 things that she's supposed to have that she's not getting, can
10 the government be helpful in that regard?

11 MR. FERN: Yes, Your Honor. If Ms. Bonjean would
12 reach out to us with specific requests.

13 THE COURT: I would encourage that, Ms. Bonjean,
14 because the government can be helpful in that regard.

15 MS. BONJEAN: Thank you. I will do so.

16 THE COURT: Is there anything else we need to take
17 up, Ms. Bonjean?

18 MS. BONJEAN: No. Thank you.

19 THE COURT: Government, nothing?

20 MR. FERN: No, Your Honor.

21 THE COURT: Again, I wish you the best of luck, Ms.
22 Daedone. Thank you, all. We are adjourned.

23 (Matter concluded.)
24
25