THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM HORRY COUNTY
Court of Common Pleas

The Honorable Cynthia Graham Howe
Master-in-Equity, Fifteenth Judicial Circuit

Case No.: 2009-CP-26-620
Appellate Case No.: 2016-001075

Ellis E. Smith, individually and on behalf of A&E Constructors and Consultants, Inc., a South Carolina Corporation .....Plaintiffs,

vs.

Arthur Wayne Vereen, Park Place Properties of Myrtle Beach, LLC, Parkway Offices, LLC, Arthur Vereen Construction, Inc., Linda C. Vereen, Arthur W. Vereen, as Trustee of the Arthur W. Vereen Residence Trust, and Linda C. Vereen, as Trustee of the Linda C. Vereen Residence Trust, ... Defendants,

AND

Arthur Wayne Vereen, individually and on behalf of A&E Constructors and Consultants, Inc. and 29th Place Developers, Inc., ... Third-Party Plaintiffs,

vs.

E. Smith and Sons Construction, LLC, EES Construction and Consulting, Inc. and Ellis E. Smith, individually, ...Third-Party Defendants.

OF WHOM Arthur Wayne Vereen, individually and on behalf of A&E Constructors and Consultants, Inc., Park Place Properties of Myrtle Beach, LLC, Parkway Offices, LLC, Arthur Vereen Construction Company, Inc., Linda C. Vereen, Arthur W. Vereen, as Trustee of the Arthur W. Vereen Residence Trust, Linda C. Vereen, as Trustee of the Linda C. Vereen Residence Trust and 29th Place Developers, Inc. are ..... Appellants,

AND

Ellis E. Smith, individually and on behalf of A&E Constructors and Consultants, Inc., a South Carolina Corporation and E. Smith and Sons Construction, LLC, EES Construction and Consulting, Inc. and Ellis E. Smith, individually are ..... Respondents.

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WERE TWO CHECKS TO MCGEE/CADD ON THE LIST AND THIS IS NOT ONE OF THE CHECKS.

MS. COOK: I DID NOT SAY IT WAS.

JUDGE HOWE: WHAT IS THE PURPOSE OF THIS CHECK?

MS. COOK: YOUR HONOR, I WOULD LIKE TO GET MR. SMITH TO VERIFY THAT THERE WAS WORK BEING DONE ON A CONDOLUX PROJECT AS EARLY AS 4/10/2007.

MR. THOMAS: IF SHE IS NOT GOING TO OFFER IT AS AN EXHIBIT TO TRY TO PROVE THAT WE OWE HER SOMETHING, THEN WE REMOVE OUR OBJECTION.

MR. DURANT: YOUR HONOR, MR. SMITH DID NOT SIGN THE CHECK. I DON'T KNOW IF SHE EVER ASKED HIM IF HE HAD SEEN THE BILL OR THE CHECK BEFORE HE SAID IT WAS A CHECK. I DON'T KNOW IF HE KNOWS ANYTHING ABOUT WHAT IS BEHIND IT OR WHY IT WAS PAID.

JUDGE HOWE: HE DIDN'T SAY HE HAD EVER SEEN IT BEFORE. HE SAID THAT HE RECOGNIZED IT AS AN A&E CHECK.

MS. COOK: I WILL WITHDRAW THE EXHIBIT.

JUDGE HOWE: OKAY.

MS. COOK: CAN WE JUST MARK THIS AS BEING MARKED FOR ID? IDENTIFY IT AS BEING MARKED FOR ID SO THAT THE RECORD IS CLEAR.

JUDGE HOWE: OKAY. THANK YOU.

CHECKS AND INVOICES FROM A&E MARKED FOR IDENTIFICATION FOR THE RECORD AS DEFENDANT'S EXHIBIT "63".

Q MR. SMITH, DO YOU AGREE THAT YOU WERE ALREADY DOING PRELIMINARY WORK ON THE CONDOLUX'S NEW OFFICE BUILDING THAT YOU ULTIMATELY -- THAT E SMITH AND SONS ULTIMATELY BUILT AS EARLY AS APRIL OF 2007?

A PROBABLY YES, BUT --

Q OKAY. DO YOU RECOGNIZE THE ADDRESS, 5313 HIGHWAY 17 BUSINESS, MYRTLE BEACH, AS BEEN THE LOCATION OF THAT GULF STATION THAT WAS MR. BROWN'S THAT YOU TORE DOWN THE BUILDING -- A FILLING STATION FOR?

A YES, MA'AM.

Q AND AS PART OF THAT, WOULD YOU HAVE UTILIZED THE SERVICES OF GRAND STRAND DISPOSAL?

A YES, MA'AM.

Q AND I BELIEVE THAT YOU ALSO TESTIFIED THAT YOU

PROVIDED OR THAT YOU ASSISTED MR. FAITH IN PROVIDING A DUMPSTER TO HIS CLIFFWOOD HOME, IS THAT CORRECT?

A TWO OF THEM.

Q OKAY. AND IF A&E PAID THE BILLS FOR THE DUMPSTER FOR THE CONDOLUX -- THE DUMPSTER OR THE DISPOSAL FOR THE GULF STATION OR PAID THE INVOICE FOR THE PROVIDING OF MR. FAITH AND HIS CLIFFWOOD HOME, THE TWO DUMPSTERS, WOULD YOU AGREE THAT, THAT IS AN AMOUNT THAT SHOULD BE CREDITED BACK TO A&E?

A FROM WHO?

Q FROM YOU.

A NO.

Q HOW ABOUT FROM EES?

A NO.

Q WHY SHOULD A&E HAVE PAID IF IT DID -- IF IT DID, WHY SHOULD A&E HAVE PAID FOR A DUMPSTER UTILIZED AT THE GAS STATION JOB FOR MR. BROWN? THAT WASN'T AN A&E JOB, WAS IT?

A WE HAD GOT AN A&E CHECK -- GOT A CHECK FROM CONDOLUX TO DO IT. WE PAID PAD FAIRCLOTH TO TEAR IT DOWN AND WE HAULED THE TRASH OFF AND WE CHARGED HIM 15 PERCENT OF THE COST. THAT IS WHAT I BILLED HIM.

Q YOU CHARGED WHO? I'M SORRY.
A MARTIN BROWN 15 PERCENT OF THE COST.
Q AND DID MARTIN BROWN PAY A&E 15 PERCENT ABOVE COST?
A TO THE BEST OF MY KNOWLEDGE, YES. IT HAS BEEN A LONG TIME. I DO NOT KNOW EXACTLY WHEN OR WHERE.
Q AND IS IT YOUR TESTIMONY THAT MARTIN BROWN PAID THE INVOICE FOR GRAND STRAND DISPOSAL FOR THE DUMPSTERS USED?
A NO.
Q IS IT YOUR TESTIMONY THAT MR. FAIRCLOTH DID?
A GRAND STRAND DISPOSAL BILL, A&E PAID PAD FAIRCLOTH TO TEAR -- DONALD FAIRCLOTH, PAD'S DAD, TO TEAR IT DOWN AND LOAD IT INTO GRAND STRAND DISPOSAL DUMPSTERS AND WE HAULED IT OFF. WE BILLED HIM AT COST PLUS 15 PERCENT AND THAT WAS PAD FAIRCLOTH'S BILL AND THE GRAND STRAND DISPOSAL BILL.
Q SO YOU ARE SAYING THAT A&E SENT A BILL TO MR. BROWN, MARTIN BROWN?
A CORRECT.
Q FOR THE COST OF THE JOB PLUS 15 PERCENT?
A CORRECT.
Q AND YOU ARE SAYING TO THE BEST OF YOUR KNOWLEDGE MR. BROWN PAID THAT?

A YES, MA'AM.
Q IF MR. BROWN DIDN'T PAY THAT, IS THAT JUST AN ACCOUNTS RECEIVABLE DUE TO A&E FROM MR. BROWN?
A I WOULD THINK SO, YES.
Q DID YOU, ON BEHALF OF A&E OR YOUR EXPERT ON BEHALF OF A&E, LOOK INTO AND VERIFY THAT THE BILLS THAT HAD BEEN SENT OUT BY A&E HAD BEEN PAID FOR BY ITS CUSTOMERS?
A I CAN'T ANSWER THAT. I DON'T KNOW.
Q WHO DO YOU THINK CAN ANSWER THAT?
A WE HAVE GOT RECORDS OF WHAT MONEY WENT INTO THE A&E ACCOUNT AS FAR AS WHAT ALL HAS BEEN BILLED. I DON'T THINK WE HAVE TOTAL RECORDS BECAUSE WE COULD NOT FIND ALL THE DRAW REQUESTS OR THE CONTRACTS FOR THE WILLOUGHBY JOB, POINTE MARSH JOB, THINGS LIKE THAT.
Q WAS THERE AN ACTUAL JOB THAT YOU SET UP OR THAT A&E SET UP FOR THE MARTIN BROWN -- I'M GOING TO CALL IT THE MARTIN BROWN GAS STATION JOB?
A I COULD NOT TELL YOU. I DID NOT DO ANY OF THE JOB SETUPS. I DID NOT DO ANY OF THE COMPUTER WORK AT ALL.
Q AND YOU DID NOT HAVE ANY RESPONSIBILITY AS THE PRESIDENT OF THE COMPANY TO OVERSEE COLLECTIONS OR SEE WHAT THE STATUS OF COLLECTIONS WERE?

A IF I HAD KNOWN WHAT WE BILLED, YES. WOULD HAVE BEEN NICE.

Q WELL, WAS THERE ANY REASON YOU DIDN'T KNOW WHAT HAD BEEN BILLED?

A I KNEW WHAT I HAD BILLED, BUT I DID NOT KNOW WHAT HE HAD BILLED.

Q WELL, YOU KNEW YOU HAD BILLED -- WHAT INVOLVEMENT DID YOU HAVE IN BILLING WHAT YOU BILLED? TELL ME HOW YOU DID THAT.

A I WOULD WRITE IT UP -- HANDWRITE IT UP AND I WOULD HAND IT TO CARRIE AND SHE WOULD TYPE IT UP AND I WOULD TAKE IT.

Q AND THAT IS WHAT HAPPENED ANYTIME YOU BILLED? FOR INSTANCE, THE GULF STATION, THE MARTIN BROWN JOB?

A YES, MA'AM.

Q WAS THAT A HANDWRITTEN OR COMPUTER-GENERATED BILL?

A I COULDN'T TELL YOU.

Q DID MR. BROWN PAY YOU FOR THAT?

A I HAVE NO IDEA. PAY ME PERSONALLY?

Q YES, SIR.

A ABSOLUTELY NOT.

Q FOR THESE SIDE JOBS THAT YOU DID THAT WE TALKED ABOUT, HOW MANY HOURS EITHER PER JOB, AND WE CAN

GO BACK OVER THEM INDIVIDUALITY OR WE CAN TAKE THEM TOTALLY, WOULD YOU SAY THAT YOU SPENT OR EES SPENT WORKING ON WHAT I AM CALLING SIDE JOBS?

A WHAT DO YOU MEAN HOW MUCH TIME?

Q HOW MAY HOURS? HOW MANY WEEKS? HOW MANY DAYS? LET'S TAKE IT -- THE GRAND DUNES FENCE, HOW MUCH TIME DID -- AND LET'S DO IT -- HOW MUCH TIME DID YOU SPEND AND THEN WE WILL DO HOW MUCH TIME DID EES SPEND ON THE GRAND DUNES FENCE JOB?

MR. DURANT: YOUR HONOR THAT IS A IMPROPER QUESTION. HOW DO YOU KNOW HOW MUCH TIME A COMPANY SPENT. THERE ARE EMPLOYEES OF THE COMPANY. HIS SON WORKED FOR EES. IT IS NOT A FAIR QUESTION TO HIM.

MS. COOK: HE IS THE OWNER OF EES.

MR. DURANT: HE WOULD NOT KNOW TODAY WHAT HIS SON AND THEIR EMPLOYEES DID AND SEPARATE THAT FROM HEARSAY.

MS. COOK: WELL, LET HIM ANSWER IT.

JUDGE HOWE: LET'S SEE IF HE CAN SAY. HE CAN SAY? "I DON'T KNOW" OR HE CAN ANSWER IT.

Q HOW MUCH TIME DID YOU SPEND ON THE GRAND DUNES

FENCE JOB?

A I HAVE NO IDEA.

Q HAVE MUCH TIME DID THE EES FORCES SPEND?

A I HAVE NO IDEA.

Q WELL, THE JOB WAS PERMITTED IN 2004 AND WAS NOT FINISHED `TIL 2005, ISN'T THAT CORRECT?

A THE JOB WAS FINISHED BEFORE THE END OF 2004.

Q OKAY. WOULD YOU -- DID ANY OF -- DID YOU PHYSICALLY DO ANY PHYSICAL WORK ON THE JOB OR DID YOU JUST OVERSEE THE COORDINATION OF THE JOB?

A IT WAS ALL SUBBED OUT.

Q SO, YOU OVERSAW THE COORDINATION OF THE JOB?

A YES, MA'AM.

Q WHO BILLED THE OWNER FOR THAT WORK?

A EES CONSTRUCTION.

Q AND DID EES CONSTRUCTION -- WAS THAT JOB A FLAT FEE OR WAS IT A COST PLUS OR DO YOU RECALL?

A IT WAS A CONTRACT.

Q A FLAT FEE?

A YES, MA'AM.

Q THE CARI ANN DAVIS HOUSE, HOW MUCH TIME DID YOU SPEND WORKING ON THE CARI ANN DAVIS JOB?

A A&E TIME. DURING THAT -- FROM 8 IN THE MORNING `TIL 5 IN THE AFTERNOON. NONE.

Q THAT WAS NOT MY QUESTION. MY QUESTION WAS, HOW MUCH TIME DID YOU SPEND WORKING ON THE CARI ANN DAVIS HOUSE?

A ZERO. NONE.

Q YOU DID NOT PROVIDE ANY SERVICES OR COORDINATION OR SUPERVISION?

A ALL I DID WAS POINT THE SUBS IN HIS DIRECTION AND TOLD HIM WHO THE SUBS WERE HE NEEDED TO USE.

Q HOW ABOUT THE ROBERT SEALEY JOB, HOW MUCH TIME DID YOU SPEND ON THE ROBERT SEALEY JOB?

A NOTHING. THE JOB WAS ALREADY DONE WHEN HE WENT AND TRIED TO BUY A PERMIT. WE GOT HIM A PERMIT SO HE COULD GET AN INSPECTION.

Q AND YOU ALSO DID IT IN A&E'S NAME BY MAILING A LETTER, DIDN'T YOU?

A YES, THAT WAS PART OF IT.

Q SO YOU DID DO THAT?

A YEAH.

Q YOU HAD THE JOB ISSUED IN THE NAME OF A&E?

A YES, MA'AM.

Q AND SO A&E'S GENERAL LIABILITY INSURANCE POTENTIALLY IS ON THE HOOK FOR THAT JOB, IS THAT CORRECT?

A I GUESS YOU COULD SAY THAT.

Q DID YOU EVER INSPECT THE CARI ANN DAVIS JOB TO

MAKE SURE THAT THE SUBS WERE DOING WHAT THEY WERE SUPPOSED TO DO? GO BY AND LOOK AT IT?

A I WOULD GO BY LATE IN THE AFTERNOON, YES, AFTER WORK AND MAKE SURE EVERYTHING WAS OKAY.

Q AND HAVE MUCH TIME DID YOU SPEND ON THE MCMILLAN HOUSE?

A I WOULD CHECK IT A COUPLE NIGHTS A WEEK AND THEN WENT TO WORK OUT THERE SATURDAYS AND SUNDAYS.

Q SO ABOUT HOW MANY HOURS ...

A I COULDN'T TELL YOU.

Q ... OR WOULD YOU SAY WORK DAYS THAT EQUATES TO?

A DAYS?

Q IF YOU SAY A DAY WAS 8 HOURS OF WORK TIME OVER THE COURSE OF THE PROJECT, WOULD YOU SAY THAT YOU DID 5 DAYS WORTH OF WORK OR ...

A I DON'T KNOW HOW LONG THE PROJECT EVEN LASTED.

Q WELL, YOU COULD LOOK AT WHEN THE PERMIT WAS ISSUED AND THEN WHEN THE CO WAS ISSUED, COULDN'T YOU?

A YES. AND I CAN'T TELL YOU HOW MANY HOURS I WORKED AT ANY WEEK OR ANY DAYS IN ANY WEEK.

Q WE HAVE GOT THOSE APPLICATIONS AND THOSE CO'S IN THE RECORD. SO, THE COURT CAN DO THAT. HOW ABOUT THE PEREZ HOUSE? HOW MANY HOURS DID YOU SPEND DOING WORK ON THE PEREZ HOUSE?

A QUITE A FEW. BUT THEY WERE NOT BILLED TO A&E. A&E NEVER RECEIVED A BILL FOR ANY KIND OF SUPERVISION OR ANY KIND OF CHARGE FROM EES CONSTRUCTION UNTIL LATE MARCH, APRIL. THAT IS WHEN THEY STARTED RECEIVING BILLS AND THAT'S WHEN THEY STARTED PAYING SUPERVISION CHARGES. BEFORE THAT I DID NOT WORK FOR A&E. MR. VEREEN DIDN'T WORK FOR A&E. HE WORKED FOR ARTHUR VEREEN CONSTRUCTION COMPANY. HE WAS FINISHING UP THE WORK THAT HE HAD. HE DIDN'T GET PAID BY A&E AND NEITHER DID I.

Q MR. SMITH, MY QUESTION WAS, HOW MUCH TIME DID YOU SPEND WORKING ON THE PEREZ HOUSE, THE PEREZ JOB?

A I HAVE NO IDEA.

Q BUT YOU SAID QUITE A BIT OF TIME?

A QUITE A BIT, YES.

Q HOW MUCH TIME DID YOU SPEND WORKING ON THE SELENA MANN JOB?

A VERY LITTLE.

Q WELL, WAS THAT A TOTAL OF TWO HOURS OR A TOTAL OF 40 HOURS, A TOTAL OF 500 HOURS?

A PROBABLY 30 HOURS ON THE HOUSE THE WHOLE TIME IT WAS THERE.

Q AND THAT WAS BEING BUILT IN LATE '04 AND INTO

'05, WASN'T IT?

A I DON'T RECALL. I DON'T KNOW EXACTLY.

Q BUT THE HOUSE EITHER ...

A IT WAS WHILE A&E WAS GOING ON, YES.

Q THE SPAN OF TIME WOULD BE SHOWN BY WHEN THE PERMIT WAS APPLIED FOR AND WHEN THE CO WAS ISSUED, IS THAT CORRECT?

A THAT IS CORRECT.

Q WHILE YOU WERE WITH EES, AND IF I UNDERSTAND WHAT YOU'RE TELLING ME THAT, EVEN THOUGH A&E WAS FORMED IN OCTOBER OF '03, AND GOT IT'S GENERAL CONTRACTORS LICENSE IN JANUARY OF '04, NEITHER YOU NOR MR. VEREEN WERE WORKING FOR A&E UNTIL SOMETIME IN APRIL OF 2004, AND WEREN'T BEING PAID?

A I DON'T RECALL THE EXACT DATE THAT WE GOT THE FIRST PERMIT. I THINK THAT WE DID GET A PERMIT FOR -- I THINK IT WAS A LALE JOB IN JANUARY AND I THINK THE KEMP JOB WAS MARCH, APRIL. I DON'T KNOW THE EXACT DATES.

Q BUT YOU THINK THOSE WERE TWO OF THE FIRST A&E JOBS?

A I THINK SCOTT LONG IS SOMEWHERE IN THERE. PLANTATION LAKES IS SOMEWHERE IN THERE. BUT, THEY ARE SOMEWHERE BETWEEN APRIL, JANUARY. I

MEAN, THE ONLY ONE I KNOW FOR JANUARY WOULD BE THE LALE JOB.

Q WOULD YOU AGREE WITH ME EVEN BEFORE AN ACTUAL PERMIT WAS APPLIED FOR AND GOTTEN, A&E HAD TO DO PRELIMINARY WORK IN ORDER TO GET THE JOB? IS THAT A FAIR STATEMENT?

A THAT IS CORRECT.

Q SO, IS IT YOUR TESTIMONY THAT NEITHER YOU NOR MR. VEREEN SHOULD HAVE BEEN PAID ANYTHING BY A&E BY WAY OF SALARY OR BY WAY OF SUPERVISORY FEES UNTIL WHAT POINT IN TIME?

A WHEN WE STARTED PHYSICALLY WORKING ON THE JOBS.

Q AND THAT WOULD'VE BEEN ABOUT WHEN, SIR?

A I COULDN'T TELL YOU.

Q WHEN DO YOU THINK A&E SHOULD HAVE STARTED PAYING Y'ALL'S SALARY?

A RIGHT OFF I CAN'T TELL YOU. I MEAN, I HAVE GOT BILLS AND YOU CAN GO BACK AND LOOK AT THE BILLS THAT EES GAVE A&E. IT WILL TELL YOU EXACTLY WHEN I STARTED DOING WORK.

Q AT THE BEGINNING YOU WERE PAID SUPERVISORY FEES THROUGH A&E. THAT WAS THE SAME AS MR. VEREEN. INSTEAD OF DRAWING A SALARY, YOU SUBMITTED THROUGH EES SUPERVISORY FEES, CORRECT?

A SUPERVISOR FEES INCLUDED; MY LIABILITY

INSURANCE, MY TRUCK, AND MY GAS, MY TELEPHONE. IT INCLUDED EVERYTHING THAT WAS THERE.

Q WOULD YOU TAKE THE POSITION THEN THAT MR. VEREEN WAS DUE THOSE SAME BENEFITS; THE TRUCK, THE PHONE, WHATEVER ELSE YOU JUST SAID?

A HE DID RECEIVE THOSE. HE WAS ON SALARY. HE WAS PAID BY A&E AND I WAS NOT. I WASN'T WORKING FULL TIME AT THAT TIME. I WORKED WHEN I NEEDED TO WORK WHERE I NEEDED TO WORK AND I BILLED THEM FOR MY TIME ACCORDINGLY.

Q NOW -- DID THERE COME A POINT IN TIME WHEN A VAN OR A TRUCK THAT WAS OWNED BY EES THAT A&E BEGIN MAKING THE PAYMENTS ON THAT? THE VAN OWNED BY EES, DID A&E BEGIN MAKING THE PAYMENTS TO THE CREDIT COMPANY THAT HAD FINANCED THAT PURCHASE FOR EES?

A WHEN RANDY LONG WENT TO WORK FOR WAYNE VEREEN AT THIS HOUSE, WAYNE AGREED TO PAY HIM A SALARY, HIS PHONE, HIS GAS, HIS INSURANCE ON HIS TRUCK, AND HIS TRUCK PAYMENTS. THAT TRUCK IS THE VAN THAT YOU ARE TALKING ABOUT. RANDY LONG HAD BASICALLY HAD THE TRUCK FOR ABOUT TWO YEARS PRIOR TO THAT, BUT WE DIDN'T NEED IT AND EES DIDN'T NEED IT ANYMORE AND I GAVE IT TO HIM. WAYNE AGREED TO PAY HIM FOR THAT, BUT HE WAS

GOING TO DO IT, NOT A&E. HE WAS WORKING FOR HIM PERSONALLY. THEN HE WENT TO WORK FOR PARK PLACE PROPERTY. HE RECEIVED A CHECK FROM PARK PLACE PROPERTIES NOT FROM A&E. ALL THAT WAS FROM WAYNE VEREEN NOT A&E?

Q LET ME STOP YOU JUST A MINUTE. LET'S GO BACK. I WANT TO MAKE SURE I UNDERSTAND WHAT YOU ARE TESTIFYING TO. IS IT TRUE THAT EES OWNED A TRUCK OR A VAN THAT WAS TITLED IN THE NAME OF EES?

A YES.

Q AND IS IT TRUE THAT EES HAD A LOAN THAT IT WAS OBLIGATED TO PAY FOR PAYMENTS ON THAT VAN?

A YES.

Q AND IS IT TRUE THAT, THAT VAN WAS UTILIZED BY A EES WORKER OR SUBCONTRACTOR BY THE NAME OF RANDY LONG?

A NO.

Q IT WAS NOT?

A HE WAS NOT A EMPLOYEE OF EES. HE WAS A SUB FROM TIME TO TIME. HE DID NOT WORK FOR ME. HE DID NOT WORK FOR US FULL TIME.

Q OKAY. EES ALLOWED THIS RANDY LONG TO DRIVE ITS TRUCK, IS THAT CORRECT?

A RANDY LONG PAID THE PAYMENTS, PAID INSURANCE,

PAID THE TAXES, AND EVERYTHING AND HE DROVE THE TRUCK, THAT IS CORRECT.

Q AND IT WAS TITLED IN AND THE LOAN WAS IN THE NAME OF EES?

A YES, MA'AM.

Q AND AT SOME POINT IN TIME, RANDY LONG WENT TO WORK FOR PARK PLACE PROPERTIES AND FOR MR. VEREEN ON PARK PLACE PROPERTIES AND MR. VEREEN'S HOME AND OTHER PROJECTS, IS THAT RIGHT?

A THAT IS CORRECT.

Q AS PART OF THAT, IT IS YOUR UNDERSTANDING THAT MR. VEREEN AND OR PARK PLACE PROPERTIES PAID CERTAIN PAYMENTS ON THE EES VAN LOAN, IS THAT CORRECT?

A THEY PAID EVERY PAYMENT WHILE HE WAS EMPLOYED WITH WAYNE VEREEN ON THAT VAN.

Q DID THERE THEN COME A POINT IN TIME WHERE MR. LONG, WHO WAS DRIVING THE TRUCK, ON WHICH MONEY WAS OWED, CAME AND STARTED WORKING FOR A&E, NOT FOR MR. VEREEN OR NOT FOR PARK PLACE PROPERTIES?

A YES.

Q AND AT THE POINT THAT MR. LONG CAME AND STARTED WORKING FOR A&E, DID A&E PAY MR. -- DID A&E PAY THE EES VAN OR TRUCK PAYMENTS?

A YES. IN JULY 2007.

Q AND TO YOUR KNOWLEDGE, DID A&E PAY THOSE OBLIGATIONS OF EES BECAUSE IT WAS EES'S TRUCK FROM JULY OF 2007 UNTIL THAT VAN WAS PAID OFF SOMETIME IN LATE 2007?

A YES, MA'AM. I GUESS SO. EITHER A&E DID OR RANDY LONG DID.

Q AND SHOULD THOSE HAVE BEEN BILLS PAID FOR BY A&E FROM JULY OF 2007 UNTIL THE VAN WAS PAID OFF? ARE THOSE LEGITIMATE A&E BILLS?

A YES, MA'AM.

Q WHY ARE THEY LEGITIMATE A&E BILLS?

A BECAUSE THEY ARE A VEHICLE THAT WAS USED BY A&E AND MR. VEREEN HAD AGREED TO PAY FOR HIS VEHICLE, INSURANCE, GAS, TAXES, THE WHOLE THING AS LONG AS HE WORKED ON HIS JOB AND HE WAS PAYING HIM A SALARY. HE WAS PROVIDING HIM A VEHICLE AND A PHONE.

Q WHILE HE WAS WORKING FOR PARK PLACE PROPERTIES AND MR. VEREEN HOUSE, CORRECT?

A NO. YES. BUT WHEN HE WENT TO WORKED FOR A&E, I ASSUMED, THAT THE SAME THING -- HE CUT THE SAME DEAL WITH HIM WHEN HE WENT ON WORKING FOR A&E AT THE MATHI JOB.

Q WHEN THE VAN WAS PAID OFF, DID YOU TRANSFER THE TITLE TO A&E?

A NO. I TRANSFERRED IT TO RANDY LONG.
Q AND IS IT YOUR POSITION THAT EES DOES NOT OWE BACK TO A&E THE PAYMENTS MADE ON THAT TRUCK FROM JULY OF 2007 UNTIL IT WAS PAID OFF?
A ABSOLUTELY NOT.
Q NOW, WHEN DID YOU FIRST LET MR. VEREEN KNOW THAT YOU WANTED TO LEAVE A&E OR TO HAVE A&E STOP WORK AND SPLIT THE PROFITS AND/OR LOSSES?
A I DON'T KNOW EXACTLY.
Q WELL, WAS IT IN ...
A IT WAS IN 2007.
Q IS IT TRUE, MR. SMITH, THAT AFTER JUNE OF 2007, YOU DIDN'T COME BACK TO WORK AT A&E?
A DIDN'T COME BACK TO WORK?
Q YES. YOU DIDN'T SHOW UP FOR WORK AFTER JUNE OF 2007 FOR A&E, DID YOU?
A I DID NOT SHOW UP AFTER I LEFT THE LETTER TO HIM AND I DON'T KNOW EXACTLY WHAT DATE THAT WAS.
Q WELL, YOU FORMED E. SMITH AND SONS IN APRIL OF 2007, CORRECT?
A YES, MA'AM.
Q SO BY APRIL OF 2007, HAD YOU ALREADY DECIDED THAT YOU WERE GOING TO GO INTO BUSINESS, YOU AND YOUR SON AND QUIT WORKING AT A&E?
A BASICALLY, A&E WORK HAD DRIED UP. THE LAST JOB

THAT WE HAD WAS THE MATHI JOB AND THEN IT WOULD HAVE BEEN FINISHED BY THE END OF AUGUST. I WAS LOOKING FOR SOMETHING TO DO AND MR. VEREEN SAID HE DID NOT WANT TO DO THE CONDOLUX BUILDING FOR MARTIN BROWN BECAUSE THERE WERE TOO MANY PEOPLE BIDDING THE JOB AND WE WOULDN'T MAKE ANY MONEY ON IT. AND WHEN THEY BID IT, NOBODY DID GET IT. HE ASKED ME IF I WOULD DO IT PERSONALLY AND I DID.

Q YOU SAY, "HE" ASKED YOU, MR. BROWN?

A MARTIN BROWN.

Q AS WE SAW OR AS WE TALKED ABOUT THE -- BY AT LEAST JULY OF 2007, I THINK IT WAS JULY 1ST, 2007, YOU WERE ALREADY GETTING PLANS RUN OFF WITH MCGEE/CADD ON THE CONDOLUX JOB, CORRECT?

A I THINK THE CONDOLUX PLANS, THEY WERE LATER ABOUT AUGUST, SEPTEMBER WHEN THEY FINALLY CAME THROUGH. WE CHANGED EVERYTHING ON THEM.

Q LET ME SHOW YOU WHAT I HAVE MARKED AS EXHIBIT NUMBER "64". DO YOU RECOGNIZE THAT DOCUMENT?

A YES, MA'AM, I DO.

Q WHAT IS IT?

A IT IS A CONTRACT BETWEEN E. SMITH AND SON AND MARTIN BROWN FOR THE CONDOLUX OFFICE JOB.

Q IT'S NOT A CONTRACT, IS IT, SIR? IT'S AN

APPLICATION AND CERTIFICATE FOR PAYMENT?

A I'M SORRY, IT IS. YES, MA'AM.

Q AS YOUR COUNSELOR POINTED OUT EARLIER WHEN I HANDED YOU SOMETHING?

A YES, MA'AM. I SEE IT NOW IN.

Q IS THIS YOUR HANDWRITING ON THIS APPLICATION TO CONDOLUX FOR PAYMENT?

A YES.

Q IT SAYS IT'S THE FIRST PAID APPLICATION, APPLICATION NUMBER ONE, CORRECT?

A I DON'T SEE BUT JUST ONE PAGE HERE ON THE BACK.

Q IT SAYS, "PAY APPLICATION NUMBER ONE", DOESN'T IT, ON THE FIRST PAGE?

A BY THAT I'M SEEING -- I DON'T KNOW IF THIS IS IT. I HAVE NO IDEA.

Q WELL, IF YOU LOOK AT THE FRONT PAGE OF THE EXHIBIT NUMBER "64", DOES IT SAY IT'S, "PAY APPLICATION NUMBER ONE."?

A THIS COVER SHEET IS PAY APPLICATION NUMBER ONE.

Q AND DOES ON THAT COVER SHEET SAY, THE CONTRACT DATE FOR THE CONDOLUX OFFICE JOB WAS MAY 1ST, 2007?

A YES, MA'AM.

Q YOU WOULDN'T HAVE WRITTEN AN INCORRECT DATE DOWN, WOULD YOU?

A NO, MA'AM.

Q SO, IS IT FAIR TO SAY THAT BY MAY 1ST, 2007, E. SMITH AND SONS CONSTRUCTION, LLC, WHICH WAS FORMED IN APRIL OF 2007, HAD SIGNED A CONTRACT WITH MARTIN BROWN TO BUILD THE CONDOLUX OFFICE FOR THE AMOUNT OF $1.322 MILLION?

A YES, MA'AM.

Q AND WOULD IT BE FAIR TO SAY THAT FROM THAT POINT FORWARD, ESSENTIALLY, YOU PERFORMED NO MORE WORK FOR A&E? YOU WERE AT THAT POINT IN TIME WORKING FOR YOURSELF FROM THAT POINT FORWARD MAY 1ST, 2007? FROM THAT POINT FORWARD, YOU WERE ESSENTIALLY WORKING FOR YOURSELF AND E. SMITH AND SON, ISN'T THAT?

A NO.

Q BY AUGUST THE 1ST -- EXCUSE ME. BY AUGUST 27TH -- WELL, I'M SORRY. IT'S ACTUALLY AUGUST THE 28TH. IT'S THE DAY YOU SIGNED THIS PAY APPLICATION. YOU HAD DONE $125,500 WORTH OF WORK ON THE CONDOLUX OFFICE, IS THAT CORRECT?

A THERE HAD BEEN $125,500 WORTH OF WORK DONE THERE, YES.

Q AND YOU MENTIONED THAT YOU DID NOT KNOW THE SECOND SHEET, WHICH IS THE SCHEDULE OF VALUES. YOU DID NOT KNOW IF IT WENT WITH THIS COVER

SHEET, IS THAT WHAT YOUR QUESTION IS?

A WE ONLY HAVE ONE PAGE OF THE SCHEDULE OF VALUES. THERE IS TWO PAGES TO THE SCHEDULE OF VALUES.

Q SO, THIS SCHEDULE OF VALUES STARTS WITH ITEM NUMBER 1 AND THE PAGE I HAVE HERE STARTS WITH 20?

A RIGHT.

Q SO, THERE WOULD HAVE BEEN THE FIRST PAGE THAT HAD ITEM NUMBER 1 THROUGH 19, RIGHT?

A YES, MA'AM.

Q BUT IRRESPECTIVE OF WHATEVER THAT 1 THROUGH 19 WAS, YOU HAD WORKED OR YOU HAD DONE THE WORK TO JUSTIFY $125,500 WORTH OF THE $1.322 MILLION PROJECT, RIGHT?

A YES, MA'AM.

Q DID THE PROJECT -- IS THAT WHAT YOU WERE PAID FOR THE PROJECT OR WERE THERE CHANGE ORDERS THAT INCREASED OR DECREASED THE PRICE OF THAT JOB OR DO YOU KNOW?

A THAT WAS THE GUARANTEED MAX.

Q OKAY. WITH REGARD TO THE GUARANTEED MAX PRICE OF 1.3, WERE THERE ANY SAVING OFF OF THAT AMOUNT THAT YOU AND/OR THE YOUNGER GOT SPLIT?

A I COULDN'T TELL YOU.

Q AT THE TIME THAT YOU SENT IN THIS PAID

APPLICATION, E. SMITH AND SONS, LLC WAS NOT LICENSED...

A NO, MA'AM.

Q ... AS A GENERAL CONTRACTOR?

A NO, MA'AM.

Q AND YOU PULLED THE PERMIT TO DO THIS WORK FOR E. SMITH AND SONS USING A&E'S LICENSE, IS THAT CORRECT?

A YES, MA'AM.

Q AND YOU DID NOT HAVE MR. VEREEN'S PERMISSION TO DO THAT, DID YOU?

A IT WAS MY LICENSE. I WAS PRESIDENT OF THE COMPANY.

Q DID YOU HAVE MR. VEREEN'S PERMISSION TO DO THAT?

A NO.

Q NOW, WAS THE CONDOLUX PROJECT -- WHEN YOU DID THE PAY APPLICATION, DID MR. BROWN HAVE A CONSTRUCTION LOAN SO THAT YOUR PAY APPLICATION HAD TO BE SUBMITTED TO A LENDER?

A YES, MA'AM.

Q DO YOU REMEMBER WHO THAT WAS?

A BEACH FIRST BANK.

Q OKAY. ALONG WITH THOSE APPLICATIONS, DID YOU HAVE TO SIGN PAPERWORK TO SHOW THAT YOU HAD PAID ALL YOUR SUBS AND THAT THERE WEREN'T ANY LIENS?

A YES.
Q AND AS FAR AS BEACH FIRST KNEW, WAS THE -- WHO DID THE BEACH FIRST -- AS FAR AS BEACH FIRST WAS CONCERNED, DID BEACH FIRST WRITE THEIR CHECKS TO MR. BROWN OR DID THEY WRITE THE CHECKS TO MR. BROWN THE OWNER AND YOU AS THE GENERAL CONTRACTOR?
A I PICKED THEM UP STRAIGHT FROM BEACH FIRST.
Q DO YOU KNOW WHO THEY WERE MADE PAYABLE TO?
A E SMITH AND SONS.
Q SO, THE CHECKS WERE MADE PAYABLE FROM BEACH FIRST TO E SMITH AND SONS?
A OH, YES.
Q NOT TO A&E?
A NO.
Q LET ME SHOW YOU WHAT I AM MARKING AS DEFENDANT'S NUMBER "65" AND SEE IF YOU CAN IDENTIFY THAT DOCUMENT?
A OKAY.
Q WHAT IS THIS DOCUMENT?
A IT SAYS, "A CONTRACT ACKNOWLEDGMENT CONSENT AND ASSIGNMENT OF LEIN SUBORDINATION AGREEMENT."
Q AND DID YOU SIGN THIS CONTRACTORS ACKNOWLEDGMENT CONSENT AND ASSIGNMENT AND LIEN SUBORDINATION AGREEMENT AS PRESIDENT OF A&E CONSTRUCTORS?

A YES.

Q BUT A&E CONSTRUCTORS WAS NOT THE GENERAL CONTRACTOR BUILDING THE BUILDING, WAS IT?

A NO.

Q AND WAS THIS SUBMITTED TO BEACH FIRST NATIONAL BANK ...

A IT WOULD HAVE BEEN.

Q ... AS THE LENDER ON THE PROJECT?

A YES.

MS. COOK: I WOULD LIKE TO INTRODUCE THIS AS DEFENDANT'S EXHIBIT NUMBER "65".

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S "65" SO ADMITTED.

CONTRACTORS ACKNOWLEDGMENT CONSENT AND ASSIGNMENT AND LIEN SUBORDINATION AGREEMENT MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "65".

MS. COOK: YOUR HONOR, ALSO I DON'T BELIEVE THAT I EVER FORMALLY ASKED TO HAVE INTRODUCED THE EXHIBIT NUMBER "61" WHICH IS THE STACK OF PERMITS FOR CAROLINA KEYES. I ASKED THAT BE

INTRODUCED.

MR. THOMAS: NO OBJECTIONS.

MR. DURANT: ONLY AS TO RELEVANCE, YOUR HONOR, BECAUSE IT IS IN 1999. WELL PAST THE STATUE OF LIMITATIONS.

JUDGE HOWE: '98 THROUGH '99.

MR. DURANT: YES. THIS IS WELL PAST THE STATUE OF LIMITATIONS.

JUDGE HOWE: I WOULD ASSUME SHE IS GOING TO TRY TO LINK IT UP WITH MR. VEREEN'S TESTIMONY OR WITH MS. SISSON'S TESTIMONY. "61" SO ADMITTED.

APPLICATION FOR CONSTRUCTION
PERMIT AT CAROLINA KEYES
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "61".

MS. COOK: AND "62" WHICH WAS THE LLR APPLICATION, MR. SMITH, FOR PINE BLUFF CONSTRUCTION. I MOVE THAT IT BE ADMITTED IF I DIDN'T MOVE THAT IT BE ADMITTED BEFORE. THAT WAS MERELY FOR PURPOSES OF SHOWING WHEN AND HELPING SOLIDIFY WHEN THE PERMITS FOR CAROLINA KEYES STOPPED BEING PULLED IN THE NAME

OF A&E.

MR. DURANT: IF THAT WAS THE PURPOSE, THEN WE HAVE NO OBJECTION TO THAT.

MR. THOMAS: NOR DO WE.

JUDGE HOWE: DEFENDANT'S "62" SO ADMITTED.

CONSTRUCTION APPLICATION FOR PINE BLUFF AND LICENSE MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "62".

MS. COOK: AND THEN "64" WAS THE CONDOLUX PAY APPLICATION THAT I HAD BEEN QUESTIONING MR. SMITH ABOUT THAT WAS DATED MAY 1ST, 2007.

MR. DURANT: NO OBJECTIONS, YOUR HONOR.

JUDGE HOWE: DEFENDANT'S EXHIBIT "64" SO ADMITTED.

APPLICATION FOR PAYMENT ON CONDOLUX MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "64".

MR. THOMAS: OUR ONLY OBJECTION IS THAT IT IS MISSING A PAGE.

JUDGE HOWE: OH, YEAH. ITEMS 1 THROUGH 19.

MS. COOK: THAT IS HOW IT WAS PRODUCED TO US BY MR. SMITH IN DISCOVERY, YOUR HONOR, AND IT IS BEING INTRODUCED TO SHOW THE DATES BY WHICH MR. SMITH WAS CONTRACTING THROUGH E SMITH AND SONS WITH CONDOLUX AND THE VALUE OF THE JOBS, THE CONTRACT PRICE OF THE JOBS.

MR. THOMAS: I WILL WITHDRAW MY OBJECTION.

JUDGE HOWE: DEFENDANT'S EXHIBIT "64" SO ADMITTED.

Q MR. SMITH, I AM GOING TO HAND YOU WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT NUMBER "66". IT'S A NORTH MYRTLE BEACH PERMIT. CAN YOU IDENTIFY THAT DOCUMENT?

A IT LOOKS TO BE THE PERMIT TO BUILD A BUILDING FOR MARTIN BROWN AT 311 17TH AVENUE SOUTH IN NORTH MYRTLE BEACH.

Q WOULD THAT BE THE PERMIT TO BUILD THE CONDOLUX OFFICE BUILDING?

A YES, MA'AM, IT WOULD.

MS. COOK: YOUR HONOR, I MOVE TO INTRODUCE EXHIBIT NUMBER "66".

MR. DURANT: NO OBJECTIONS.

MR. THOMAS: NO OBJECTION.

JUDGE HOWE: DEFENDANT'S "66" SO ADMITTED.

NORTH MYRTLE BEACH PERMIT FOR THE CONDOLUX BUILDING MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "66".

Q AND ON THE PERMIT ITSELF IT SAYS IT WAS ISSUED ON AUGUST THE 2ND, 2007, CORRECT?

A YES, MA'AM. LOOKS THAT WAY.

Q AND THE ACTUAL EVALUATION THE CITY HAS ON THE PERMIT IS $1,287,000 AND CHANGE, CORRECT?

A THAT LOOKS RIGHT, YES, MA'AM.

Q AND THAT IS ACTUALLY A LITTLE BIT LOWER REALLY THEN THE CONTRACT AMOUNT THAT YOU SHOW ON THE PAY APPLICATION?

A YES, MA'AM.

Q AND ALTHOUGH YOU GOT THE PERMIT ON AUGUST THE 2ND 2007, BY THE END OF THE MONTH YOU HAD DONE $125,000 WORTH OF WORK ON THE BUILDING TO SUBMIT A PAY APPLICATION TO THAT EFFECT, RIGHT?

MR. DURANT: YOUR HONOR, HE SUBMITTED A PAY APPLICATION FOR WORK THAT WAS

PREFORMED NOT NECESSARILY BY HIM. IT DOES NOT HAVE THE FIRST PAGE OF THE APPLICATION.

Q EXCUSE ME. BY E SMITH AND SONS?

A BY SUBS OF E SMITH AND SONS. YES, MA'AM.

Q BUT THE PAY APPLICATION WAS ON BEHALF OF E SMITH AND SONS, ISN'T THAT CORRECT?

A YES, MA'AM. YOU'RE RIGHT.

Q IN ADDITION, OR IN KIND OF CONJUNCTION WITH THE MARTIN BROWN PROJECT, WAS THERE ALSO A DEMO PROJECT DONE BY E SMITH AND SONS?

A YES, MA'AM.

Q NEXT DOOR TO THAT LITTLE ICE CREAM PARLOR? I THINK IT WAS CALLED MR. G'S OR SOMETHING.

A IT WAS ON THE PROPERTY. IT WASN'T NEXT DOOR. MR. G'S, YES, MA'AM.

Q LET ME SHOW YOU WHAT WE HAVE MARKED AS DEFENDANT'S EXHIBIT NUMBER "67". CAN YOU IDENTIFY THAT?

A THAT'S THE DEMOLITION PERMIT FOR THAT BUILDING.

Q AND THAT WAS ISSUED ON JULY 6, 2007?

A YES, MA'AM.

Q SO, THE PERMIT TO DEMOLISH THAT MR. G'S HAPPENED FIRST AND THEN THE BUILDING PERMIT FOR THE CONDOLUX BUILDING OCCURRED?

A YES, MA'AM.

MS. COOK: YOUR HONOR, I WOULD MOVE TO INTRODUCE DEFENDANT'S EXHIBIT "67".

MR. DURANT: NO OBJECTIONS.

MR. THOMAS: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S "67" SO ADMITTED.

DEMO PERMIT FOR MR. G'S
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "67".

Q DID YOU HAVE A SEPARATE CONTRACT FOR THAT WORK OR WAS IT INCLUDED WITHIN THE CONTRACT FOR ...

A IT WAS IN THE OTHER.

Q PARDON ME?

A IT WAS IN THE OTHER ONE.

Q OKAY. ALSO DID THE CONDOLUX PROJECT EVOLVE AND INCLUDE THE CONSTRUCTION OF A REALLY NICE BRICK AND IRON FENCE AROUND THE BUILDING?

A YES, MA'AM.

Q IT IS A PRETTY FENCE.

A YES, MA'AM. IT SHOULD BE.

Q THE PERMIT WAS $21,000, WASN'T IT?

A THAT'S WHAT IT COST TO BUILD.

Q IS THAT WHAT IT COST TO BUILD IT?

A YES, MA'AM.

MR. DURANT: NO OBJECTION.

MR. THOMAS: NOR FROM US.

Q CAN YOU IDENTIFY DEFENDANT'S EXHIBIT NUMBER "68"? IS THAT THE PERMIT FOR THE FENCE?

A IT IS THE PERMIT FOR THE FENCE I THINK.

PERMIT FOR FENCE
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "68".

Q IS THAT ADDITIONAL WORK OR WAS THAT INCLUDED IN THE CONTRACT ON THE CONDOLUX BUILDING?

A THE CONTRACT WAS COST PLUS WITH THE GUARANTEED MAX AND THAT HAPPENED TO FALL IN THE GUARANTEED MAX. WE SAVED ENOUGH MONEY ON THE BUILDING TO PAY FOR THAT AND A BUNCH OF OTHER THINGS.

Q DID MARTIN BROWN PAY A&E, WHO HAD PULLED THAT -- UNDER WHOSE NAME WAS THE PERMIT PULLED OR DID IT PAY E SMITH AND SONS?

A E SMITH AND SONS.

Q AND DID A&E RECEIVE ANY COMPENSATION FOR THAT WORK UNDER WHICH ITS PERMIT WAS USED -- ITS LICENSE WAS USED FOR THE PERMIT?

A ABSOLUTELY NONE.

Q AND WOULD YOU AGREE WITH ME THAT A&E, DUE TO ITS

LICENSE BEING USED TO PULL THAT PERMIT, HAS A CERTAIN AMOUNT OF EXPOSURE OR LIABILITY IN CONNECTION WITH THAT CONSTRUCTION?

A NOT REALLY BECAUSE I HAD LIABILITY AND WORKMAN'S COMP AND EVERYTHING ON THE JOB.

Q OH, YOU DID?

A THROUGH E SMITH AND SONS. YES, MA'AM.

Q E SMITH AND SONS DID?

A YES, MA'AM.

Q WHAT PROJECT WAS IT THAT -- IT WAS AN A&E PROJECT THAT YOU PERSONALLY GOT A CHECK FOR 90 SOMETHING THOUSAND DOLLARS THAT YOU KEPT AND YOU DO AGREE IT HAS TO BE CREDITED BACK TO A&E?

A OCEAN BLUE.

Q OCEAN BLUE. IS THAT THE ONE IT WAS? WAS IT 92 OR 97?

A WHAT DO YOU MEAN?

Q THOUSAND DOLLAR CHECK.

A 19,000.

Q WAS THERE A 90 SOMETHING THOUSAND DOLLAR CHECK THAT YOU RECEIVED FROM AN A&E JOB?

A NO.

Q OKAY. AND IN ADDITION TO THE CONDOLUX OFFICE BUILDING, DID YOU DO SOME OTHER PROJECTS FOR MR. BROWN?

A YES.
Q ABOUT THE SAME TIME?
A YES.
Q AND IN THOSE PROJECTS THAT YOU DID FOR MR. BROWN UP IN NORTH MYRTLE BEACH, DID YOU USE A&E LICENSE?
A YES, MA'AM.
Q DID YOU ADVISE MR. VEREEN THAT YOU WERE GOING TO DO THAT PRIOR TO DOING IT?
A NO, MA'AM.

MR. DURANT: "68" NOW?

MS. COOK: DEFENDANT'S "68 WAS THE PERMIT ON $21,000 FENCE AND I THOUGHT THAT WAS THE ONE THAT Y'ALL SAID NO OBJECTION TO.

MR. DURANT: WE DID.

Q MR. SMITH, I AM GOING TO SHOW YOU WHAT I HAVE MARKED AS DEFENDANTS'S EXHIBIT NUMBER "69". IT IS A NORTH MYRTLE BEACH PERMIT. CAN YOU IDENTIFY THAT FOR THE COURT?
A THIS IS A BEACH HOUSE THAT MARTIN BROWN OWNED THAT HE HAD GONE IN AND STARTED REMODELING AND GOT CAUGHT BY THE CITY OF NORTH MYRTLE BEACH. HE OWNED THE HOUSE. HE WENT AND TRIED TO BUY A PERMIT AND THEY TOLD HIM HE COULDN'T. THAT HE

HAD TO HAVE A CONTRACTOR TO DO IT BECAUSE IT WAS A DUPLEX. HE ASKED ME IF I WOULD BUY A PERMIT AND I WENT AND BOUGHT A PERMIT FOR HIM AND HE PAID ALL THE BILLS.

Q IS THAT THE JOB THAT WE HAD DURING DEPOSITIONS CALLED THE OCEAN PEARL ...

A I DON'T KNOW WHAT IT'S CALLED.

Q ... AS BEING THE NAME OF THE HOUSE?

A IT COULD HAVE BEEN. I COULDN'T TELL YOU.

MS. COOK: YOUR HONOR, MOVE TO INTRODUCE DEFENDANT'S EXHIBIT NUMBER "69".

JUDGE HOWE: ANY OBJECTIONS?

MR. THOMAS: NONE FROM US.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: DEFENDANT'S "69" SO ADMITTED.

NORTH MYRTLE BEACH PERMIT FOR MARTIN BROWN'S BEACH HOUSE MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "69".

Q YOU APPLIED FOR AS A&E CONSTRUCTION THE PERMIT ON APRIL THE 2ND, 2007, CORRECT?

A LOOKS THAT WAY ACCORDING TO THE PERMIT.

Q ACCORDING TO THE PERMIT?

A YES, MA'AM.
Q AND THEN IT WAS ISSUED ON MAY 23, 2007?
A YES, MA'AM.
Q AND DID YOU DO ANY WORK ON THAT REMODEL OR REFURBISHING OF THAT HOUSE?
A NO, MA'AM, I DIDN'T.
Q DID E. SMITH AND SONS DO ANY WORK?
A NO, MA'AM.
Q DID EES DO ANY WORK?
A NO, MA'AM, I DON'T THINK SO.
Q SO IF MR. BROWN TESTIFIED IN HIS DEPOSITION THAT YOU DID THE REMODELING WORK UP THERE, HE WAS INCORRECT?
A I FEED HIM SUBS TO DO IT.
Q DID YOU OR YOUR SON OR E. SMITH AND SONS OR EES RECEIVE ANY PAYMENTS FROM MR. BROWN?
A I DIDN'T. I THINK MY SON RECEIVED MONEY FROM TIMMY GASKEY, WHO WAS ELECTRICIAN UP THERE, FOR DOING SOME WORK FOR HIM AND HELPING HIM. AND HE RECEIVED SOME MONEY FROM BRANDON LONG, RANDY LONG'S SON, WHO HAD CONTRACTED WITH GASKEY TO PUT UP A SPIRAL STAIRCASE, YES.
Q WOULD YOU AGREE THAT THERE WAS CERTAIN EXPOSURE TO A&E AS A RESULT OF YOU UTILIZING ITS LICENSE IN CONNECTION WITH THIS REMODEL OF THIS HOUSE?

A NO, MA'AM. WE DID NO STRUCTURAL MODIFICATION. I HAD A LICENSED ELECTRICIAN, WHO HAS LIABILITY INSURANCE AND A LICENSED PLUMBER THAT DID IT.

Q WELL, WHAT IS THE REASON A MUNICIPALLY HAS -- REQUIRES THAT THEY ISSUE A PERMIT TO A LICENSED CONTRACTOR, IF YOU KNOW?

A NO. I THINK IT'S A GOOD IDEA.

Q LET ME SHOW YOU WHAT I HAVE MARKED AS EXHIBIT NUMBER "70". IT'S ANOTHER NORTH MYRTLE BEACH CITY PERMIT. CAN YOU IDENTIFY WHAT THAT IS?

A THAT IS THE REPAIR TO ROTTEN WOOD ON THE FRONT OF A HOUSE FOR MARTIN BROWN AT 4310.

Q AND DID A&E DO THAT WORK?

A NO. A&E DIDN'T DO THAT WORK.

Q DID A&E PULL THE PERMIT? DID YOU SIGN ON BEHALF OF A&E PULLING THAT PERMIT?

A I PULLED THE PERMIT IN A&E'S NAME.

Q AND DID YOU LET MR. VEREEN KNOW THAT YOU WERE DOING THAT ON BEHALF OF A&E?

A NO, I DIDN'T.

Q AND WAS A&E PAID FOR THAT WORK?

A NO, MA'AM.

Q WAS E. SMITH AND SONS PAID FOR THAT WORK?

A YES, MA'AM.

Q HOW MUCH WHERE YOU PAID?

A DON'T RECALL.

Q BUT E. SMITH AND SONS AT THE TIME THIS PERMIT WAS ISSUED APRIL 24TH 2008 WAS NOT LICENSED, WERE THEY?

A NO, MA'AM, THEY WEREN'T.

Q THEY DID NOT GET LICENSED UNTIL 2009, DID THEY?

A THAT'S CORRECT.

Q DO YOU RECKON MR. BROWN KNOWS HE CAN GET THAT MONEY BACK FROM YOU BECAUSE YOU WEREN'T LICENSED?

A I DON'T KNOW IF HE DOES OR NOT.

Q OKAY.

MS. COOK: YOUR HONOR, I WOULD MOVE TO INTRODUCE DEFENDANT'S "70", WHICH WAS THE PERMIT FOR THAT DECK REPAIR WORK.

JUDGE HOWE: ANY OBJECTIONS TO DEFENDANT'S "70"?

MR. THOMAS: OBJECTION AS TO RELEVANCE, YOUR HONOR. THAT IS NOT THE ONE THAT THEY SAY IS A CORPORATE OPPORTUNITY THAT WE WERE SERVED.

JUDGE HOWE: MS. COOK.

MS. COOK: YOUR HONOR, IT IS SHOWN TO ESTABLISH THAT DURING THE TIME HE WAS EMPLOYED BY A&E, THE PRESIDENT OF A&E,

WHICH HE STILL IS.

MR. DURANT: HE WAS NOT EMPLOYED AT THAT TIME. 4/23/08.

MS. COOK: WELL, HE WAS THE PRESIDENT AND -- YOU ARE RIGHT. IT IS AFTER THAT TIME. I'M SORRY. THAT AT THE TIME WE ARE NOT CLAIMING THE $1,500, BUT IT IS AGAIN TO SHOW THAT EVEN AFTER HE HAD SEPARATED HIMSELF FROM A&E, HE WAS PULLING PERMITS WITHOUT THE KNOWLEDGE OF THE OTHER 50 PERCENT SHAREHOLDER IN THE CORPORATION.

JUDGE HOWE: ALRIGHT. I WILL ALLOW DEFENDANT'S EXHIBIT "70" SO ADMITTED.

NORTH MYRTLE BEACH PERMIT
FOR ROTTEN WOOD AND DECK
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "70".

Q DO YOU REMEMBER HOW MUCH E. SMITH AND SONS OR YOU WERE PAID FOR THAT WORK?

A I JUST TOLD YOU. NO, I DON'T REMEMBER.

Q I'M SORRY. I'M AN OLD WOMAN. BEAR WITH ME HERE. MR. SMITH, I AM HANDING YOU WHAT HAS BEEN MARKED AS THE EXHIBIT NUMBER "71". WHAT IS

EXHIBIT "71", SIR.

A THIS IS A WAREHOUSE THAT IS OWNED AT 1705 MADISON DRIVE, NORTH MYRTLE BEACH, AND THEY WERE TRYING TO MAKE IT A LAUNDRY AND TO BE A LAUNDRY IT HAS TO HAVE A CONDO -- I'M SORRY. IT HAS TO HAVE A REAL ESTATE OFFICE IN THAT BUILDING TO FALL UNDER A COMMERCIAL LAUNDRY WHERE YOU DON'T HAVE TO GO UNDER COMMERCIAL LAUNDRY STANDARDS, AND ALL WE DID WAS ADD A BATHROOM IN THE HANDICAP AND STUFF AND A COUPLE WALLS TO MAKE IT A REAL ESTATE OFFICE.

Q AND WHEN YOU SAY, "WE", IS THAT WORK YOU DID?

A THAT IS WHAT E. SMITH AND SONS DID.

Q E. SMITH AND SONS, THIS WORK WAS DONE SOME TIME AFTER THE ISSUANCE OF THE PERMIT IN JUNE 26, 2008? IS THAT A FAIR STATEMENT?

A YES, MA'AM.

MS. COOK: YOUR HONOR, I SEEK TO INTRODUCE DEFENDANT'S EXHIBIT "71".

MR. THOMAS: NO OBJECTION, YOUR HONOR.

MR. DURANT: NO OBJECTION.

JUDGE HOWE: "71" SO ADMITTED.

CITY OF NORTH MYRTLE BEACH
PERMIT FOR REAL ESTATE OFFICE
MARKED FOR IDENTIFICATION

AND INTRODUCE INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "71".

Q AGAIN, I HATE TO BEAT A DEAD HORSE, BUT YOU KNOW ME. DID MR. VEREEN KNOW THAT YOU WERE PULLING THIS PERMIT IN THE NAME OF A&E?

A ABSOLUTELY NOT.

Q DID A&E RECEIVE MONEY FOR THIS JOB?

A ABSOLUTELY NOT.

Q DID YOU RECEIVE ANY MONEY FOR THIS JOB?

A YES, MA'AM.

Q AT THE TIME THIS JOB WAS PREFORMED, E. SMITH AND SONS WAS NOT A LICENSED CONTRACTOR IN THE STATE OF SOUTH CAROLINA, IS THAT CORRECT?

A THAT IS CORRECT.

Q MR. SMITH, I'M SHOWING YOU ANOTHER NORTH MYRTLE BEACH PERMIT ISSUED IN OCTOBER, 2004. CAN YOU IDENTIFY THAT PERMIT?

A I SURE CAN.

Q OKAY. WHAT IS IT?

A THIS IS THE BUCCANEER HOTEL WE HAD TO TEAR A BUNCH OF DECKS, A JACUZZI, AND A POOL EVERYTHING OUT. IT WAS FOR STRAND MARK CAPITAL PARK STRAND MARKETING GROUP.

Q WAS THAT AN A&E JOB?

A OH, YES. BY ALL MEANS, AND WE RECEIVED MONEY

FOR IT.

Q AND WAS THAT JUST A DEMOLITION JOB OR WAS ANYTHING RECONSTRUCTED ON THAT SITE BY A&E?

A NO. WE DID NOT BUILD ANYTHING BACK.

Q IT WAS JUST A DEMOLITION?

A THAT'S ALL THAT WE EVER DID FOR CAPITAL PARTNERS WAS DEMO JOBS.

Q A&E BILLED THAT JOB. IS THAT A JOB THAT YOU GOT?

A BY ALL MEANS.

Q AND A&E WAS PAID FOR THAT JOB?

A YES, MA'AM. IN FULL.

Q AND THAT MONEY, WAS THAT GIVEN TO YOU OR WAS IT PAID TO A&E AND PUT IN A&E'S CHECKING ACCOUNT, IF YOU KNOW?

A IT WAS GIVEN TO ME, A&E, AND I GAVE IT TO CARRIE AND CARRIE DEPOSITED IT INTO THE ACCOUNT.

Q IT WAS NOT MONEY THAT YOU GOT ...

A NO.

Q ... AND THAT YOU NEEDED TO HAVE CREDITED BACK TO A&E?

A ABSOLUTELY NOT.

MS. COOK: AND I MOVE TO INTRODUCE EXHIBIT "72".

MR. DURANT: NO OBJECTION.

MR. THOMAS: NO OBJECTION.

JUDGE HOWE: DEFENDANT'S "72" SO ADMITTED.

NORTH MYRTLE BEACH PERMIT FOR THE BUCCANEER HOTEL MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "72".

MS. COOK: YOUR HONOR, WHEN WE WERE LAST TOGETHER IN JUNE, I HAD MARKED EXHIBITS "1" THROUGH "38".

COURT REPORTER: I HAVE THEM.

MS. COOK: OKAY. I JUST DIDN'T KNOW WHERE THEY WERE AND I WANTED TO MAKE SURE WE WERE USING THE RIGHT THING. COULD YOU FIND FOR ME EXHIBIT NUMBER "13"? THAT WAS A REPORT BY SUSAN BRADY FROM THE WILLOUGHBY LITIGATION.

(DISCUSSION HELD OFF THE RECORD.)

Q MR. SMITH, I'M SHOWING YOU WHAT WE HAVE MARKED THE LAST TIME WE WERE TOGETHER AS DEFENDANT'S EXHIBIT "13". IT IS THE EXPERT REPORT OF MRS. BRADY GIVEN IN THE WILLOUGHBY LAWSUIT. AND IT IS DATED AND SIGNED BY HER ON JUNE 20, 2007 AND

THEN THERE IS SOME BACKUP DOCUMENTATION STATED WITH IT. DO YOU RECALL EVER SEEING THIS REPORT BY MRS. BRADY?

A YES. I HAVE SEEN THIS REPORT.

Q OKAY. DO YOU RECALL IN ASSISTING MRS. BRADY, PROVIDING HER WITH INFORMATION TO, I BELIEVE, YOU TESTIFIED EARLIER TO PREPARE THIS REPORT?

A IT SAYS, "PER ELLIS SMITH" ON ONE OF THE PAGES. YES. SO, I GUESS I DID.

Q OKAY. DO YOU RECALL ADVISING OR TELLING MRS. BRADY TO USE AS A PERCENTAGE FOR THE DIRECT COST OF THE JOB AND A PERCENTAGE OF 3.5 PERCENT?

A I COULDN'T TELL YOU. I DON'T KNOW.

Q DO YOU RECALL USING AND TELLING MRS. BRADY TO USE THE FIGURE OF 10 PERCENT FOR PROFIT AND OVERHEAD ON THIS JOB?

A I DON'T REMEMBER KIF. I COULDN'T TELL YOU.

Q WHATEVER PERCENTAGE OF PROFIT AND OVERHEAD THAT WAS UTILIZED BY MS. BRADY FOR PREPARING THIS EXPERT REPORT ON BEHALF OF A&E IN A LITIGATION SUIT, WHATEVER PERCENTAGE THAT SHE USED, DID YOU HAVE A PROBLEM WITH WHAT PERCENTAGE THAT SHE USED?

A I HAVE SEEN THIS AS FAR AS THE TOTALS THAT ARE ON HERE. I TRUST HER. THAT IT IS A TOTAL OF

WHATEVER SHE WAS GIVEN BY BETH AND MR. VEREEN IN THIS CASE.

Q AND WAS SHE GIVEN INFORMATION BY YOU AS WELL?

A IT SAYS THAT SOME OF THE SALARIES WERE ATTRIBUTED I GUESS, PER ME. ASSIGNABLE SALARIES. I GUESS I DID THAT, BUT AS FAR AS THE TOTALS THE CONTRACT REVENUE RECEIVED, I DON'T HAVE ANY WAY OF KNOWING THAT. THAT IS JUST NOT SOMETHING THAT I WOULD.

Q YES, SIR. OKAY. BUT LET ME ASK YOU THIS: THAT REPORT IS DATED IN JUNE OF 2007?

A YES, MA'AM.

Q PRIOR TO MRS. BRADY BEING USED BY A&E FOR THEIR EXPERT IN THIS LITIGATION, SHE HAD ALSO BEEN RETAINED BY A&E TO PREPARE ITS TAX RETURNS, IS THAT CORRECT?

A TO START OFF WITH, BUT I CONTACTED HER ABOUT PREPARING TAX RETURNS.

Q DURING THAT TIMEFRAME, SHE, FROM WHEN YOU CONTACTED HER UP THROUGH, AT LEAST, THE DATE OF HER REPORT, SHE WAS A&E'S ACCOUNTANT? IS THAT A FAIR STATEMENT?

A NO.

Q IT'S NOT A FAIR STATEMENT?

A NO.

Q SHE WASN'T A&E'S ACCOUNTANT?
A AFTER SHE -- I AM TRYING TO THINK WHAT DATES. I DON'T KNOW WHAT DATES THEY WERE, BUT WHEN SHE GOT AHOLD OF THE STUFF TO FILE THE INCOME TAX RETURN, THERE WAS A HUGE AMOUNT OF DISCREPANCIES AND MONEY THAT HAD BEEN WRITTEN OFF THAT MR. VEREEN HAD WRITTEN TO HIMSELF. ALL KIND OF THINGS; AIRPLANE AND THE WHOLE NINE YARDS AND SHE NEEDED SOME ANSWERS AND NEVER COULD GET WHAT SHE NEEDED, AND AT THAT POINT IN TIME, SHE TOLD US THAT SHE WOULD NOT DO OUR TAX RETURNS.
Q WAS SHE YOUR ACCOUNTANT WHEN SHE ISSUED THIS REPORT? WHEN I SAY, "YOUR" A&E'S ACCOUNTANT WHEN SHE ISSUED THIS REPORT IN JUNE OF 2007?
A MS. COOK, I DON'T KNOW. I DON'T THINK SHE WAS. I THINK WE DID -- OH, I KNOW SHE WASN'T. SHE WAS CONTRACTED TO DO THIS AS LIKE AN INDEPENDENT ACCOUNTANT.
Q AT THE TIME YOU CONTACTED HER ABOUT DOING A&E'S TAX RETURNS?
A YES, MA'AM.
Q SHE HAD, HAD AN ONGOING RELATIONSHIP WITH YOU FOR YEARS AS YOUR PERSONAL ACCOUNTANT, IS THAT CORRECT?
A OH, YES, MA'AM.

Q AND YOUR BUSINESS ACCOUNTING, IS THAT CORRECT?
A YES, MA'AM.
Q AND THAT RELATIONSHIP HAS CONTINUED ON THROUGH TODAY. SHE IS STILL YOUR PERSONAL ACCOUNTANT, IS THAT CORRECT?
A YES, MA'AM.
Q AND SHE SERVED AS A&E'S ACCOUNTANT AT YOUR REQUEST FOR A SHORT PERIOD OF TIME BEFORE SHE DECIDED...
A SHE WAS GOING TO TRY TO DO OUR TAX RETURNS, YES.
Q OKAY. WELL, YOU STARTED IN BUSINESS IN 2004. DID YOU TAKE HER INFORMATION TO START DOING YOUR TAXES IN 2004?
A SHE DID AN AUDITED FINANCIAL STATEMENT FOR US TO GET OUR LICENSE.
Q AND AFTER SHE DID THAT INITIAL WORK AT THE END TAX YEAR 2004, DID YOU TAKE YOUR PAPERWORK TO DO YOUR 2004 TAXES?
A NO. WAYNE DID NOT HAVE IT READY.
Q DID YOU TAKE HER THE PAPERWORK 2005 TO DO YEAR 2004 TAXES?
A I DON'T KNOW IF IT WAS 2005 OR NOT. I DON'T KNOW WHEN IT WAS TO BE HONEST. I DON'T KNOW.
Q DID YOU TAKE IT TO HER IN 2006?
A I KNOW WE HAD IT TO HER BY 2006.

Q OKAY. DID YOU TAKE HER PAPERWORK TO DO YOUR 2005 RETURNS?
A KIF, I DON'T KNOW.
Q DID YOU TAKE HER PAPERWORK TO DO YOUR 2006 RETURNS?
A I COULDN'T TELL YOU. I DON'T KNOW. I TOOK HER SOME PAPERS THAT WERE GIVEN TO ME BY CARRIE FROM WAYNE AND THAT'S WHAT I GAVE -- THAT'S WHAT I TOOK HER.
Q YOU WERE THE PRESIDENT OF THIS COMPANY, WEREN'T YOU, SIR?
A YES, MA'AM.
Q AND YOU HAD BEEN -- PRIOR TO BEING PRESIDENT OF A&E, YOU HAD BEEN IN BUSINESS 25 YEARS AS A CONTRACTOR, HADN'T YOU?
A NO.
Q HOW MANY YEARS HAD YOU BEEN IN BUSINESS AS A CONTRACTOR PRIOR TO 2004?
A ABOUT TEN.
Q ABOUT TEN?
A AS A CONTRACTOR. NOW, I WORKED FOR HIM FOR TEN YEARS AND RAN JOBS FOR HIM. I WORKED FOR PINEHURST BUILDERS.
Q BUT YOU HAD BEEN ON YOUR OWN, HAVING YOUR OWN CONSTRUCTION BUSINESS, FOR ABOUT TEN YEARS PRIOR

TO 2004?

A RIGHT.

Q SO, YOU WERE FAMILIAR WHEN CORPORATE TAX RETURNS WERE DUE, WEREN'T YOU?

A YES, MA'AM.

Q AND YOU WERE FAMILIAR AS THE PRESIDENT OF THE COMPANY, YOU HAD AN OBLIGATION TO GET THOSE TAX RETURNS DONE, CORRECT?

A UNLESS YOU GOT AN EXTENSION FILED.

Q DO YOU KNOW IF SHE FILED ANY EXTENSIONS FOR YOU IN '04, '05', OR '06?

A I FILED FOR SOME EXTENSIONS TO BE FILED.

Q EXCUSE ME?

A SHE FILED SOME EXTENSIONS FOR ME. I SIGNED THE EXTENSIONS.

Q LET WE -- IF YOU WOULD LET ME SHOW YOU -- DO YOU KNOW IF DURING THE TIME PERIOD IN '07 WHEN YOU SAID SHE HAD LOOKED AT DOCUMENTS, DO YOU KNOW IF SHE GOT ANY INFORMATION FROM BETH SISSON WHO WORKED WITH A&E TO HELP HER AND ASSIST HER IN TRYING TO PREPARE THE TAX RETURNS FOR A&E?

A AS FAR AS PREPARING TAX RETURNS?

Q YES, SIR.

A I DON'T KNOW. CARRIE GAVE ME THE PACKAGE TO TAKE TO HER. SO, I DON'T KNOW WHO PUT TOGETHER

THE PACKAGE, WHETHER IT WAS WAYNE OR BETH OR CARRIE OR ...

Q OKAY. I AM GOING TO JUMP BACK IN POINT IN TIME TO THE POINT WHEN MR. VEREEN ASSISTED AND SOLD YOU THE LOT AND HELPED LETTING YOU CHARGE EXPENSES TO HIS ACCOUNTANTS WHEN YOU BUILT YOUR HOME AT CARRIAGE ROW. OKAY. I'M GOING TO GO BACK TO THAT POINT IN TIME.

A OKAY.

Q AND THAT WAS PRIOR TO THE INCORPORATION OF A&E, CORRECT?

A OH, YES. LONG TIME BEFORE.

Q LET ME SHOW YOU WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT NUMBER "73". IT IS AN HORRY COUNTY BUILDING PERMIT. DO YOU RECOGNIZE THAT PERMIT?

A YES, MA'AM.

Q WHAT IS THAT?

A PERMIT TO BUILD MY HOUSE AT LOT 14, CARRIAGE ROW, 29TH PLACE. I'M SORRY.

Q AND THE NAME OF THE ...

A 29TH PLACE AT CARRIAGE ROW.

Q RIGHT BEHIND THE BELLAMY LAW FIRM BUILDING, ISN'T IT?

A YES, MA'AM.

MS. COOK: YOUR HONOR, I WOULD MOVE TO INTRODUCE DEFENDANT'S EXHIBIT "73".

JUDGE HOWE: ANY OBJECTIONS TO "73"?

MR. DURANT: IS THIS SOMETHING THAT HAS BEEN DISPOSED OF BEFOREHAND?

MS. COOK: YES, SIR. IT IS MARKED AS DEFENDANT'S EXHIBIT NUMBER "7" IN HIS DEPOSITION.

MR. DURANT: I JUST ASKING IF IT'S MARKED. THAT'S FINE.

MR. THOMAS: WE DON'T OBJECT.

MR. DURANT: NO OBJECTIONS.

JUDGE HOWE: DEFENDANTS'S EXHIBIT "73" SO ADMITTED.

HORRY COUNTY BUILDING
PERMIT FOR CARRIAGE ROW
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "73".

Q MR. SMITH, THE HOUSE WAS BUILT AFTER THIS PERMIT WAS ISSUED IN '91 AND FINISHED IN '92, CORRECT?

A YES, MA'AM.

Q AND AT THAT POINT WHEN IT WAS FINISHED -- MR. SMITH, I'M SORRY. MR. VEREEN AND YOU ENTERED INTO A LAND SALES CONTRACT TO ALLOW YOU TO BUY

THE LOT AND HOUSE OVER TIME, IS THAT CORRECT?

A NO. I HAD PURCHASED THE LOT PRIOR TO THE START OF CONSTRUCTION. HE SAID IF I GOT A CHECK -- IF I PAID HIM $17,000 FOR THE LOT, HE WOULD DO A LAND SALES CONTRACT WHEN WE FINISHED.

Q AND THAT IS WHAT YOU TESTIFIED THE CHECK CAME FROM YOUR FATHER AND YOU COULD NOT FIND THE CANCELED CHECK?

A YES, MA'AM.

Q AND THEN IF YOU WOULD -- IF YOU WOULD LOOK AT EXHIBIT "21", DEFENDANT'S EXHIBIT "21". I AM GOING TO GET YOU TO TELL ME IF THAT IS THE LAND SALES CONTRACT THAT YOU ENTERED INTO?

MR. DURANT: THESE ARE THE ONES THAT ARE ALREADY IN EVIDENCE?

MS. COOK: YES, SIR.

Q IS THAT THE LAND SALES CONTRACT THAT YOU ENTERED INTO WITH MR. VEREEN FOR THE PURCHASE OF THAT HOUSE AND LOT?

A IT LOOKS LIKE IT IS, YES, MA'AM. I THINK IT IS.

Q AND IT HAS GOT TYPED IN THE FRONT, JULY 1ST 1992, CORRECT?

A THE 1ST OF JULY 1992, YES, MA'AM.

Q AND THE LAST PAGE BEARS YOUR SIGNATURE?

A YES.

Q IS THAT CORRECT?
A AS THE PURCHASER, YES, MA'AM. THAT IS MINE.
Q AS THE PURCHASER. OKAY.
JUDGE HOWE: WHAT EXHIBIT IS IT AGAIN, MS. COOK?
MS. COOK: EXHIBITS "21" FROM DEFENDANT'S "21".
Q IN THAT CONTRACT, YOU AGREED -- YOU STATED THAT YOU PAID $17,000 AND YOU SAY THAT IS FOR THE LOT AND YOU ARE AGREEING TO PAY HIM BY JUNE 30, 1997, $38,750.00, IS THAT CORRECT?
A THAT'S WHAT THE THING SAYS, YES, MA'AM.
Q BUT IN ADDITION TO THAT, YOU AGREED TO PAY HIM 60 MONTHLY INTEREST PAYMENTS OF $322.92, DIDN'T YOU?
A THAT'S WHAT THAT THING SAYS, YES, MA'AM.
Q OKAY. NOW, DID YOU MAKE ANY OF THOSE INTEREST PAYMENTS TO MR. VEREEN?
A I CAN'T TELL YOU IF I DID OR NOT. I DON'T THINK I DID, BUT I MAY HAVE. I DON'T KNOW.
Q OKAY. BUT EVEN PRIOR TO JULY -- PRIOR TO JUNE 30TH 1997, IN FACT, IN 1996, YOU WERE ABLE TO PAY HIM THE $38,750, CORRECT? YOU PAID THE BALANCE OF THIS LAND SALES CONTRACT EARLY, DIDN'T YOU?

A I DON'T KNOW THE DATES. I DON'T HAVE THEM ...
Q EVERYTHING I AM ASKING YOU IS NOT TRYING TO TRICK YOU.
A I -- I -- I HAVE GOT A CLOSING STATEMENT WHERE HE WAS PAID OFF IN FULL FOR WHAT I OWED HIM ON THAT LOT.
Q AND IF YOU WOULD REFER BACK TO EXHIBIT "25", I BELIEVE IT HAS THAT HUD CLOSING STATEMENT, WHICH WAS JULY 25, 1996?
A I DON'T KNOW. YES, MA'AM. HE WAS PAID IN FULL ON THAT DATE. YES, MA'AM.
Q WELL, HE WAS PAID $38,750.00, WASN'T HE?
A WHATEVER IT WAS, YES.
Q BUT YOU NEVER DID PAY HIM THAT INTEREST, DID YOU?
A I COULD NOT TELL YOU IF I DID OR NOT.
Q WELL, BECAUSE YOU HADN'T PAID HIM THE INTEREST, DIDN'T YOU AT THE SAME TIME AS THAT CLOSING TOOK PLACE, DIDN'T YOU SIGN A PROMISSORY NOTE TO MR. VEREEN AGREEING TO PAY HIM THE UNPAID INTEREST IN QUARTERLY PAYMENTS?
A I DON'T KNOW.
Q WELL, LET ME SHOW YOU WHAT WE HAD EARLIER MARKED AS EXHIBIT NUMBER "22". THIS IS DEFENDANT'S EXHIBIT NUMBER "22" FROM JUNE?

A MS. COOK, I DON'T SEE WHERE THIS TELLS ME ANYTHING ABOUT THAT.

Q EXHIBIT NUMBER "22" SHOWS A LIST OF EXPENSES CONNECTED WITH MATERIAL AND LABOR FOR BUILDING THE HOUSE AT CARRIAGE LAKE, ISN'T THAT CORRECT? SORRY. CARRIAGE ROW?

A I DON'T SEE MY SIGNATURE OR ANYTHING ANYWHERE ON HERE SAYING THIS IS WHAT THEY ARE. I SEE A LOT OF THINGS ON HERE THAT HAD NOTHING TO DO WITH MY HOUSE.

Q OKAY. WELL, WOULD YOU AGREE WITH ME THAT YOU HAVE TESTIFIED THAT THE LOT AT CARRIAGE ROW COST YOU $17,700?

A WHAT'S THAT NOW?

Q THE LOT AT CARRIAGE ROW COST YOU $17,000, WHICH YOU SAY YOUR DAD ISSUED YOU A CHECK TO PAY WAYNE?

A THAT IS CORRECT.

Q AND THAT YOU AGREED TO PAY $38,750 FOR THE BALANCE OF THE CONSTRUCTION OR TO BUY THE HOUSE, ISN'T THAT CORRECT?

A YES.

Q IF YOU TOOK A CALCULATOR AND YOU ADDED UP ALL THE SUBTOTALS BEFORE YOU GOT $17,150, THAT IS $38,795.83, ISN'T IT?

A I DON'T HAVE IT CALCULATED, KIF. IT MAY BE.
Q WELL, ISN'T THAT HOW YOU AND MR. VEREEN CAME TO THE AMOUNT OF $38,750 THAT YOU WOULD PAY TO HIM TO BUY THE HOUSE?
A NO. HE CAME UP WITH THE AMOUNT AND THAT'S WHAT I AGREED TO PAY HIM TO DO IT.
Q OKAY. AND SO WHETHER OR NOT THAT WAS HOW HE CAME UP WITH THAT AMOUNT, WOULD YOU AGREE THAT -- WELL, YOU SAY HE DETERMINED $38,750 AS BEING THE PURCHASE PRICE?
A YES.
Q AND DO YOU RECALL OR DID HE, TO YOUR KNOWLEDGE, MAKE ANY MONEY ON THE DEAL OR DID HE SELL YOU THAT HOUSE AT COST?
A HE SOLD IT AT COST.
Q SO HE WASN'T TRYING TO MAKE A ...
A HE MAY HAVE MADE SOME MONEY OFF THE LOT, BUT IT WASN'T MUCH.
Q WOULD YOU SAY THAT HE WAS TRYING TO HELP YOU, MR. SMITH?
A MORE THAN YOU WILL EVER KNOW! MORE THAN YOU WILL EVER KNOW!
Q YOU HAD FILED BANKRUPTCY AND YOUR HOUSE IN PLANTATION POINTE WAS BEING FORECLOSED ON, RIGHT?

A YES, MA'AM. I SAID MORE THAN YOU WILL EVER KNOW, HE HELPED ME. I AGREE AND I APPRECIATE IT GREATLY.

Q IN ADDITION, ISN'T IT TRUE THAT AT THE TIME YOU PAID THAT $38,750, WHICH YOU DID, YOU ALSO ACKNOWLEDGE THAT YOU STILL OWNED HIM THAT INTEREST YOU HAD NEVER PAID HIM AND YOU SIGNED A NOTE FOR 17,100 TO PAY HIM THAT INTEREST, ISN'T THAT TRUE?

A I DON'T KNOW. I CAN'T TELL YOU.

Q OKAY. LET ME SHOW YOU WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT "74". TAKE A LOOK AT THAT AND TELL ME IF YOU RECOGNIZE THAT AND IF IT HAS YOUR SIGNATURE ON THE DOCUMENT THAT IS ENTITLED "NOTE"?

MR. THOMAS: WE HAVE NEVER SEEN THIS, YOUR HONOR, AND WE OBJECT TO IT, AND TO MY KNOWLEDGE, IT HAS NOT BEEN PRODUCED BEFORE TODAY?

MS. COOK: YES. IT HAS BEEN PRODUCED BEFORE ...

MR. THOMAS: NOT TO ME. YOU HAVEN'T SUED ON IT IN THE COMPLAINT.

MS. COOK: YOUR HONOR, I AM NOT TRYING TO COLLECT THIS AMOUNT OF MONEY. THIS

GOES TO -- I BELIEVE MR. VEREEN TESTIFIED WHEN HE WAS PUT UP AS AN ADVERSE WITNESS BY MR. DURANT THAT ONE OF THE MAIN REASONS HE WENT INTO BUSINESS WITH MR. SMITH WAS BECAUSE MR. SMITH OWNED HIM MONEY FROM PRIOR RELATIONSHIPS THAT HE HAD THAT HE KNEW THE ONLY WAY THAT YOU WOULD GET PAID THAT MONEY WAS TO MAKE SURE ELLIS HAD A JOB. IN ADDITION, HE AND ELLIS COULD DO GOOD BUSINESS TOGETHER. AND THIS IS TO VERIFY SOME OF THAT INFORMATION. MR. SMITH HAS SAID HE DOESN'T RECALL. HE DIDN'T DENY THAT HE DID. HE SAID THAT HE DIDN'T REMEMBER. AND SO WE HAVE THE DOCUMENT THAT SHOWS A NOTE HAVING BEEN EXECUTED ON THE SAME DAY OF CLOSING WHEN MR. VEREEN WAS PAID TO $38,000 FOR THE $17,100 THAT EQUATES TO THOSE 60 MONTHLY INTEREST PAYMENTS THAT HE HAD AGREED TO MAKE TO MR. VEREEN AND I BELIEVE THAT IS MR. SMITH'S SIGNATURE. HE HAS NOT ANSWERED YET, BUT I BELIEVE THAT HE WILL CONFIRM THAT, THAT IS HIS SIGNATURE AND THAT HE DID AGREE TO PAY THAT INTEREST

AND HE AGREED TO PAY IT QUARTERLY AND THE COVER LETTER SHOWS THAT, AT LEAST, AS THE DATE OF THE COVER LETTER, HE HAD NOT PAID IT. IT IS NOT GOING TO COLLECT THE ACTUAL $17,100, IT IS GOING TO SHOW THE CAUSATION BY WHICH MR. VEREEN ENTERED INTO BUSINESS WITH MR. SMITH.

MR. THOMAS: WE OBJECT TO IT ON A NUMBER OF GROUNDS. FIRST OF ALL, THERE IS NO DATE ON THE LETTER. SHE SAYS SHE IS NOT OFFERING IT FOR THE PURPOSES OF ATTEMPTING TO COLLECT ON THE DEBT, SO THAT PUTS THE RELEVANCE IN ISSUE. AND THIRDLY, WE HADN'T SEEN IT BEFORE. SO WE OBJECT TO IT ON ALL OF THOSE BASES.

MS. COOK: YOUR HONOR, I BELIEVE I DID SHOW THIS TO THEM WHEN WE WERE HERE DURING THE JUNE -- EITHER DURING THE JUNE -- I THOUGHT I HAD SHOWN IT -- I'M NOT GOING TO GO UNDER OATH, BUT I THOUGHT I HAD PROVIDED IT TO THEM BECAUSE MR. THOMAS --- AND I REMEMBER HIM BEING UPSET ABOUT SEEING IT THEN FOR THE FIRST TIME.

MR. THOMAS: NO. I WAS UPSET ABOUT THE

OTHER NOTE THAT WAS EXCLUDED UNTIL THEN. AS I RECALL, YOUR HONOR, RULED THAT IT WAS NOT ADMISSIBLE.

MR. DURANT: YOUR HONOR, THIS IS NOT PART OF THE DAMAGES THAT ARE SET-OFF. IT IS NOT PART OF THE COUNTERCLAIM. THERE IS NO DATE ON THIS LETTER. IT JUST SAYS, "ELLIS" AND IT DOES NOT ESTABLISH WHEN HE SENT IT, AND, YOUR HONOR, THIS -- IF I AM ADDING RIGHT, THIS IS 16 YEARS AGO. I DON'T THINK IT WOULD BE RELEVANT AT ALL AND IT WAS NOT DISCLOSED BEFORE WE WERE HERE TODAY.

MS. COOK: WELL, YOUR HONOR, LET ME ADD THIS ...

MR. DURANT: WE CAN'T KEEP ADDING DOCUMENTS HERE AT THE LAST MINUTE. WE STARTED IN FEBRUARY. WE HAD A CUTOFF OF THE PRODUCTION OF DOCUMENTS.

JUDGE HOWE: WELL, THE PRODUCTION OF THAT ORDER DOES ANYTHING THAT SHE IS GOING TO USE AS HER SETOFF. AND IS SHE IS NOT USING IT AS HER SETOFF.

MR. DURANT: CORRECT, BUT WE HAD DETAILED DISCOVERY WITH HER ASKING HER

TO PRODUCE DOCUMENTS THAT SHE WAS GOING TO USE IN THE TRIAL OF THE CASE AND THIS WAS NOT PRODUCED.

JUDGE HOWE: WELL, HERE IS MY CONCERN. I THINK THERE IS SOME CASE LAW THAT SAYS ANYTHING THAT A CLIENT OR ANYTHING THAT A PARTY HAS ACTUALLY MANUFACTURED HIMSELF, NO ONE ACTUALLY HAS TO DISCLOSE. THIS NOTE IS SOMETHING THAT MR. SMITH ACTUALLY SIGNED HIMSELF AND ACTUALLY ...

MS. COOK: YOUR HONOR, I DON'T -- BUT MR. THOMAS IS -- MR. THOMAS AND I ARE BOTH PARTIALLY CORRECT. IF YOUR HONOR LOOKS AT DEFENDANT'S EXHIBIT NUMBER "26" THAT WAS PROFFERED INTO EVIDENCE IN JUNE, IT IS THE COVER LETTER FROM SCOTT LONG, THE ATTORNEY WHO DREW UP THIS NOTE. IT IS A COVER LETTER FROM SCOTT LONG TO WAYNE VEREEN WHERE SCOTT HAS ENCLOSED FOR WAYNE, A COPY OF THIS SAME NOTE THAT GOES WITH THIS COVER LETTER AND THE AMORTIZATION SCHEDULE, I'M ASSUMING, TO ASSIST MR. -- AND THIS IS AN ASSUMPTION, TO ASSIST MR. VEREEN IN

BEING ABLE TO WRITE THE LETTER TO CALCULATE WHAT HE IS SAYING THAT MR. SMITH OWED AS OF THE TIME OF THIS LETTER. SO, WITH THAT BEING SAID, JACK HAD TO HAVE SEEN THE NOTE IN JUNE OF THIS YEAR WHEN WE WERE TOGETHER. I HAD PROFFERED THE NOTE IN THE COVER LETTER OF SCOTT LONG AND YOU HAD NOT ALLOWED THAT DOCUMENT TO BE ADMITTED, BUT I HAD PROFFERED IT. BUT, YOUR HONOR, THIS IS A DOCUMENT THAT IS ACTUALLY A RECORD OF MR. SMITH'S.

MR. DURANT: YOUR HONOR, THE FIRST LETTER IS A LETTER FROM ARTHUR VEREEN TO ELLIS SMITH WITH NO DATE ON IT. THAT'S WHAT IT IS AND IT DOES NOT ESTABLISH WHEN IT WAS SENT.

MS. COOK: WELL, YOUR HONOR, IF YOU LOOK, IT SAYS THE INTEREST NOW OWING IS APPROXIMATELY $2,072.90. YOU CAN LOOK AT THE NOTE AS TO WHEN THE PAYMENTS WERE TO BE MADE AND CALCULATE. MY NEXT EXHIBIT IS ANOTHER EXHIBIT FROM MR. VEREEN TO MR. SMITH SAYING THAT HIS FIRST QUARTERLY PAYMENT OF OCTOBER 23RD

WAS DUE AND THAT NOW THERE IS A TOTAL OF 9,000 AND CHANGE DUE. I WOULD LIKE TO OFFER IT NOT SO MUCH AS WHAT WAS DUE AT THAT POINT IN TIME, BUT FOR THE FACT MR. SMITH DID AGREE AT THE TIME HE PAID MR. VEREEN THE $38,000 THAT HE DID ACKNOWLEDGE THAT HE STILL OWED HIM THAT INTEREST AND MR. VEREEN ALLOWED HIM TO PAY THAT QUARTERLY, WHICH DIDN'T GET PAID, BUT ...

JUDGE HOWE: DO YOU ACKNOWLEDGE BOTH OF YOU ON THE PLAINTIFF'S SIDE HERE THAT THIS IS NOT BEING OFFERED AS A SETOFF. THAT'S WHAT MS. COOK HAS SAID IT IS NOT BEING OFFERED AS A SETOFF.

MR. THOMAS: OR AS A COUNTERCLAIM OR AS A THIRD-PARTY CLAIM?

JUDGE HOWE: THAT IS RIGHT.

MR. DURANT: JUST THE MERE FACT THAT HE SIGNED IT?

MR. THOMAS: THAT IS HIS SIGNATURE ON A PIECE OF PAPER?

MS. COOK: YES.

MR. DURANT: WELL, I THINK HE SAID HE SIGNED IT, DIDN'T HE?

MS. COOK: NO. HE HAS NEVER SAID THAT ...

JUDGE HOWE: HE DOESN'T REMEMBER.

MR. DURANT: YOU DIDN'T SHOW IT TO HIM ...

A I SAID THAT WAS MY SIGNATURE.

MS. COOK: YES, HE HAS GOT IT!

MR. DURANT: OKAY. YET.

JUDGE HOWE: HAVE YOU GOTTEN TO THAT POINT YET?

A I SAID IT WAS MY SIGNATURE.

MS. COOK: THEY OBJECTED, SO WE DID GET TO THAT POINT.

A I SAID I DIDN'T REMEMBER IT, BUT THIS IS MY SIGNATURE.

Q THAT IS YOUR SIGNATURE ON THE NOTE?

A LET'S LOOK AND MAKE SURE WHAT YOU WERE LOOKING AT NOW. "74", THIRD PAGE. "THAT ELLIS EWELL SMITH" THAT'S MY NAME.

Q OKAY. DO YOU RECALL AGREEING AT THE TIME THAT YOU PAID OFF MR. VEREEN THE PRINCIPAL LOAN OF THE $38,750 IN JULY OF '96 THAT YOU ACKNOWLEDGE AND AGREED THAT YOU STILL OWED HIM THAT INTEREST AND THAT YOU WOULD PAY HIM THAT?

A I DON'T RECALL.

Q OKAY.

A I DON'T REMEMBER THESE LAST TWO PAGES ON THIS.

Q MR. SMITH, I DIDN'T ASK YOU THAT.

A I'M SORRY.

Q THAT'S OKAY.

MS. COOK: YOUR HONOR, I WOULD LIKE TO INTRODUCE EXHIBIT "74".

MR. DURANT: AS TO THE NOTE ITSELF FOR LIMITED PURPOSES, YES. AS TO THE REST OF IT, NO.

JUDGE HOWE: SO YOU DON'T OBJECT TO THE NOTE DATED JULY 23RD, 1996, WHICH ...

MR. DURANT: IF IT'S NOT BEING USED AS A SETOFF OR A COUNTERCLAIM OR PROOF JUST TO SHOW THAT HE SIGNED IT, BUT THE REST OF THE DOCUMENTS OTHER THAN THE NOTE, I THINK THERE IS A PROBLEM ESTABLISHING WHAT THEY ARE AND WHETHER MR. VEREEN SENT THEM OR NOT.

MR. THOMAS: AND, OF COURSE, IF IT'S NOT OFFERED TO ESTABLISH ANY OF THAT, WE OBJECT TO ITS RELEVANCE.

JUDGE HOWE: MS. COOK, THE PLAINTIFF'S ATTORNEYS DO NOT OBJECT TO THE NOTE DATED JULY 23RD, 1996, AND I MAY GET YOU

THERE.

MS. COOK: YOUR HONOR, WE WILL MARK THIS FOR ID AT THIS POINT AND I WILL INTRODUCE IT THROUGH MR. VEREEN. OR ATTEMPT TO INTRODUCE THE WHOLE THING.

JUDGE HOWE: DO YOU WANT TO GO AHEAD AND INTRODUCE THE NOTE ITSELF?

MS. COOK: YES, MA'AM.

JUDGE HOWE: DEFENDANT'S EXHIBIT "74", AND THEN COME BACK LATER AND TRY TO GET IN THE COVER PAGE AND THE AMORTIZATION SCHEDULE?

MS. COOK: YES, MA'AM. SO THE NOTE IS IN AS EXHIBIT "74."

JUDGE HOWE: "74" WITHOUT OBJECTION. NOTE ONLY, DATED 7/24/96 MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "74".

MR. THOMAS: YOUR HONOR, I THOUGHT I OBJECTED ON THE BASIS OF RELEVANCE.

JUDGE HOWE: OKAY. DEFENDANT'S "74" ADMITTED EXCEPT OVER PLAINTIFF'S OBJECTION AS TO RELEVANCE.

MR. DURANT: SOLELY FOR THE PURPOSES ...

JUDGE HOWE: IT IS NOT COMING IN AS A SETOFF OR A CLAIM FOR DAMAGES.

Q MR. SMITH, YOU DON'T KNOW WHETHER OR NOT YOU HAVE EVER PAID MR. VEREEN THAT INTEREST, DO YOU?

A WHAT WAS THAT?

Q YOU DON'T KNOW WHETHER OR NOT YOU EVER PAID MR. VEREEN THE INTEREST ...

A I DON'T ...

Q ... ON THE HOUSE?

A I DON'T RECALL PAYING IT, I REALLY DON'T.

Q DO YOU RECALL OWING MR. VEREEN OR ARTHUR VEREEN CONSTRUCTION ANY MONEY HAVING TO DO WITH THE CONSTRUCTION OF YOUR HOME AT PLANTATION POINTE?

A YES, I DID OWE HIM SOME MONEY.

Q OKAY. AND HE HELPED YOU OUT THEN IN ALLOWING -- ACTUALLY ARTHUR VEREEN CONSTRUCTION SOLD YOU THE LOT AT PLANTATION POINTE?

A THAT IS CORRECT.

Q AND THEN ARTHUR VEREEN CONSTRUCTION ALLOWED MATERIALS TO BE CHARGED TO ITS ACCOUNT TO BUILD THAT HOME OR PART OF THAT HOME AT PLANTATION POINTE, ISN'T THAT CORRECT?

A YES, MA'AM.

Q YOU INTENDED TO AND AGREED TO PAY MR. VEREEN FOR

THOSE MATERIALS, IS THAT CORRECT?

A YES, MA'AM.

Q HAVE YOU EVER PAID HIM FOR THOSE MATERIALS?

A YES, MA'AM.

Q HAVE YOU PAID HIM IN FULL FOR THOSE MATERIALS?

A I COULDN'T TELL YOU.

Q AT SOME POINT, DID YOU FILE BANKRUPTCY?

A YES, MA'AM, I DID.

Q AND WHEN YOU FILED BANKRUPTCY, DID YOU STILL OWE MR. VEREEN ANY MONEY ON THE PLANTATION POINTE HOUSE?

A I DO NOT RECALL.

Q DO YOU RECALL EVER TELLING MR. VEREEN THAT THE REASON THAT YOU DIDN'T LIST HIM AS A CREDITOR WITH REGARD TO THE BANKRUPTCY WAS BECAUSE YOU DIDN'T WANT THAT DEBT WIPED OUT OR -- BUT YOU INTENDED STILL TO PAY HIM FOR WHAT YOU OWED HIM ON THE PLANTATION POINTE HOUSE?

A I PAID HIM A SUBSTANTIAL AMOUNT. I JUST DON'T KNOW HOW MUCH.

Q OKAY. DID YOU PRODUCE, I THINK IT WAS 2 OR 3 CHECKS DURING THE COURSE OF DISCOVERY?

A I HAVE TWO OR THREE CHECKS, YES.

Q AND IS IT YOUR POSITION THAT ALL THOSE CHECKS OR MONEY THAT YOU PAID MR. VEREEN ON THE PLANTATION

POINTE HOUSE ...

A YES, MA'AM.

Q ... DO YOU HAVE ANY OTHER PROOF OTHER THAN THE CHECKS THAT YOUR COUNSEL HAS GIVEN TO ME THAT YOU HAVE PAID ANY AMOUNT ON THE HOUSE?

A NO, MA'AM, I DID NOT.

Q MR. SMITH, LET ME SHOW YOU WHAT MARKED AS EXHIBIT NUMBER "75" AND "76" AND ASK IF YOU CAN IDENTIFY THOSE AND IF YOU WOULD IDENTIFY "75" FIRST AND THEN "76"?

A "75" IS CHECKS THAT WERE WRITTEN TO WAYNE VEREEN FOR PAYMENT AT PLANTATION POINTE, DAVIS NATIONAL BANK. AND "76" IS THE SAME THING.

MR. DURANT: WOULD YOU STATE THE DATES AND AMOUNTS?

Q FOR THE RECORD, IS IT CORRECT THAT DEFENDANT'S EXHIBIT "75" IS A CHECK SIGNED BY YOU DATED MAY 28, 1988 FOR THE AMOUNT OF 9,958.21 PAYABLE TO WAYNE VEREEN AND THAT DEFENDANTS'S "76" IS A CHECK DATED THE DAY BEFORE MAY THE 27, 1988 TO WAYNE VEREEN IN THE AMOUNT OF $5,532.40, IS THAT CORRECT, MR. SMITH?

A YES, MA'AM.

Q AND BOTH OF THOSE CHECKS WERE SIGNED BY YOU?

A YES, MA'AM.

Q THE FIRST CHECK, EXHIBIT NUMBER "75" FOR 9,958.21, HOW DO YOU KNOW THAT, THAT IS PAYMENT TO MR. VEREEN FOR THE PLANTATION POINTE HOUSE?

MR. THOMAS: WE OBJECT AS TO RELEVANCE, YOUR HONOR. HE IS NOT BEING SUED ON THE PLANTATION POINTE HOUSE AND THIS HAS NO BEARING OR NO RELEVANCE TO THIS CASE.

MS. COOK: YOUR HONOR, HE JUST TESTIFIED THAT AGAIN THIS GOES TO THE REASON THAT MR. VEREEN WENT INTO BUSINESS WITH HIM. IT GOES TO HIS CHARACTER AND GOES TO HOW HE TESTIFIED THAT THE REASON HE DID NOT LIST MR. VEREEN AS A CREDITOR ON HIS BANKRUPTCY FILING TO GET RID OF THAT DEBT WAS BECAUSE HE INTENDED TO PAY MR. VEREEN. IT GOES TO BOLSTER THE REASON MR. VEREEN TESTIFIED THAT HE WENT INTO BUSINESS WITH MR. SMITH EVEN KNOWING THAT MR. SMITH'S UNFORTUNATE FINANCIAL SITUATION OVER THE YEARS. IT IS NOT GOING IN, YOUR HONOR, IN ORDER TO ESTABLISH THIS AS AN OFFSET, BUT MR. SMITH SAID HE PAID HIM A SUBSTANTIAL AMOUNT OF MONEY AND I ASKED IN DISCOVERY FOR PROOF OF THE PAYMENTS MADE BY MR.

SMITH TO MR. VEREEN OR ANY OF HIS ENTITIES FOR THE PLANTATION POINTE HOUSE AND FOR THE CARRIAGE ROW 29TH PLACE HOUSE AND THE ONLY THING THAT HAS BEEN PROVIDED TO ME IN DISCOVERY ARE THESE TWO CHECKS AND ONE MORE THAT I'M GOING TO MARK. MR. THOMAS PROVIDED THESE TO ME, I BELIEVE. I CAN'T REMEMBER IF IT WAS RIGHT BEFORE THE FEBRUARY TRIAL OR IF IT WAS BEFORE THE JUNE TRIAL.

MR. DURANT: YOUR HONOR, IT DOES NOT MAKE IT RELEVANT. WE CAN COME BACK HERE FOREVER, ASSUMING THAT SHE SAYS THAT, THAT'S TRUE. NONE OF THIS STUFF THAT HE OWED MR. VEREEN THE $200,000, THE CONDUCT AND ACTIONS THAT HE TOOK WHILE HE WAS AT A&E WERE NOT AUTHORIZED BECAUSE HE OWED THE MONEY. IF HE WANTED TO WRITE A CHECK OUR LAW SAYS IT IS VERY CLEAR THE OTHER PARTY HAS GOT TO AUTHORIZE IT AND IF YOU WRITE A CHECK FROM THE COMPANY. YOU DON'T STEAL IT FROM THE COMPANY. THAT IS THE LAW, YOUR HONOR.

JUDGE HOWE: I AM GOING TO OVERRULE

THESE. THESE ARE FROM 1988.

MR. DURANT: YOU ARE OVERRULING IT OR SUSTAINING IT?

JUDGE HOWE: I AM NOT GOING TO ALLOW HER TO INTRODUCE THESE.

MS. COOK: YOUR HONOR, HE HAS JUST TESTIFIED THAT HE PAID A SUBSTANTIAL AMOUNT OF MONEY. AND THIS GOES TO THE CHARACTER OF MR. SMITH, WHO HE IS AND HIS COUNSELS HAVE STOOD UP HERE TIME AND TIME AGAIN AND CALLED MY CLIENT A THIEF THAT HAS DONE NOTHING OVER THE YEARS BUT TO ASSIST MR. SMITH AND TRY TO HELP MR. SMITH OUT. NOW, MR. SMITH IS SAYING THAT HE PAID A SUBSTANTIAL AMOUNT OF MONEY. IT GOES TO MR. SMITH'S CREDIBILITY AS WELL, YOUR HONOR. WHEN I HAVE ASKED THAT THESE BE PRODUCED AND THE ONLY THING THAT MR. THOMAS HAS BEEN ABLE TO PRODUCE FROM HIS CLIENT ARE $15,000 WORTH OF CHECKS OVER THE COURSE OF THE RELATIONSHIP OF THESE TWO MEN. FOR EVERY TIME MR. VEREEN BENDS OVER BACKWARDS TO TRY AND HELP THIS MAN AND HIS FAMILY AND PULL THEM UP FROM THEIR

BOOT STRAPS FOR, I GUESS, BAD BUSINESS PRACTICES ON BEHALF OF MR. SMITH. AS HE SAID, HE DID $5 MILLION TO $8 MILLION JOBS AND LOST $300,000.

JUDGE HOWE: MS. COOK, I AM NOT GOING TO ALLOW IT IN.

MS. COOK: YOUR HONOR, I WOULD LIKE TO PROFFER IT.

JUDGE HOWE: YOU MAY.

LETTER AND CHECKS TO VEREEN FROM PLANTATION POINTE MARKED FOR IDENTIFICATION AND PROFFERED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "75".

CHECK FROM SMITH TO VEREEN MARKED FOR IDENTIFICATION AND PROFFERED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "76".

JUDGE HOWE: YOU DON'T HAVE ANY EVIDENCE OF HOW MUCH MONEY HAS BEEN PUT IN, HOW MUCH MONEY WAS LOANED. THAT IS A WHOLE ANOTHER LAWSUIT AND WE ARE JUST NOT GOING TO GO INTO IT. WE HAVE ALREADY BEEN IN TRIAL FOR LIKE SIX DAYS.

MS. COOK: YES, MA'AM.

JUDGE HOWE: AND WE ARE JUST NOT GOING TO GO INTO THAT NOW.

MS. COOK: YOUR HONOR, I UNDERSTAND. I AM NOT EVEN INTO MY CASE YET, YOUR HONOR.

JUDGE HOWE: YOUR CASE DEALS WITH A&E AND THESE TWO PARTIES. IT DOESN'T DEAL WITH GOING BACK TO 1988 BEFORE THESE PARTIES WERE PARTNERS OR SHAREHOLDERS IN THIS BUSINESS.

MS. COOK: WELL, I BELIEVE IF YOU ...

JUDGE HOWE: SO, I'VE NOT GOING TO ALLOW IT IN, BUT YOU ARE CERTAINLY WELCOME TO PROFFER IT.

MS. COOK: YES, MA'AM. I ALSO -- I UNDERSTAND THE COURT'S RULING, BUT I WOULD ALSO MENTION THAT IN THE PLEADINGS THAT ARE IN THIS CASE, THE ANSWERS WERE DONE BY MACDONALD. THIS IS PLED AS PART OF HIS CLAIMS, NOT IN TERMS OF TRYING TO RECOUP THIS MONEY, BUT HE HAS PLED -- ACTUALLY PLED THE MATTERS DEALING WITH CARRIAGE ROW AND 29TH PLACE. 29TH PLACE AND PLANTATION POINTE. I'M SORRY.

JUDGE HOWE: WELL, I THINK MR. SMITH HAS

SAID THAT HE IS VERY THANKFUL FOR IT AND HE THANKS HIM MORE THAN HE WILL EVER, EVER KNOW. I THINK HE HAS JUST TESTIFIED TO THAT. SO, ANYWAY, GO AHEAD AND PROFFER IT.

Q MR. SMITH, HOW CAN YOU VERIFY THAT THESE TWO CHECKS WENT TO PAY MR. VEREEN FOR THE PLANTATION POINTE HOUSE?

A IF YOU LOOK ON THE BOTTOM OF THE CHECK FOR: WATER AND SEWER, HORRY COUNTY, BRICK AND CONCRETE.

Q WELL, DID YOU NEVER USE BRICK, CONCRETE, WATER AND SEWER, OTHERS THAN AT THE PLANTATION POINTE HOUSE?

A FOR ME PERSONALLY, NO.

Q BUT EES WASN'T ...

MR. DURANT: YOUR HONOR, CAN HE FINISH HIS ANSWER?

A NUMBER "75", THOSE ARE INVOICE NUMBERS OFF LOWE'S TICKETS THAT WERE CHARGED TO THAT JOB.

Q DO YOU HAVE THE LOWE'S TICKETS?

A NO, MA'AM, I DON'T.

Q OTHER THAN THESE $15,000 WORTH OF PAYMENTS ALLEGEDLY ON THE PLANTATION POINTE HOUSE, DO YOU HAVE ANY OTHER PROOF THAT YOU EVER PAID MR.

VEREEN BACK?

A I WROTE HIM 8 CHECKS. DAVIS NATIONAL BANK HAS BEEN OUT OF BUSINESS FOR THE LAST 25 YEARS, 20 YEARS. I DON'T KNOW.

Q HOW DO YOU KNOW YOU WROTE HIM 8 CHECKS?

A BECAUSE I DIDN'T HAVE BUT 10 IN THE BOOK AND THAT'S WHO I WROTE THEM TO. I WROTE THEM TO HIM TO ...

Q DO YOU HAVE THE REGISTER?

A EXCUSE ME.

Q DO YOU HAVE THE CHECK REGISTER THAT SHOWS THAT YOU WROTE 8 CHECKS?

A I MAY HAVE IT SOMEWHERE AROUND THE HOUSE, BUT I CANNOT FIND THE CANCELED CHECKS. THE ONLY CANCELED CHECKS I HAVE WERE THE THREE THAT I GAVE MR. THOMAS.

Q DO YOU HAVE AN ESTIMATE OF THE AMOUNT OF MONEY THAT YOU OWE MR. VEREEN ON THE PLANTATION POINTE HOUSE?

A NO, MA'AM, I DO NOT.

Q WOULD IT HAVE BEEN UNDER 100,000?

A WELL UNDER 100,000.

Q UNDER 50,000?

A WELL UNDER 50,000.

Q WOULD IT HAVE BEEN 25,000?

A I DID NOT OWE HIM BUT 44 BEFORE ANY OF THE PAYMENTS WERE MADE, ACCORDING TO HIS ACCOUNTING.

Q YOU OWED HIM 44 ON THE ...

A ACCORDING TO HIS ACCOUNTING, I OWED HIM 44 OFF OF THE PLANTATION POINTE HOUSE.

Q AND WHAT ACCOUNTING ...

MR. DURANT: YOUR HONOR, HOW FAR ARE WE GOING TO GO WITH THIS? I HAVE A CONTINUING OBJECTION BECAUSE I THOUGHT YOU SUSTAINED THE OBJECTION. SHE WANTED TO PROFFER THE CHECKS AND SHE CAN DO THAT AND SHE CAN IDENTIFY THE SECOND CHECK.

JUDGE HOWE: ARE YOU THROUGH PROFFERING?

MS. COOK: YES, MA'AM. I HAVE PROFFERED THE CHECKS.

MR. DURANT: NOT THE THIRD CHECK?

MS. COOK: NOT THE THIRD CHECK, BUT I'M CONTINUING TO ASK QUESTIONS. IF HE WANTS TO OBJECT AGAIN I DON'T, YOU KNOW, WHATEVER. IF HE NEEDS TO ...

JUDGE HOWE: YOU ARE THROUGH PROFFERING THOUGH?

MS. COOK: THE TWO CHECKS. YES, MA'AM.

Q MR. SMITH, WHEN YOU SAID, "ACCORDING TO MR.

VEREEN'S ACCOUNT YOU ONLY OWED HIM $44,000 FOR THE PLANTATION POINTE HOUSE", WHAT ARE YOU REFERRING TO, WHAT ACCOUNTING?

A EVIDENCE THAT HE GAVE US FOR THAT AND HE ADDED THE INTEREST OVER A PERIOD OF TIME AT 15 PERCENT INTEREST SINCE 1986 OR WHATEVER IT WAS.

Q THAT WAS HIS ACCOUNTING OF THE BALANCE THAT WAS OWED TO HIM, WAS IT NOT?

A NO, NO. THAT WAS EVERYTHING THAT WAS CHARGED TO THE JOB.

Q NOW, IT IS YOUR TESTIMONY THAT E. SMITH AND SONS WHEN YOU FORMED THAT IN 2000 -- NO, LET ME ASK YOU THIS: WHEN DID E. SMITH AND SONS GET GENERAL ABILITY INSURANCE COVERAGE?

A WITHIN 30 DAYS AFTER I FORMED THE CORPORATION.

Q YOU FORMED THE CORPORATION IN APRIL OF 2007? SO, YOU WOULD HAVE GOTTEN IT BY THE END OF MAY 2007?

A WITHIN 30 DAYS OF THE FORMATION, YES.

Q AND YOU GOT GENERAL LIABILITY INSURANCE, WORKERS' COMPENSATION INSURANCE, EVEN THOUGH E. SMITH AND SONS WAS NOT LICENSED AS A GENERAL CONTRACTOR IN SOUTH CAROLINA?

A WELL, YOU HAVE TO HAVE IT TOO.

Q BUT MY QUESTION WAS, YOU GOT GENERAL LIABILITY

INSURANCE EVEN THOUGH E. SMITH AND SONS WAS NOT LICENSED?

A YES, MA'AM.

Q AND YOU GOT IT IN THE NAME OF E. SMITH AND SONS?

A YES, MA'AM.

Q AND YOU HAVE CARRIED THAT -- HOW LONG DID YOU CARRY THAT GENERAL LIABILITY INSURANCE FOR E. SMITH AND SONS?

A I STILL CARRY IT.

Q YOU STILL CARRY IT?

A YES, MA'AM.

Q HOW MUCH COVERAGE DO YOU STILL CARRY ON E. SMITH AND SONS?

A I COULD NOT TELL YOU RIGHT OFF WITHOUT LOOKING AT THE POLICIES.

Q WHY DO YOU -- IS E. SMITH AND SONS STILL DOING BUSINESS?

A YES, MA'AM.

Q OKAY. DO YOU BELIEVE A&E SHOULD CONTINUE TO CARRY WORKERS' COMPENSATION -- NOT WORKERS' COMPENSATION EXCUSE ME. DO YOU AGREE THAT A&E IS A LEGITIMATE BUSINESS EXPENSE OF A&E AND SHOULD CONTINUE TO CARRY GENERAL LIABILITY INSURANCE FOR A&E?

A NO.

Q WHEN IS IT YOUR POSITION THAT A&E SHOULD STOP CARRYING OR HAD STOP BEING INSURED WITH GENERAL LIABILITY INSURANCE?

A WITHIN A YEAR AFTER THE LAST JOB THEY DID.

Q WHY DO YOU TAKE THAT POSITION?

A IT WAS PAID UP TO THAT POINT.

Q WELL, LET ME ASK YOU THIS, MR. SMITH. DO YOU HAVE AN UNDERSTANDING OF HOW LONG A GENERAL CONTRACTOR CAN BE HELD LIABLE UNDER THE STATE OF SOUTH CAROLINA FROM THE POINT OF CO...

A I WAS UNDER THE ...

Q LET ME FINISH. FROM THE POINT OF A CO OF A JOB FOR CONSTRUCTION DEFICIENCIES?

A I WAS INFORMED BY MR. VEREEN 7 YEARS.

Q WELL, IF THE LAW IS 8 YEARS, YOU WOULDN'T ARGUE WITH THAT, WOULD YOU?

A I DON'T KNOW.

Q DO YOU KNOW IF IT'S GOOD BUSINESS PRACTICE FOR A CORPORATION, EVEN IF IT STOPS DOING BUSINESS, TO CONTINUE TO CARRY GENERAL LIABILITY INSURANCE FOR THE 8 YEARS FROM THE LAST DAY IT GETS A CO ON ONE OF ITS JOBS TO PROTECT THE COMPANY AND TO PROTECT THE PRINCIPALS NAMELY IN A&E, YOU AND MR. VEREEN?

MR. DURANT: ARE YOU ASKING HIM ABOUT

TAIL COVERAGE? IS THAT WHAT YOU'RE ASKING HIM ABOUT?

MS. COOK: NO, SIR.

A IT'S NOT REQUIRED.

Q I DIDN'T ASK YOU IF IT WAS REQUIRED, SIR. DO YOU BELIEVE IT IS A GOOD BUSINESS PRACTICE?

A NO.

Q SINCE YOU PULLED THE PERMITS IN THE NAME OF A&E, AS LATE AS, I BELIEVE, MAY OF 2008 ON SOME OF MARTIN BROWN'S JOBS, AM I CORRECT THAT POTENTIAL LIABILITY FOR THOSE JOBS TO A&E WILL NOT BE OVER UNTIL SOMETIME IN MAY OF 2016?

A NO. BECAUSE A&E DID NOT DO THE WORK. A SUB DID THE WORK. THAT HAD LIABILITY.

Q WHAT SUB DID THE WORK?

A E. SMITH AND SONS.

Q BUT THE PERMIT WAS NOT PULLED IN THE NAME OF E. SMITH AND SONS, WAS IT?

A THAT'S CORRECT, BUT THE WORK WAS DONE BY E. SMITH AND SONS.

Q WELL, DO YOU KNOW IF THE OWNER IS ONLY ABLE TO SUE E. SMITH AND SONS THAT DID THE WORK OR CAN THEY GO AFTER THE GENERAL CONTRACTOR THAT PULLED THE LICENSE?

A I COULDN'T TELL YOU.

(DISCUSSION HELD OFF THE RECORD.)

Q I AM GOING TO ASK YOU, MR. SMITH, TO LOOK AT WHAT HAS BEEN MARKED AS PLAINTIFF'S EXHIBIT NUMBER "9" IN THE EARLIER TRIAL. MR. SMITH, I'M GOING TO ASK YOU TO LOOK AT WHAT HAS BEEN MARKED AS PLAINTIFF'S EXHIBIT "9". IT'S IN YOUR EARLIER TESTIMONY. IT IS SOME DEMAND -- IT IS WHERE YOU WROTE MR. VEREEN, I BELIEVE, AND ASK ABOUT GETTING WHAT YOU BELIEVE WAS YOUR SHARE OF THE PROFIT OF A&E AND SOME RESPONSES BACK THAT YOU HAD MADE NOTES ON. IS THAT WHAT EXHIBIT "9" IS?

A YES, MA'AM, SEEMS TO BE.

Q AND IF I REMEMBER CORRECTLY, WE HAD TO SPEND A GOOD BIT OF TIME, YOU AND I DID IN JUNE, GOING THROUGH THIS BECAUSE AS IT WAS AN ORIGINAL NOTEBOOK, THE RIGHT PAGES WEREN'T ALL WITH THE RIGHT LETTERS BECAUSE THIS IS SEVERAL LETTERS, IS THAT CORRECT? THAT IS BEHIND EXHIBIT "9".

A YES, MA'AM.

Q LET'S START IF WE CAN WITH THAT FIRST LETTER. IT'S BEHIND EXHIBIT "9". I AM GOING TO FLIP TO WHAT APPEARS TO ME TO BE THE LAST PAGE OF THE ACTUAL LETTER WHERE YOU HAVE, "THANKS. ELLIS." AND YOU HAVE SOME SCHEDULES KIND OF BEHIND THAT,

BUT YOU'VE GOT, "THANKS. ELLIS" AND THEN IT HAS GOT "P.S. I FEEL THAT THE TIME AND EQUIPMENT ALLOCATION FOR YOUR PROJECTS WERE VERY CONSERVATIVE." ARE YOU ON THAT PAGE? MR. SMITH, IN SOME OF THE INFORMATION BEHIND EXHIBIT "9", THERE IS A PAGE WHERE YOU GIVE A -- YOU SIGNED IT, "THANKS. ELLIS" DO YOU SEE THAT?

A YES.

Q AT THE TOP OF THE PAGE KIND OF IN THE MIDDLE OF THE PAGE IT HAS GOT, "SINCE STARTING THE COMPANY, I HAVE ..." I SAYS, "SINCE STARTING THE COMPANY, I HAVE RECEIVED FROM A&E ..." AND YOU'VE GOT $97,955.31?

A YES, MA'AM.

Q WHAT IS THAT NUMBER MADE UP OF? THAT'S OTHER THAN WHAT YOU'RE SAYING YOUR SALARY OR SUPERVISION FEES WOULD BE, CORRECT?

A THAT WAS THE 50 SOME ODD THOUSAND DOLLARS THAT I GOT AS A DOWN PAYMENT ON MY HOUSE. $15,000 WAYNE GOT AND I GOT AND BETH GOT THE 5,000. THERE WAS ANOTHER CHECK FOR $11,000 SOMETHING TO PAY MY TAXES AND I THINK THERE WAS ONE OTHER CHECK.

Q AND SO AT THE TIME THAT YOU WERE ASKING FOR THIS DEMAND, THE WAY YOU CALCULATED IT, YOU HAD

ALREADY BEEN GIVEN DISTRIBUTIONS OF PROFITS FROM A&E OF $97,955.31, CORRECT?

A CORRECT.

Q AND THEN ADDITIONALLY YOU HAD TAKEN THE OCEAN BLUE PAYMENT OF $19,280, IS THAT CORRECT?

A THAT IS CORRECT.

Q SO, AT THE TIME THAT YOU LEFT, YOU FELT AS IF YOU HAD GONE AHEAD AND YOU HAD RECEIVED $117,000 AND SOME CHANGE OVER AND ABOVE WHAT MR. VEREEN HAD EXCEPT FOR THAT $15,000 CHECK BECAUSE YOU BOTH GOT THAT?

A I DON'T KNOW. I KNOW THAT THEY GOT THE 15,000 CHECK. OTHER THAN THAT, I DON'T KNOW.

Q OKAY.

A BUT I KNEW I GOT THIS AMOUNT.

Q 117?

A YES, MA'AM.

Q DID YOU ALSO GET A PAYMENT FROM MARTIN BROWN FOR 2,900 AND SOME CHANGE?

A WHAT?

Q DIDN'T YOU GET A CHECK FROM MARTIN -- DIRECTLY FROM MARTIN BROWN ON A JOB FOR 2,900 AND CHANGE? YOU SHOULD BE FAMILIAR WITH IT?

A I'M NOT FAMILIAR WITH THAT.

Q AND DID YOU GET A CHECK FROM MR. DODRILL FOR THE

EXTRAS THAT YOU DID ON SEACLUSION OF 41,000 AND SOME CHANGE?

A THAT IS THE 419,000 TO A&E.

Q DIDN'T YOU GET A CHECK FROM MR. BROWN FOR THE OVERAGES ON THE FLOOR COVERING THAT WERE PUT IN THE TAHITIAN PRINCESS -- NOT TAHITIAN PRINCESS. I'M SORRY. THAT IS RIGHT FOR TAHITIAN PRINCESS?

A GET A CHECK FROM MARTIN BROWN?

Q RIGHT.

A NO.

Q DID YOU GET A CHECK FROM EITHER MR. BROWN OR MR. DODRILL FOR THE EXCESS OF THE $10,000 IN EXTRA FLOOR COVERING UPGRADES THAT MR. DODRILL GOT FOR THE OCEAN BLUE/SEACLUSION JOB?

A DID I GET IT?

Q YES, SIR.

A NO. THAT WAS PART OF THE 19,280 I THINK.

Q SO, IT'S YOUR TESTIMONY THAT OF THOSE $41,000 IN EXTRAS ON THE OCEAN BLUE JOB ...

A NO. THERE WASN'T 41,000 WORTH OF EXTRAS ON THE OCEAN BLUE.

MR. DURANT: YOUR HONOR, THAT HAS BEEN ASKED AND ANSWERED. ARE WE GOING TO GO BACK OVER IT AGAIN? WE WENT THROUGH IT IN DETAIL EARLIER TODAY.

MS. COOK: NO, SIR. WE HAD NOT GONE THROUGH EXACTLY WHAT HE WAS PAID ON THOSE EXTRAS. HE SAID THAT HE COULD NOT RECALL WHAT HE HAD ACTUALLY DONE ON THOSE EXTRAS LIST.

MR. DURANT: YOUR HONOR, THE NUMBER AS FAR AS EXHIBIT "9" IS, IT WAS THE SETTLEMENT DEMAND. SETTLEMENT DEMANDS ARE NOT EVIDENCE OF ANYTHING. THEY ARE SETTLEMENT DEMANDS. HOWEVER, IN THE DERIVATIVE ACTION, YOU MUST MAKE A DEMAND OR YOU CANNOT FILE THE DERIVATIVE ACTION. THAT'S WHY IT IS PUT IN EVIDENCE. IT IS NOT PROOF OF ANYTHING. PROOF COMES FROM THE WITNESSES THAT TESTIFY THAT SOMEONE TOOK MONEY THAT THEY SHOULDN'T HAVE AND THEY SHOW DOCUMENTARY PROOF OF IT. SO, HIS OFFERING TO DO ANYTHING DOESN'T MEAN ANYTHING AT ALL.

MS. COOK: I DON'T KNOW WHAT THAT HAD TO DO WITH ANYTHING THAT I'M TALKING ABOUT, YOUR HONOR.

MR. DURANT: YOU ARE TRYING TO CROSS EXAMINE HIM ON A SETTLEMENT DEMAND THAT

HE MADE UPON MR. VEREEN AND THAT IS WHAT EXHIBIT NUMBER "9" IS.

MS. COOK: NO, SIR. I ASKED HIM WHAT THE $97,000 REPRESENTED.

MR. DURANT: AND HE TOLD YOU.

MS. COOK: AND NOW I HAVE MOVED ON, MR. DURANT, TO SOMETHING ELSE. CAN YOU KEEP UP?

MR. DURANT: YES.

MS. COOK: OKAY. LET'S SEE. STAY WITH ME. I KNOW IT'S BEEN A LONG DAY.

Q IS IT YOUR TESTIMONY THAT OF THE EXTRAS THAT YOU PROPOSED TO MR. DODRILL OF $41,000 WE MARKED THAT ORIGINAL EXHIBIT EARLIER TODAY WHERE YOU HAD WHITED OUT THE ADDRESS OF A&E? THAT YOU ONLY DID $19,280 WORTH OF EXTRAS?

A RECEIVED A CHECK FOR $19,280 FOR THE EXTRAS ON OCEAN BLUE.

Q THAT'S HOW MUCH YOU RECEIVED A CHECK FOR. HOW MUCH OF THE EXTRAS DID YOU ACTUALLY DO?

A I TOLD YOU BEFORE, I CANNOT TELL YOU SHORT OF GOING BACK THROUGH THE BUILDING AND ITEMIZING IT.

Q SO YOU MIGHT HAVE DONE $41,000 WORTH OF WORK, BUT ONLY BEEN PAID $19,280, IS THAT CORRECT?

A I CAN'T SEE THAT HAPPENING, NO.
Q BUT YOU CAN'T REMEMBER MUCH WORK YOU DID OR WHAT THE VALUE OF IT WAS? ALL YOU CAN SAY IS THAT YOU DID SOME WORK AND THAT YOU WERE PAID $19,280, IS THAT CORRECT?
A YES, MA'AM.
Q DID YOU DO MORE THAN $19,280 WORTH OF WORK FOR EXTRAS ON SEACLUSION?
A I JUST TOLD YOU, I DO NOT KNOW.
Q OKAY. IF YOU DID AND YOU WEREN'T PAID FOR IT AND A&E HAD TO EAT PART OF THAT COST TOO, IS THAT TRUE?
A I GUESS THAT WOULD BE CORRECT.
Q OKAY. NOW, MR. SMITH, IN YOU BRINGING THIS ACTION ON BEHALF OF A&E TO GET AN ACCOUNTING DONE OF PROFITS AND LOSSES IN A&E, DID YOU LOOK AT ANY MONIES THAT YOU MIGHT OWE OR THAT EES MIGHT OWE BACK TO A&E?
A THAT'S WHAT I DID WHEN I DID THE DEMAND LETTER. I WENT THROUGH AND I FIGURED WHAT I OWED, WHAT I HAD BEEN PAID AND THAT'S WHAT IT WAS.
Q OKAY. IS THAT THE ONLY EFFORT THAT YOU OR ANYONE ON BEHALF OF A&E FROM THE PLAINTIFF'S SIDE OF THE TABLE HAS DONE TO DETERMINE WHAT, IF ANY, ACCOUNT RECEIVABLES YOU MAY OWE BACK TO

A&E?

A I HAVE BEEN THROUGH THE BOOKS OF A&E 50 TIMES. EVERYTHING THAT I FEEL THAT I OWE, I HAVE PUT ON THE LIST.

Q AND THAT LIST IS THE LIST AS PROPOSED BY MRS. BRADY?

A YES, MA'AM.

Q IS THAT THE LIST THAT YOU'RE TALKING ABOUT?

A YES, MA'AM.

Q DO YOU AGREE IF THERE WERE TIMES WHEN A&E PAID INVOICES FOR MATERIALS OR LABOR FOR ANY JOBS DONE THAT WERE YOUR SIDE JOBS THAT, THAT SHOULD BE COUNTED AS AN ACCOUNT RECEIVABLE OWED BACK TO YOU BY A&E? FROM YOU TO A&E?

A BACK TO ME FROM A&E, YES. BY ALL MEANS, A&E SHOULD PAY ME FOR THEM TWICE.

Q NO, SIR. I APOLOGIZE. FORTUNATELY, WHEN I GET TIRED ONE OF MY SIDE EFFECTS IS MY MOUTH GOES FASTER THAN MY BRAIN. DO YOU AGREE THAT, THAT WOULD BE AN AMOUNT THAT YOU, ELLIS SMITH, OWED BACK TO A&E?

A IF IT WAS AN AMOUNT THAT COULD BE DETERMINED AND IT WAS SOMETHING THAT I HAD BEEN PAID FOR ON A SIDE JOB AND A&E PAID FOR IT, I WOULD OWE IT BACK TO A&E.

Q AND YOU EXPECT MR. VEREEN -- THE SAME THING OF HIM?

A YES. ANYTHING THAT WAS ON ANY OF HIS JOBS THAT HE DID AND DID NOT PAY FOR AND WERE PAID BY A&E SHOULD BE PAID BACK IN FULL TO A&E.

Q AM I CORRECT THAT YOUR POSITION IS IN ORDER FOR IT TO BE A LEGITIMATE EXPENSE THAT A&E SHOULD HAVE TO BEAR, YOU SHOULDN'T HAVE TO HAVE RECEIPTS OR INVOICES TO SHOW THE AMOUNTS, THE VALID AMOUNTS, AND THE FACT THAT IT HAD BEEN PAID. YOU WOULD NEED SOMETHING MORE THAN JUST A CHECK TO SHOW THAT IT HAD BEEN PAID. YOU HAVE TO HAVE BACKUP AND INVOICES, TIME CARDS OR SOMETHING?

A YOU HAVE GOT TO HAVE A RECEIPT, YES, MA'AM.

Q AND YOU AGREE TO THAT POSITION AS MUCH FOR YOURSELF AS YOU DO FOR MR. VEREEN?

A AND THAT WAS THE WAY IT WAS FOR ME. ANYTHING THAT I GOT, ANY CHECK THAT I GOT FROM A&E TO PRODUCE A RECEIPT OR A INVOICE TO BE PAID TO GET MONEY FOR IT.

Q AND THAT WAS THE SAME FOR YOUR COMPANY EES AS WELL, CORRECT?

A YES, MA'AM.

(DISCUSSION HELD OFF THE RECORD.)

Q DO YOU AGREE THAT WHEN A&E STARTED DOING BUSINESS, YOUR OFFICES WERE LOCATED IN THE FACILITIES OF PARKWAY OFFICES? I MEAN, A&E'S FACILITIES WERE IN PARKWAY -- WERE IN A BUILDING OWNED BY PARKWAY OFFICES, IS THAT CORRECT?

A THE OFFICE THAT A&E DID THE BUSINESS OUT OF?

Q YES.

A WAS OWNED BY EITHER LINDA VEREEN OR PARK PLACE OFFICES. I DON'T KNOW WHICH. I DON'T KNOW WHO OWNED WHICH BUILDING?

Q AND DO YOU AGREE THAT A&E OWED RENT FOR THE SPACE THAT IT USED AT THOSE BUILDING?

A WE PAID RENT.

Q AND YOU AGREE THAT A&E OWED RENT?

A YES. A&E OWED RENT, BUT THERE WERE ALSO FOUR OTHER BUSINESSES OPERATING OUT OF THE SAME SPACE THAT SHOULD HAVE PAID WHATEVER RENT THAT THEY HAD COMING TOO.

Q RIGHT. AND DID YOU -- THAT'S ALL THE QUESTIONS I HAVE. THANK YOU.

JUDGE HOWE: IS THIS A GOOD PLACE TO STOP?

MS. COOK: YES, MA'AM. UNLESS HE CAN DO RE-CROSS IF HE IS GOING TO DO ANY IN 30 MINUTES OR AN HOUR.

MR. DURANT: YES, I CAN, BUT THAT IS UP TO THE COURT AND I WILL REFER TO YOU.

MS. COOK: I'M OKAY.

MR. DURANT: I COULD FINISH HIM IN 30 MINUTES, YOUR HONOR. IF WE COULD HAVE FIVE MINUTES?

(DISCUSSION HELD OFF THE RECORD.)

CROSS-EXAMINATION BY MR. DURANT:

Q MR. SMITH, YOU WERE ASKED QUESTIONS CONCERNING $767,000 WORTH OF INVOICES OR DRAW REQUEST BY OCEAN BLUE, AND I AM HANDING YOU A TAB NUMBER "28" OF EXHIBIT "6" OF SIX, WHICH WAS PREVIOUSLY INTRODUCED INTO EVIDENCE. CAN YOU TELL ME, SIR, WHAT THE TOTAL AMOUNT OF MONIES RECEIVED ON THAT JOB? WAS IT 767 OR WAS THERE OTHER MONIES RECEIVED FROM OCEAN BLUE?

A $822,417.

Q AND THAT IS WHAT IS SHOWN ON THE BOOKS AND RECORDS OF THE COMPANY?

A YES.

Q WOULD THAT REFLECT POSSIBLY SOME EXTRAS THAT WERE DONE ON THAT JOB?

A YES, SIR.

Q MR. SMITH, YOU HAVE HAD A LONG DAY AND A GRUELING CROSS-EXAMINATION. LET ME ASK YOU,

SIR, WHEN YOU FORMED YOUR COMPANY IN OCTOBER 2003, DID YOU HAVE EXISTING JOBS THAT YOU WERE DOING FOR OTHER PARTIES?

A YES.

Q DID MR. VEREEN HAVE JOBS THAT HE WAS DOING FOR OTHER PARTIES?

A YES, SIR.

Q WERE YOU TO CONTINUE AND FINISH THOSE JOBS?

A YES.

Q WAS THERE SOME AGREEMENT THAT YOU HAD WITH MR. VEREEN THAT YOU COULD NOT FINISH THOSE JOBS AND EES ...

A NO.

Q WAS IT YOUR RESPONSIBILITY TO FINISH THOSE JOBS?

A YES. IT WAS MY RESPONSIBILITY.

Q NOW, YOU WERE LICENSED IN JANUARY OF 2004, IS THAT CORRECT?

A THAT'S CORRECT.

Q THE NEW JOBS FROM THAT DAY FORWARD WERE SUPPOSED TO BE IN THE NAME OF THE COMPANY, THE COMPANY A&E?

A YES, ANY NEW ...

Q YOU HAD JOBS THAT YOU WERE STILL WORKING ON YOURSELF?

A THAT IS CORRECT.

Q DID YOU FINISH THOSE JOBS?
A YES, I DID.
Q SIR, DURING THE TIME FROM JANUARY OF '04 TO '07, DID YOU EVER CHARGE EXPENSES TO A&E FOR THESE JOBS THAT YOU WERE FINISHING UP?
A NO.
Q IS THERE A JOB LEDGER SET UP ON THE BOOKS AND RECORDS OF A&E FOR ANY OF THESE JOBS THAT YOU DID, SUCH AS THE FENCE AND THE OTHER ONES DISCUSSED?
A NO.
Q DID YOU EVER PLEDGE THE CREDIT OF THE COMPANY, THAT COMPANY BEING A&E, OR DID YOU EVER HAVE MR. VEREEN SIGN A CHECK FOR SOMETHING THAT WAS YOUR JOB AND NOT A&E'S JOB?
A NO.
Q SO WAS THERE ANY MONEY LOST BY THE COMPANY BECAUSE YOU CHARGED SOMETHING AND PAID FOR IT WITH A&E FUNDS?
A NO.
Q HAVE YOU EVER WRITTEN A CHECK OUT OF A&E FOR ANY PURPOSE?
A NO.
Q HAVE YOU EVER ASKED MR. VEREEN TO PAY A BILL OR AN EXPENSE THAT RIGHTFULLY BELONGED TO EES OR A

JOB THAT WAS NOT AN A&E JOB?

A TO THE BEST OF MY KNOWLEDGE, NO.

Q AND IF YOU HAD, YOU WOULD OWE IT BACK TO THE COMPANY?

A THAT'S RIGHT. NEVER INTENTIONAL.

Q AND IF YOU GOT A CHECK, IF YOU WERE REQUESTING A PAYMENT TO BE MADE, WHAT WERE THE PROCEDURES THAT YOU HAD WITH MR. VEREEN TO GET A CHECK?

A I HAD TO TURN IN A BILL OR I HAD TO TURN IN AN INVOICE WHERE IT HAD BEEN PAID.

Q AND HE WOULD APPROVE THOSE CHECKS AND WRITE CHECKS?

A CARRIE WOULD PUT THEM TOGETHER AND HAND THEM TO WAYNE AND WAYNE WOULD WRITE THE CHECK FOR ALL THE BILLS TOGETHER, YES.

Q IS THIS A PROCEDURE HE HAD FOLLOWED FOR MANY YEARS BEFORE YOU STOP ...

A YES.

MR. DURANT: YOUR HONOR, I OBJECT. HOW IS HE GOING TO KNOW -- HOW WOULD MR. SMITH KNOW WHAT MR. VEREEN HAD DONE FOR YEARS BEFORE?

Q WELL, DID YOU WORK FOR HIM FOR MANY YEARS BEFORE?

A YES, I DID. BACK.

Q AND WHEN YOU HAD AN INVOICE THAT NEEDED TO BE PAID, WHAT WAS THE PROCEDURE IN THE COMPANY ...
A SAME AS ...
Q ... ARTHUR VEREEN CONSTRUCTION?
A GIVE HIM THE INVOICE OR GIVE HIM THE BILL AND MR. VEREEN WOULD WRITE THE CHECK.
Q WOULD HE ASK YOU QUESTIONS ...
A HE WOULD SIGN THE CHECK TO WHOEVER. THE SECRETARY WOULD WRITE THE CHECK OFF THE COMPUTER.
Q WERE THERE OCCASIONS WHERE HE WOULD QUESTION YOU WHEN YOU WERE AT A&E ABOUT AN INVOICE?
A OH, YES. SURE.
Q HE WOULD ASK YOU ABOUT WHAT JOB IT WAS TO BE?
A WHAT IS WAS, YES.
Q WOULD HE EVER PAY SOMETHING THAT WAS NOT ATTRIBUTED TO A JOB THAT WAS NOT RELATED TO THE BUSINESS OF A&E?
A NO.
Q DURING THE TIME THAT YOU WERE AT A&E, DID MR. VEREEN EVER PRESENT A CHECK TO YOU OR AN INVOICE WHERE HE PAID A CHECK TO HIMSELF?
A NO.
Q DID HE EVER SAY, "ELLIS, IS IT ALL RIGHT FOR ME TO WRITE THIS CHECK TO FIRST PALMETTO BANK TO

PAY MY PAYMENT FROM MY NORTH MYRTLE BEACH PROPERTY. I'M KIND OF LOW THIS MONTH?

A ABSOLUTELY NOT, NEVER.

Q WERE YOU AWARE THAT HE WAS DOING THAT?

A NO.

Q WERE YOU EVER AWARE THAT HE WAS WRITING A CHECK TO HIMSELF TO PAY HIM BACK FOR SOMETHING THAT YOU OWED HIM IN 1990 OR BEFORE THE FORMATION OF A COMPANY?

A NO.

Q DID YOU EVER HAVE AS A DISCUSSION WITH MR. VEREEN AT ANY TIME, THAT WE ARE FORMING A&E. SO, YOU ARE PERMITTED TO TAKE MONEY OUT OF THE COMPANY WITHOUT ME KNOWING IT FOR MONEY THAT I OWED YOU FROM BEFORE?

A ABSOLUTELY NOT.

Q IF YOU OWED HIM MONEY FROM BEFORE, WHAT WOULD YOU EXPECT MR. VEREEN TO DO AS TREASURER OF THE COMPANY AND WRITER OF THE CHECKS?

A WRITE A CHECK TO ME AND THEN RE-WRITE A CHECK BACK TO HIM PERSONALLY.

Q YOU EXPECTED TO KNOW ABOUT IT?

A YES, BY ALL MEANS.

Q AND YOU WOULD EXPECT TO APPROVE IT?

A YES, BY ALL MEANS.

Q DURING ALL THIS, THERE ARE COMMENTS MADE TO ATTRIBUTE YOUR WORK, WHEN I SAY "YOUR WORK" JOBS THAT YOU HAD DONE OUTSIDE OF A&E AND WE HAVE HAD DISCUSSIONS ABOUT THESE ALL DAY LONG. MR. MCMILLAN AND WHATNOT. WAS THERE ANYTHING IN ANY AGREEMENT THAT YOU HAD WITH YOUR OTHER SHAREHOLDER THAT YOU COULD NOT PERFORM SERVICES ON YOUR OWN TIME FOR YOUR OWN MONEY?

A NO.

Q WAS HE, IN FACT, DOING THE SAME THING?

A YES. HE BUILT A HOUSE FOR HIMSELF. THEY DIDN'T WORK ON HIS DAUGHTER'S HOUSE. HE BUILT 23 HOUSES AT POINT MARSH HOUSES, WHICH THEY USED A&E PERMITS AND THEY BELONGED TO THEM.

Q WAS THERE ANYTHING THAT PREVENTED WAYNE VEREEN FROM GOING OUT AND HELPING A FRIEND OR DOING A JOB ON HIS OWN AS LONG AS HE DIDN'T USE A&E'S MONEY?

A NONE WHATSOEVER.

Q AND YOU HAVE NOT SUED MR. VEREEN FOR PERFORMING SERVICES FOR SOMEONE WHERE IT DID NOT USE A&E'S CHECKBOOK TO PAY FOR THE INVOICES, LABOR AND MATERIALS, HAVE YOU?

A NO.

Q THERE WERE CONVERSATIONS ABOUT THE $15,000

DISBURSEMENT. IF YOU GOT A DISBURSEMENT FROM MR. VEREEN FOR AN ASSET OF A&E, WOULD THAT BE AUTHORIZED IF MR. VEREEN SIGNED THE CHECK?

A YES, BUT HE TOOK ONE TOO. I KNEW THAT. EACH ONE TOOK ONE.

Q IT WOULD BE AUTHORIZED BECAUSE HE WROTE THE CHECK, CORRECT?

A YES.

Q THERE IS NO OTHER PERSON TO ASK OTHER THAN YOU TO WRITE A CHECK IS THERE, SIR?

A HE COULDN'T ASK ME BECAUSE I COULDN'T WITE A CHECK.

Q BUT DID HE EVER ASK YOU BEFORE HE WROTE ANY OF THE CHECKS TO HIMSELF OR TO PARK PLACE PROPERTIES OR TO PARKWAY OFFICES OR TO ANY OF THESE OTHER ENTITIES, DID HE EVER TELL YOU OR ASK YOU IF HE COULD DO IT?

A NO.

Q WHAT WOULD YOU HAVE TOLD HIM IF HE DID?

A AS LONG AS IT'S PAID BACK, IT WOULD NOT BOTHER ME.

Q YOU WANTED TO KNOW ABOUT IT AND APPROVE IT, DIDN'T YOU, SIR?

A RIGHT.

Q BUT YOU DIDN'T KNOW ABOUT IT, DID YOU, SIR?

A NO.

Q NOW, THE $5,000 CHECK THAT WENT TO HIS DAUGHTER, WERE YOU AWARE THAT, THAT WAS DONE?

A NO. I FOUND OUT LATER.

Q AND THEY CALLED IT WHAT A COMMISSION ...

A COMMISSION CHECK.

Q DID YOU FIND OUT WHETHER OR NOT THE COMPANY REPORTED THAT TO THE INTERNAL REVENUE SERVICE AS A INCOME TO HER?

A I DID NOT LOOK FOR IT, NO.

Q DID YOU FIND OUT LATER THAT IT HAD NOT BEEN REPORTED?

A THAT IS CORRECT.

JUDGE HOWE: HOW MUCH WAS THAT CHECK?

MR. DURANT: $5,000.

Q AND YOU FOUND THAT OUT AFTER THIS LAWSUIT WAS INSTITUTED?

A YES.

Q THERE WERE QUESTIONS CONCERNING THE CEMENT BILLS. NOW, MR. VEREEN DID NOT HAVE CREDIT WITH THIS CEMENT COMPANY, IS THAT CORRECT? THEY WOULD NOT GIVE HIM CREDIT?

A A&E DID NOT HAVE CREDIT WITH S&W CONCRETE. I ALREADY HAD CREDITED SETUP UNDER EES CONSTRUCTION AND WE JUST USED IT. WHEN WAYNE

BOUGHT CONCRETE, HE WOULD BUY IT THROUGH STOCK BUILDING SUPPLY AND THEY WOULD PURCHASE IT THROUGH READY MIX. SO, BASICALLY, YOU GO THROUGH A BUILDING DEPARTMENT TO GET CONCRETE FROM THEM. JUST A DIFFERENT WAY TO DO IT.

Q SO, IF YOU GOT AN INVOICE TO EES FOR CONCRETE, WAYNE KNEW CONCRETE WAS BEING CHARGED THROUGH EES?

A SURE. HE KNEW CONCRETE WAS BEING DELIVERED TO THE JOB, SURE.

Q SO, IDEALLY, YOU GOT AN INVOICE AND YOU WOULD SUBMIT IT TO MR. VEREEN?

A HE GOT A LIST OF EVERYTHING THAT I PAID -- TO BE PAID TO ME AND EACH ONE OF THE INVOICES ARE IN THERE.

Q SO THE CONCRETE BILLS THAT WE'RE TALKING ABOUT YOU ACTUALLY GAVE TO HIM?

A HE SAW THEM, YES.

Q WOULD HE ASK YOU ANYTHING ABOUT IT THAT HE WANTED BEFORE HE PAID IT?

A WE ALWAYS HAD DISCUSSIONS ABOUT SOME OF THE BILLS. I MEAN, YES.

Q DO YOU THINK HE WOULD PAY A $10,000 BILL IF HE DIDN'T KNOW WHO TO CHARGE IT TO?

A NO, ABSOLUTELY NOT.

Q SO, HE COULD ALWAYS ASK YOU IF HE CHOSE, FOR ADDITIONAL INFORMATION BY PICKING UP THE PHONE OR -- HOW OFTEN DID YOU MEET?

A EVERY MORNING.

Q FROM 2003 FORWARD?

A STARTED PROBABLY ABOUT FEBRUARY, MARCH 2004. WE MET OFF AND ON, BUT EVERY MORNING, WE MET IN THE OFFICE ABOUT 6:30.

Q SO, DID YOU HAVE A TIME THERE BEFORE ANYBODY WAS GETTING PAID WHERE YOU AND HE AGREED THAT, "HEY Y'ALL WERE GOING TO WORK ON GETTING THESE JOBS TOGETHER, BUT Y'ALL WEREN'T GOING TO DRAW A SALARY."?

A SURE.

Q DID BOTH OF YOU DO THAT?

A YES.

Q YOU THOUGHT HE WAS DOING IT TOO?

A YES.

Q YOU WERE WORKING ON THESE JOBS -- ARE A LOT OF THE EARLY PART OF THE JOBS PLANNING AND CLEARING?

A IT IS A LOT OF PLANNING THAT GOES INTO JOBS, LINING STUFF UP, GETTING PERMITS.

Q WHAT ABOUT THE CLEARING PART? IS THAT ALL SUBBED OUT TO SOMEBODY ELSE?

A OH, YES. THE CLEARING IS ALL SUBBED OUT.

Q A&E WOULDN'T BE PHYSICALLY DOING THAT WORK THEMSELVES?

A NO.

Q IS THIS WHAT WAS HAPPENING IN THESE EARLY JOBS THAT WE ARE TALKING ABOUT THE PLANTATION LAKES? I BELIEVE THERE WAS TWO JOBS DOWN ON THE SOUTH END, THE DR. LALE JOB THAT THEY WERE PLANNING AND EARLY WORK THAT WAS DONE -- THAT WAS BEING SUBBED OUT?

A LALE WAS AN OFFICE UP-FIT. SO, IT WAS BASICALLY ALL SUBBED OUT. THEN YOU HAVE THE KEMP JOB, WHICH WAS BASICALLY A CLEARING AND FILLING. IT WAS A HOUSE BEING BUILT ON A LOT IN PAWLEY'S ISLAND. SCOTT LONG'S OFFICE, WE CLEARED THAT AND HAULED IN MASSIVE AMOUNTS OF DIRT. THE PLANTATION LAKES WAS VERY LITTLE CLEARING, BUT DID HAUL IN SOME DIRT. BEACH DUNES WAS A MOTEL UP-FIT.

Q PLANTATION LAKES HAS BEEN TALKED ABOUT THAT MR. VEREEN -- YOU KNEW THAT WAS HIS LOT?

A YES.

Q DID YOU EVER KNOW DURING THE COURSE OF CONSTRUCTION IN 2004 THAT A&E WAS FINANCING THE CONSTRUCTION OF THAT HOUSE?

MS. COOK: YOUR HONOR, I OBJECT. THIS IS RE-DIRECT AND I DIDN'T EVEN TALK AT ALL ABOUT THE PLANTATION LAKES. I DIDN'T EVEN TALK ABOUT THE PLANTATION LAKES IN CROSS EXAMINATION.

JUDGE HOWE: SUSTAINED.

Q IN REGARDS TO THE OTHER JOBS THAT HE INITIALLY STARTED, SUCH AS THE KEMP JOB AND THE LALE JOB, WERE YOU AWARE AT THAT TIME THAT MR. VEREEN HAD SIGNED THOSE CONTRACTS IN ARTHUR VEREEN CONSTRUCTION?

A NO.

MS. COOK: YOUR HONOR, AGAIN, I DID NOT ASK ANYTHING OF -- I DIDN'T GO INTO LALE OR ON CROSS EXAM. I DID NOT GO INTO THOSE IT ALL.

MR. DURANT: I THINK YOU DID.

JUDGE HOWE: SUSTAINED.

Q SHE ASKED YOU QUESTIONS CONCERNING A CHARGE TO THE COMPANY FOR A DUMPSTER BELONGING TO THE INDIVIDUAL OWNER OF ONE OF THE TAHITIAN PEARL JOBS?

A YES.

Q WAS THAT CHARGE ACTUALLY BILLED TO THE CUSTOMER AND PAID BACK TO A&E?

A YES. IT WAS BILLED THROUGH THE CHANGE ORDER TO TAHITIAN PEARL. HE HAD BOUGHT A HOUSE IN CLIFFWOOD AND NEEDED A DUMPSTER AND I GOT IT AND GAVE HIM THE BILL AND SAID, "JUST ADD IT BACK THROUGH TAHITIAN PEARL" AND THAT'S WHAT I DID.

Q MR. SMITH, DID YOU OR DID YOUR SON EVER CHARGE ANY TIME OR EXPENSES FOR THE REPAIRS OF YOUR HOUSE OR HIS HOUSE OR RENOVATIONS TO EITHER ONE OF THOSE HOUSES?

A THEIR CARPET WAS CHARGED AT MY 29TH PLACE TOWNHOUSE. IT WAS $3,700 AND SOMETHING DOLLARS I THINK.

Q THAT WAS THE BILL YOU TOLD THEM ABOUT?

A YES. THEY ARE WELL AWARE OF THAT. I REPORTED THAT AS FAR AS EWELL'S HOUSE. WE GOT 28 SHEETS OF PLYWOOD ONE SATURDAY MORNING AT THE OFFICE BECAUSE MYRTLE BEACH BUILDING SUPPLY WAS CLOSED. WE WERE SHEETING ON A SATURDAY MORNING, SHEETING HIS HOUSE AND MONDAY MORNING, I WENT TO MYRTLE BEACH BUILDING SUPPLY AND PICKED UP 28 SHEETS OF PLYWOOD AND BROUGHT THEM BACK.

Q THAT'S THE SAME AMOUNT THAT YOU TOOK?

A YES, SIR.

Q ARE YOU AWARE OF ANY MATERIALS BEING TAKEN FROM THE TAHITIAN PEARL JOB TO BE USED IN YOUR SON'S

HOUSE?

A NO, THERE WAS NONE.

Q NOW, THE TRUCK THAT YOU USED AFTER YOU LEFT, THAT WAS WITH THE PERMISSION OF MR. VEREEN, WAS IT NOT?

A HE NEVER TOLD ME TO BRING IT BACK.

Q DIDN'T HE AGREE TO TRANSFER IT ON OVER TO YOU LATER?

A YES. HE SAID HE WOULD TRANSFER IT OVER.

Q THAT'S SOMETHING THAT Y'ALL WORKED OUT BETWEEN YOURSELVES?

A I NEVER REALLY TALKED TO HIM ABOUT IT AFTER THAT.

Q THE VALUE OF THAT TRUCK SHOULD BE A CHARGE TO YOU, SHOULD IT NOT?

A BY ALL MEANS, YES.

Q DID YOU EVER PLEDGE TO CREDIT -- WHEN I SAY "CREDIT" I'M TALKING, DID YOU EVER CHARGE ANY MATERIAL, INVOICES, OR LABOR FOR ANY OF THESE SIDE JOBS TO A&E?

A NO.

Q WERE YOU EVER PAID BY A&E FOR ANY OF THESE JOBS FROM 2004 UNTIL 2005 WHEN YOU BECAME A SALARIED EMPLOYEE OF A&E?

A DID I EVER --

Q DID YOU EVER CHARGE ANY TIME, LABOR, OR MATERIALS TO A&E FOR THESE SIDE JOBS FROM 2004 UNTIL YOU BECAME A SALARIED EMPLOYEE OF A&E?

A NOT ONLY THEN, BUT NEVER. I NEVER CHARGED ANY OF IT TO A&E. THAT WAS PAID FOR BY ME OR THE PEOPLE THAT OWED THE HOUSE.

Q WHAT ABOUT LABOR CHARGES? YOU NEVER -- ALL THE LABOR CHARGES WERE FOR YOUR OWN TIME FOR THESE SIDE JOBS?

A YEAH.

Q TELL ME, SIR, HOW MUCH DID YOU NORMALLY WORK FOR A&E AFTER YOU GOT ON SALARY? LET'S START IN 2004 UNTIL YOU BECAME A SALARIED EMPLOYEE, HOW WOULD YOU DO THIS SUPERVISION FEES?

A I ONLY BILLED THEM THE PORTION OF MY TIME THAT I WORKED FOR THEM BECAUSE I HAD OTHER JOBS THAT I WAS COMPLETING. SO, I DID NOT BILL THEM FOR ANYTHING UNTIL LATE MARCH AND APRIL. EVERYTHING THAT I DID WAS BASICALLY PRO BONO AND SAME THING WITH WAYNE. HE DIDN'T GET PAID EITHER. WE NEITHER ONE GOT PAID. AND THEN WHEN I STARTED WORKING ON THE JOB, LIKE BEACH DUNES, WE SPENT, YOU KNOW, HOURS DOWN THERE TEARING DOWN A HOTEL OR WHATEVER. WHATEVER HOURS I SPENT THERE OR WHATEVER OF MY EMPLOYEES WORKED THERE, THAT'S

WHAT THEY WERE BILLED.

Q THAT WOULD BE AN EES BILL THAT FIRST YEAR?

A YES.

Q HYPOTHETICALLY, IF YOU WORKED 20 HOURS DOING A&E WORK, HOW WOULD YOUR TIME BE SHOWN ON YOUR BILL TO A&E? YOU GAVE THEM A BILL EVERY WEEK?

A I GAVE THEM A BILL. IT WOULD BE $25.00 AN HOUR AND I WOULD SAY THAT WOULD BE ONE-EIGHTH OF THE TIME THAT I SPENT A MONTH, ONE-EIGHTH OF MY TRUCK EXPENSE, PHONE EXPENSE, WORKERS' COMP, LIABILITY, EVERYTHING WOULD GO STRAIGHT TO -- GO IN THAT AND THAT WOULD BE THE SUPERVISION CHARGE.

Q SO THE SUPERVISION FEE INCLUDED ALL OF THIS STUFF?

A YES.

Q HOW IN WORLD DID YOU EVER FIGURE OUT TO BILL THEM THAT WAY?

A WE CAME UP -- THAT WAS THE EASIEST WAY TO DO IT.

Q WHO TOLD YOU HOW TO BILL IT?

A WELL, I TALKED WITH WAYNE AND THAT'S HOW WE DID IT. I MEAN, WE SET UP HOW WE DO IT. I WRITE DOWN EVERYTHING THAT WE DID. I CHARGED THEM LABOR IS A -- THE ACTUAL COST OF WHAT THE LABOR WAS FOR ME TO PAY THEM. AND THEN THE WORKERS'

COMPENSATION AND LIABILITY WAS SET UP IN THE SUPERVISION. SUPERVISION YOU PAY LIKE ONE PERCENT WORKMANS' COMP. IF YOU GOT A CARPENTER, IT'S LIKE 14 PERCENT WORKMANS' COMP AS IT'S A BIG DIFFERENCE.

Q SO, IN SUPERVISION, IT WOULD BE THE WORKERS' COMP CHARGE TO EES FOR THE A&E PORTION OF THE JOB?

A CORRECT.

Q AND WHAT ABOUT THE FICA MATCH, WOULD BE IN THERE ALSO?

A EVERYTHING.

Q SO, THE EXPENSES THAT A EMPLOYER WOULD HAVE WOULD BE IN THIS SUPERVISION FEE?

A THAT'S CORRECT.

Q WAS THERE ANY PROFIT TO YOU, SIR, OVER AND ABOVE THE $25.00 AN HOUR DURING THIS ONE YEAR PERIOD, APPROXIMATELY?

A NO.

Q AND MR. VEREEN KNEW ABOUT THIS?

A YES.

Q AND YOU TALKED TO HIM AND YOU SUBMITTED THE INVOICES?

A HE APPROVED EVERY SINGLE CHECK THAT WAS WRITTEN.

Q ANY MATERIAL OR LABOR EXPENSE THAT WAS IN THERE,

YOU ACTUALLY GAVE HIM AN INVOICE FOR IT?

A HE HAD INVOICES ON ANY CONCRETE, ANY DUMPSTER TICKET, GAS TICKET, WHATEVER IT WAS, THE TICKETS WERE THERE.

MR. DURANT: YOUR HONOR, THAT'S ALL WE HAVE.

MR. THOMAS: WE DON'T HAVE ANY QUESTIONS.

JUDGE HOWE: ALRIGHT. YOU MAY STEP DOWN.

(OFF THE RECORD UNTIL 10.12.11.)

JUDGE HOWE: ALRIGHT. MS. COOK. YOUR NEXT WITNESS.

MS. COOK: THANK YOU, YOUR HONOR. JUST TO LET THE COURT KNOW WHAT WE ANTICIPATE, MY NEXT WITNESS WILL BE BETH SISSON AND WE WILL PROBABLY START AFTER SOME BACKGROUND INFORMATION BY UTILIZING PLAINTIFF'S EXHIBIT "1" THROUGH "4", WHICH WE GENERICALLY CALL SUSAN BRADY'S NOTEBOOKS. I BELIEVE, YOUR HONOR, MAY -- THEY HAVE BEEN MARKED IN. SO, I WAS GOING TO TRY TO GET THEM FOR THE COURT NOW. SO, IT WOULD BE EARLIER ON THE COURT --

MR. DURANT: I THINK WE GAVE HER A COPY.

JUDGE HOWE: I ONLY HAVE ONE NOTEBOOK.

MS. COOK: -- ONE.

MR. DURANT: I THOUGHT WE MADE YOU A COPY OF ALL THESE THAT WE INTRODUCED INTO EVIDENCE.

JUDGE HOWE: YOU MAY HAVE MADE ME A COPY, BUT I DIDN'T TAKE IT. THE ONLY THING I TOOK WAS THIS ONE BIG NOTEBOOK.

MS. COOK: IF I'M CORRECT, FRANK, IS THAT THE BIG NOTEBOOK THAT THEN HAS "5" THROUGH "39" OF PLAINTIFFS EXHIBITS IN IT?

MR. DURANT: YES. THOSE ARE EXHIBITS. I THINK WE MADE THE COURT A COPY OF THESE BEFORE WE STARTED, AND YOU HAVE THEM TOO I THINK.

JUDGE HOWE: THIS HAS EXHIBITS "1" THROUGH "29". IT SAYS, "2004 NOTEBOOK, 2005, 2006, 2007 NOTEBOOKS", BUT I DON'T HAVE THE NOTEBOOKS.

MR. DURANT: I'VE GOT THEM HERE, YOUR HONOR. I DON'T KNOW IF I'VE GOT A SPARE ONE, BUT THESE ARE THE ORIGINAL ONE.

MS. COOK: I THINK MRS. SISSON WILL NEED

TO USE THE ORIGINALS.

MR. DURANT: I HAVE THE ORIGINALS RIGHT HERE. THESE ARE THE ONES THAT ARE MARKED.

MS. COOK: UNFORTUNATELY, YOUR HONOR, I DON'T THINK I HAVE ANYTHING FOR YOU TO LOOK AT.

JUDGE HOWE: OKAY. I NEVER HAD ONE DURING THE TESTIMONY BEFORE.

MR. DURANT: SORRY. I THOUGHT WE MADE COPIES, BUT I STAND TO BE CORRECTED. YOU HAVE A COPY OF THE COMPUTATION, DON'T YOU, THE FINAL? ONE WE MADE FOUR COPIES OF THAT.

JUDGE HOWE: THE FINAL ONE?

MR. DURANT: YES. THERE WAS A SUMMARY ANALYSIS.

JUDGE HOWE: YES, I DO HAVE THAT.

MR. DURANT: THAT ACTUALLY CONTAINS THE BASIC INFORMATION, IT JUST DOESN'T HAVE THE BACK-UP. SO, THAT MIGHT BE THE BEST THING FOR YOU TO LOOK AT FOR THIS.

JUDGE HOWE: IS THAT HER REPORT?

MR. DURANT: YES. ON SUMMARY ANALYSIS 2004 IS NUMBER "1", 2005 IS NUMBER "2".

IT SHOULD LOOK LIKE THIS.

JUDGE HOWE: I DON'T HAVE ANY BOOKS OTHER THAN THIS BOOK.

MS. COOK: YOUR HONOR, THEN MIGHT I ASK -- IT WOULD GREATLY AID, YOUR HONOR, TO BE ABLE TO SEE WHAT LINE ITEMS MY CLIENT IS TALKING ABOUT. WOULD IT BE OKAY IF MY CLIENT USES HER COPY OF SUSAN'S NOTEBOOKS AND WE GIVE YOU THE ORIGINAL?

JUDGE HOWE: MR. DURANT, DID YOU HEAR THAT?

MS. COOK: SO THAT THE COURT CAN ACTUALLY FOLLOW ALONG WITH THE TESTIMONY OF MY WITNESS. WOULD IT BE OKAY IF WE GIVE THE COURT THE ORIGINAL NOTEBOOKS SO BETH CAN USE HER COPIES OF SUSAN'S NOTEBOOKS?

MR. DURANT: ALRIGHT. THAT'S NO PROBLEM. WE'LL HAND THESE TO YOU.

MS. COOK: THEN I CALL, YOUR HONOR, BETH SISSON TO THE STAND PLEASE.

.....

ELIZABETH SISSON, HAVING FIRST BEEN DULY SWORN AND TESTIFIES AS FOLLOWS;

DIRECT EXAMINATION BY MS. COOK:

A ELIZABETH SISSON, S-I-S-S-O-N IS THE LAST NAME.
Q GOOD MORNING, MRS. SISSON.
A GOOD MORNING.
Q WOULD YOU TELL THE COURT HOW YOU ARE RELATED TO MR. VEREEN?
A HE IS MY FATHER.
Q WOULD YOU GIVE US THE BENEFIT OF YOUR EDUCATIONAL BACKGROUND. JUST TELL ME WHERE YOU GREW UP AND GRADUATED FROM HIGH SCHOOL AND THEN GIVE US THE BENEFIT OF YOUR EDUCATIONAL BACKGROUND FROM THERE.
A I WAS BORN AND RAISED IN HORRY COUNTY, RAISED MYRTLE BEACH, WENT TO HIGH SCHOOL AT BOTH COASTAL ACADEMY, GRADUATED FROM MYRTLE BEACH HIGH SCHOOL IN 1990 AND WENT TO USC, IN COLUMBIA. GRADUATED USC IN '95 WITH A DEGREE DUEL DEGREE IN ENVIRONMENTAL AND CIVIL ENGINEERING. FROM THERE, WENT TO LAW SCHOOL. GRADUATED LAW SCHOOL IN '98. IS THAT ALL THE QUESTIONS YOU ASKED?
Q YES. WHEN YOU GRADUATED FROM LAW SCHOOL, WHAT DEGREE DID YOU OBTAIN?
A MY LAW DEGREE.
Q AFTER OR WHILE YOU WERE IN SCHOOL -- YOU'VE BEEN IN SCHOOL A LONG TIME -- DID YOU HAVE OCCASION

TO EVER WORK IN ADDITION TO BEING IN SCHOOL?

A YES. DURING THE SUMMERS GROWING UP, I WOULD WORK FOR MY FATHER, FOR ARTHUR VEREEN CONSTRUCTION COMPANY. DOING A LITTLE BIT OF WHATEVER HE NEEDED. SOMETIMES THAT WOULD MEAN I WAS AT THE OFFICE ASSISTING THE OFFICE MANAGER THERE AND DOING FILING AND HELPING HER PAY CHECKS AND PAY BILLS. IT MIGHT MEAN I WAS TAKING MATERIALS TO JOBS OR SIMPLY GOING TO JOBS AND MAKE SURE GUYS ARE WORKING. I ALSO CLEANED POOLS FOR HIM. I DID A LITTLE BIT OF ANYTHING AND EVERYTHING HE NEEDED IN THE CONSTRUCTION INDUSTRY.

Q BEFORE YOU WENT TO WORK, AFTER YOU OBTAINED YOUR LAW DEGREE, IN ADDITION TO WORKING AS LONG AS YOU CAN REMEMBER, WHAT BUSINESS HAS YOUR FATHER BEEN IN?

A CONSTRUCTION.

Q AFTER OBTAINING YOUR LAW DEGREE, WHAT DID YOU THEN DO FOR EMPLOYMENT?

A I WORKED FOR A LAW FIRM IN COLUMBIA, ENVIRONMENTAL LAW FIRM PRACTICING ENVIRONMENTAL LAW REPRESENTING THE STATE OF SOUTH CAROLINA. I REPRESENTED DEHEC IN SEVERAL GROUNDWATER CONTAMINATION CASES. ALSO HAD CLIENTS LIKE NEW

CORE STEEL, HELPING THEM WITH COMPLIANCE REPORTS IN THE ENVIRONMENTAL FIELD. SO, I DID THAT FOR 8 YEARS.

Q ABOUT FROM WHAT YEAR TO WHAT YEAR?

A '98 TO THE END OF 2003.

Q WHAT FIRM WAS THAT?

A THE TRADEMARK NAME OF THE FIRM WAS TEST LAW PRACTICE GROUP, BUT IT WAS VON OPPENFELD, HISER, FREEZE.

Q AND IN YOUR CAPACITY AS A LAWYER IN THE ARENA OF ENVIRONMENTAL LAW, DID YOU DO TRANSACTIONAL OR COMPLIANCE WORK AS WELL AS LITIGATION?

A YES.

Q ARE YOU MARRIED?

A YES, I AM.

Q WHO ARE YOU MARRIED TO?

A CHAD SISSON.

Q DO YOU HAVE CHILDREN?

A HAVE TWO.

Q WHAT ARE THERE NAMES AND AGES?

A PAYNE IN 6, AND PATRICK IS 4.

Q AFTER THE EIGHT YEARS THAT YOU WORKED IN THE ENVIRONMENTAL ARENA, WHAT DID YOU THEN DO FOR EMPLOYMENT?

A AFTER GETTING MARRIED AND DECIDING THAT WE

WANTED TO MOVE BACK TO MYRTLE BEACH, IT WAS THE SAME TIME AS I WAS WRAPPING UP THE CASES WITH THE LAW FIRM IN COLUMBIA. WE DECIDED TO GO AHEAD AND QUIT WITH EMPLOYMENT THERE AND MOVE BACK TO THE BEACH AND START WORKING WITH DAD AGAIN, AND SO WE DID THAT IN LATE 2003 AND I STARTED IN 2004.

Q WHEN YOU STARTED WORKING IN 2004 WITH YOUR FATHER, WHAT COMPANY WERE YOU WORKING WITH YOUR FATHER IN?

A WELL, I WAS BEING PAID BY PARKWAY OFFICES AND THAT WAS SIMPLY BECAUSE WHEN WE WERE COMING HOME, WE WERE TRYING TO DECIDE WHAT WE WERE GOING TO DO. I BELIEVE HE WAS IN DISCUSSION WITH ELLIS ABOUT STARTING A&E, AND TRIED TO FIGURE OUT HOW ALL OF THAT WAS GOING TO WORK. I WAS BEING PAID BY PARKWAY OFFICES, BUT I WAS DOING WORK FOR A&E ON A&E JOBS. AND I WAS ALSO DOING A LITTLE BIT OF WORK FOR ARTHUR VEREEN CONSTRUCTION COMPANY HELPING BASIL WITH PUNCH LISTS UP AT SEVEN OAKS.

Q DID THERE COME A TIME WHERE YOU STOPPED BEING PAID BY PARK PLACE PROPERTIES AND BECAME A PAID EMPLOYEE WITH A&E?

A IT WAS PARKWAY OFFICES THAT WAS PAYING ME. I

DON'T REMEMBER IF IT WAS APRIL OR JUNE. IT WAS JUST A FEW MONTHS AT THE BEGINNING OF 2004.

Q AND HOW LONG DID YOU WORK FOR A&E?

A WELL, I CONTINUED TO RECEIVE A SALARY FROM A&E THROUGH OCTOBER 2009. THROUGH SEPTEMBER 2009.

Q WHILE YOU WERE WORKING WITH A&E, DID YOU HAVE ANY OTHER EMPLOYMENT OR DID YOU DO ANYTHING ELSE BESIDES WORK FOR A&E?

A YES. I'M AN ATTORNEY AND SO I DID SOME CONTRACT WORK ON THE SIDE. SOME LEGAL WORK ON THE SIDE FOR MYSELF, FAMILY MEMBERS. I ALSO GET APPOINTED QUITE FREQUENTLY AS A GUARDIAN-AD-LITEM FOR DSS CASES UP HERE. I DO THAT WORK AS WELL.

Q TELL ME WHAT DEGREES YOU HOLD?

A I HAVE A ENGINEERING DEGREE AND A LAW DEGREE.

Q DO YOU HOLD ANY LICENSES FROM THE STATE OF SOUTH CAROLINA OR ANY OTHER LICENSING ENTITY?

A JUST MY SOUTH CAROLINA BAR LICENSE.

Q CURRENTLY, WHAT DO YOU DO FOR A LIVING?

A I WORK IN CONSTRUCTION. I DON'T HAVE MY CONTRACTORS LICENSE, BUT I OWN GRAND STRAND BUILDERS AND MY DAD'S LICENSE IS IN THAT COMPANY AND WE DO CONSTRUCTION, NEW CONSTRUCTION, RE-MODEL, THAT TYPE OF THING AND I'M STILL AN

ATTORNEY.

JUDGE HOWE: WHAT DO YOU OWN?

A GRAND STRAND BUILDERS.

Q IS GRAND STRAND BUILDERS A LICENSED CONTRACTOR IN THE STATE OF SOUTH CAROLINA?

A YES, MA'AM.

Q WHAT TYPE OF LICENSE DOES GRAND STRAND BUILDERS OWN?

A IT'S AN UNLIMITED GENERAL CONTRACTOR'S LICENSE.

Q WHAT IS YOUR UNDERSTANDING OF WHAT AN UNLIMITED GENERAL CONTRACTORS LICENSE WITH THE STATE OF SOUTH CAROLINA ENTITLES YOUR COMPANY TO DO?

A BASICALLY ANYTHING IT WANTS.

Q IS IT LIMITED IN ANY WAY IN TERMS OF SIZE OF CONSTRUCTION YOU DO?

A NO, MA'AM.

Q IS IT LIMITED IN ANY WAY IN TERMS OF THE VALUE OR THE AMOUNT OF CONSTRUCTION, DOLLAR VALUE, YOU CAN DO?

A NO, MA'AM.

Q IS IT YOUR UNDERSTANDING THAT THERE ARE DIFFERENT LICENSES AND GRADES OF LICENSES THAT ARE ISSUED BY THE SOUTH CAROLINA LABOR LICENSING BOARD FOR GENERAL CONTRACTORS?

A YES, MA'AM.

Q WHAT GENERALLY ARE THOSE CHARACTERISTICS OF THE DIFFERENT STEPS OF LICENSES?

A I BELIEVE IT'S BD-1 THROUGH BD-5 AND IT SEEMS TO ME, BD-1 IS BASED ON A $100,000.00 CONTRACT VALUE AND THEN IT GOES UP AT A GRADUATED SCALE UP TO THE BD-5 WHICH IS UNLIMITED.

Q AND THAT'S THE LICENSE YOUR COMPANY, GRAND STRAND BUILDER HOLDS?

A YES, MA'AM.

Q WHO IS THE QUALIFIED INDIVIDUAL THAT ACTUALLY HAS TAKEN AND PASSED THE GENERAL CONTRACTORS LICENSE THAT HAS THEIR LICENSE PLACED WITH YOUR COMPANY?

A MY DAD.

Q HOW LONG HAVE YOU KNOWN MR. SMITH?

A I COULDN'T TELL YOU EXACTLY HOW LONG I'VE KNOW HIM. I KNOW HE HAS WORKED WITH MY DAD IN THE PAST SO I KNOW I'VE HAD SOME LEVEL OF INTERACTION, BUT I WOULD HAVE BEEN A VERY YOUNG GIRL AT THAT POINT, BUT I KNOW THAT IN 2004, WAS MY MOST CONCRETE MEMORY OF KNOWING MR. SMITH.

Q AND THAT WAS IN YOUR CAPACITY AS WORKING WITH A&E OF WHICH HE WAS THE PRESIDENT, IS THAT CORRECT?

A YES, MA'AM.

Q WHEN YOU STARTED WITH A&E IN 2004 -- WHEN YOU STARTED WITH A&E IN 2004, WHAT WERE YOUR JOB DUTIES OR RESPONSIBILITIES WITH A&E? THEN I WOULD LIKE FOR YOU TO TELL THE COURT EACH YEAR IF THOSE DUTIES CHANGED. JUST TAKE US THROUGH GENERALLY WHAT YOUR RESPONSIBILITIES AND YOUR SCOPE OF WORK WAS WITH A&E?

A I HAVE ALWAYS SAID I DO WHATEVER HE ASKED ME TO DO, AND THAT'S THE TRUTH. IT DEPENDS ON JUST WHAT IS NEEDED. WHEN WE STARTED IN 2004, A LOT OF MY JOB DUTIES REVOLVED AROUND BEING IN THE OFFICE TRYING TO HELP GET THE NEW JOB FILES SET UP. I WAS TRYING TO HELP CARRIE KEEP THINGS A LITTLE BIT MORE ORGANIZED SO WHEN WE STARTED LOOKING FOR THINGS IN THE FILES WE COULD PULL A FOLDER RATHER THAN HAVING TO LOOK THROUGH 24 INCHES OF MATERIALS.

Q LET ME STOP YOU JUST A SECOND. WHO IS CARRIE?

A CARRIE WAS THE OFFICE MANAGER FOR A&E. ANYWAY, THAT WAS ONE OF MY JOBS AT THE VERY BEGINNING. LIKE I SAID, I DID A LITTLE BIT OF WORK HELPING BASIL FINISH UP THE ARTHUR VEREEN CONSTRUCTION COMPANY JOB SEVEN OAKS. HELPING HIM WITH SOME PUNCH LISTS. HE JUST WAS VERY ORGANIZED. SO, I HAD TO GO UP AND WALKED THROUGH THE UNITS WITH

HIM AND TRY TO GIVE HIM LISTS. I ALSO DID A LOT OF WORK ON THE DOCTOR LALE JOB. I HELPED WITH THE WILLOUGHBY PLACE JOB TRYING TO GET PLANS HERE AND THERE AND TALK WITH DIFFERENT PEOPLE ABOUT THAT. AS FAR AS 2004, THAT'S REALLY WHAT I DID AT THE BEGINNING UNTIL JOBS STARTED PICKING UP. SOME OF THOSE JOBS I WAS PRIMARILY SORT OF THE GO-TO PERSON. I DON'T KNOW IF I WOULD CALL MYSELF THE PROJECT MANAGER, LIKE ELLIS CALLED HIMSELF A PROJECT MANAGER ON A FEW JOBS, BUT IT WAS ME -- I WAS IN CHARGE OF DEALING WITH CLIENTS, MR. AND MRS. KEMP. I WAS IN CHARGE OF DEALING WITH DR. LALE GETTING HIM TO MAKE A FINAL DECISION IN FINISHES AND THINGS LIKE THAT. SO, I REALLY JUST DID WHAT I WAS ASKED TO DO. I HAD A LOT OF DIFFERENT JOB RESPONSIBILITIES.

Q IN 2004, DID YOU HAVE ANY RESPONSIBILITIES WITH REGARD TO THE FINANCES OR BUILDING OR COLLECTIONS OR TRACKING THE EXPENSES OF A&E?

A I DON'T SAY THAT WAS MY DIRECT RESPONSIBILITY. IF CARRIE NEEDED HELP, I HELPED HER WITH THAT. I KNOW I HAVE PICKED UP A CHECK HERE OR THERE OR TAKEN A BILL HERE OR THERE. I HELPED TYPE UP A BILL. I HAVE HELPED PAY BILLS. I HAVE HELPED

DO A LITTLE BIT OF EVERYTHING IN THE OFFICE. SO, I DON'T KNOW THAT IT WAS ONE OF MY PRIMARY RESPONSIBILITIES, BUT IT WAS DEFINITELY SOMETHING THAT WAS ON MY LIST OF THINGS THAT I DID.

Q AND THAT WAS IN '04?

A YES.

Q NOW, TAKE US INTO '05 AND TELL US IF YOUR SCOPE OF RESPONSIBILITY CHANGED?

A WELL, IT WAS BASICALLY THE SAME THING; IT WAS JUST THE PERCENTAGES SORT OF SHIFTED '05. WE STARTED GETTING REALLY BUSY IN '05 AND '06. WE WERE VERY BUSY. SO, I WAS ON THE JOB SITES MORE DEALING WITH MORE SUBCONTRACTORS AND IT WAS STILL MY RESPONSIBILITY TO MAKE SURE THAT THINGS WERE PROGRESSING ON JOBS. ALSO I WAS STILL IN CHARGE OF HANDLING PUNCH LISTS AND HANDLING CLIENT RESPONSIBILITIES, SPECIFICALLY WITH WILLOUGHBY PLACE. I WAS IN CHARGE OF MAKING SURE THE HOMEOWNERS MADE THEIR SELECTIONS AND GETTING THOSE SELECTIONS TO THE INDIVIDUAL SUBCONTRACTORS. IT WAS ALSO MY RESPONSIBILITY TO DEAL WITH THE REAL ESTATE PEOPLE THERE TO MAKE SURE THEY HAD ALL THE INFORMATION THEY NEEDED IN ORDER TO SELL THE UNITS. ALSO HAD A

LOT OF COMMUNICATION WITH HARRY WILLOUGHBY, WHO WAS THE OWNER OF THAT PROJECT. AT SOME POINT IN THE FOUNTAINS, I WENT OUT AND ASSISTED ELLIS IN DOING THE SAME TYPE THINGS; MAKING SURE THAT PUNCH LISTS WERE DONE, THE BUILDINGS WERE GETTING FINISHED, DEALING WITH THE DEVELOPER AND GETTING FINAL PAYMENTS.

Q DURING 2005 AND 2006, WERE THERE CERTAIN A&E JOBS THAT YOU WOULD SAY THAT YOU WERE IN CHARGE OF AND CERTAIN A&E JOBS THAT ELLIS WAS IN CHARGE OF OR WAS THERE CROSSOVER?

A I THINK OTHER THAN THE FOUNTAIN WHERE I REALLY FEEL LIKE HE AND I WERE BOTH -- DIFFERENT ASPECTS, BUT BOTH SORT OF IN CHARGE OF THAT PROJECT. WILLOUGHBY PLACE, I KNOW HE HAD A LOT TO DEAL WITH. SOME OF THE STUFF AT THE VERY BEGINNING AS FAR AS FOUNDATION WORK AND THE INITIAL ROUGH FRAMING, THAT KIND OF THING. HE HAD A LOT TO DEAL WITH TO OVERSEE THAT, BUT AS FAR AS THE REST OF IT, MOST OF THAT WITH WILLOUGHBY I TOOK CHARGE OF.

Q THAT'S A GENERAL DESCRIPTION OF YOUR JOB DUTIES THROUGH 2006, IS THAT CORRECT?

A UH-HUH (AFFIRMATIVE RESPONSE.)

Q HOW ABOUT YOUR JOB DUTIES AND RESPONSIBILITIES

IN 2007?

A IN 2007, REALLY OUR ONLY JOB THAT WE WERE REALLY WORKING ON WAS THE MATHI JOB.

Q TELL US WHAT THE MATHI JOB WAS?

A IT WAS A COMMERCIAL BUILDING OFF OF CAROLINA FOREST BOULEVARD AND THAT CLIENT WAS AN EXTREMELY DIFFICULT CLIENT. SO, I HAD A LOT OF DEALINGS WITH HER DIRECTLY REGARDING CHANGE ORDERS, PAY REQUESTS, GETTING FINAL PAYMENT, NEGOTIATING FINAL PAYMENT, AND JUST A LOT OF THAT DEALING WITH A LOT OF THAT. SHE WAS CONSTANTLY MAKING CHANGES AND NOT WANTING TO PAY FOR THEM. SO, DEALING WITH A LOT OF THAT.

Q IN 2007, IN YOUR DEALING WITH THE MATHI JOB, DO YOU HAVE A RECOLLECTION IN TERMS OF DOLLAR VALUE, WHAT THE VALUE OF THAT A&E JOB WAS?

A IT'S MERELY A GUESS, BUT I WOULD SAY IT'S AROUND 700 OR $800,000.

Q IN 2007, DID YOU HAVE ANY OTHER RESPONSIBILITIES WITH A&E?

A TOWARD THE END OF 2007, PROBABLY JUNE, JULY OR AUGUST, IS WHEN I GOT A REQUEST FROM RICHARD CRUMPLER, I BELIEVE. AT THAT POINT SUSAN HAD DECIDED THAT SHE WASN'T GOING TO DO THE TAX RETURNS AND RICHARD ASKED FOR A BUNCH OF

INFORMATION. SO, I TRIED TO COLLECT ALL THAT INFORMATION AND GIVE IT TO HIM. AND THAT TOOK ME QUITE A WHILE TO GATHER ALL THAT TOGETHER. SPECIFICALLY THERE WERE JOB COSTS THAT HAD BEEN ENTERED OR WHAT THEY BELIEVED TO BE JOB COSTS THAT HAD BEEN ENTERED INTO THE COMPUTER, BUT WEREN'T ASSIGNED TO A JOB. AND FOR 2004, '05, '06 AND '07 IT WAS SOMEWHERE BETWEEN 250 TO 300,000.00 FOR EACH YEAR. SO, I HAD TO GO BACK AND ACTUALLY DO THAT BY PULLING INVOICES AND SEEING WHAT JOBS THEY WERE FOR AND PUT THAT ON A PIECE OF PAPER -- PUT THAT ON A SPREADSHEET AND GIVE IT TO RICHARD AND LET HIM KNOW EXACTLY WHAT THOSE JOB COSTS WOULD FIT INTO HIS TAX RETURN.

Q AT THE SAME TIMEFRAME THAT JUNE, JULY, AUGUST TIMEFRAME WHEN YOU BEGAN DOING THE BACK UP WORK, I'M GONNA CALL IT, FOR A LACK OF A BETTER TERM, TO GET THE INFORMATION TO MR. CRUMPLER. WAS THAT THE TIMEFRAME ALSO WHICH MR. SMITH LEFT THE COMPANY?

A YES, MA'AM.

Q NOW, PRIOR TO MR. SMITH LEAVING THE COMPANY, HAD YOU HAD OCCASION TO WORK WITH SUSAN BRADY IN ANY CAPACITY, WHO WAS SERVICING THE ACCOUNT FOR A&E?

A YES, MA'AM.

Q CAN YOU TELL THE COURT ABOUT THAT?
A I BELIEVE IT WAS IN 2006, WE GOT NOTICE OF A LAWSUIT FOR COPYRIGHT INFRINGEMENT ON THE WILLOUGHBY PLACE AND THAT WAS ANOTHER HUGE PART OF MY RESPONSIBILITY WAS JUST HANDLING THAT AND DEALING WITH THE ATTORNEYS, BUT AS PART OF THAT LITIGATION, OUR ATTORNEYS WANTED AN EXPERT WHO COULD DETERMINE WHAT THE PROFITS WERE IN A&E. THAT WAS ONE OF THE THINGS THAT THE PLAINTIFFS WERE SUING FOR. THEY WERE SUING FOR ANY PROFITS THAT WE MADE ON THAT JOB AND SO WE ASKED SUSAN BRADY TO DO THAT AND IN DOING SO, GOT HER INFORMATION TOGETHER REGARDING WILLOUGHBY PLACE. ALL OF THE PAY REQUESTS AND THE PAYMENTS THAT WERE MADE ON THOSE PAY REQUESTS AND GOT ALL THAT INFORMATION TOGETHER FOR HER, AND I BELIEVE, ELLIS GOT HER SOME INFORMATION TOGETHER ON SALARIES AND WHAT THE ATTRIBUTABLE SALARIES WERE FOR THAT JOB. SHE WAS ABLE TO PUT HER REPORT TOGETHER BASED ON ALL THAT INFORMATION.
Q DURING THE TIME THAT MS. BRADY WAS WORKING AS THE EXPERT IN CONNECTION WITH THE WILLOUGHBY LAWSUIT, DID YOU, IN ADDITION TO GATHERING INFORMATION FROM MRS. BRADY, HAVE AN OCCASION TO ACTUALLY SIT DOWN AND WORK WITH MRS. BRADY IN

DETERMINING AND VERIFYING THE NUMBERS THAT WERE BEING USED FOR THE LITIGATION?

A WE DIDN'T ACTUALLY SIT DOWN TOGETHER AND WORK, WE ACTUALLY DID SOME OF IT OVER THE PHONE OR BY FAX. SUSAN WAS HAVING A HARD TIME FOLLOWING CARRIE'S NOTES ABOUT PAY REQUEST AMOUNTS, AND HOW MUCH WAS PAID FOR EACH PAY REQUEST. SO, I ASSISTED HER IN FIGURING OUT THAT INFORMATION, EXACTLY WHICH PAYMENT APPLIED TO WHICH PAY REQUEST.

Q IN ADDITION, TO MRS. BRADY'S WORK ON THE WILLOUGHBY LAWSUIT, DID SHE, FOR A PERIOD OF TIME, SERVICE THE ACCOUNT FOR A&E?

A WELL, IT WAS, AT LEAST, DAD AND MY UNDERSTANDING THAT WHEN ELLIS TOOK THE TAX RELATED STUFF FROM 2005, TOOK IT TO SUSAN FOR THE 2004 TAX RETURNS THAT SHE WAS GOING TO FILE THOSE TAX RETURNS. AT SOME POINT, A LIST OF QUESTIONS CAME BACK AND I BELIEVE THAT WE WORKED ON THOSE AND SENT BACK ANSWERS, BUT ABOUT THE SAME TIME IS WHEN ALL OF THIS WILLOUGHBY EXPERT REQUEST CAME UP AND SHE DECIDED THAT SHE WOULD BE THE EXPERT, BUT NOT BE THE CPA, AND SO ELLIS, I BELIEVE, PICKED UP THE INFORMATION AND GAVE IT BACK CARRIE DREWETT.

Q SO, WHEN SHE WAS SERVING THAT DUEL ROLE, THE

REGULAR ACCOUNTANT AND THEN THE EXPERT, YOU WORKED WITH HER IN GATHERING INFORMATION AND EXPLAINING THE INFORMATION GOTTEN TO HER FOR HER EXPERT TESTIMONY, IS THAT CORRECT?

A YES.

Q AND LIKEWISE, WHEN SHE WAS SERVING, AS YOU UNDERSTOOD IT, AS THE ACCOUNTANT AND SEEKING TO PREPARE TAX RETURNS FOR 2004 AND WHATEVER OTHER TIMEFRAME SHE HAD QUESTIONS SIMILAR TO WHAT RICHARD CRUMPLER'S OFFICE DID LATER AND YOU ASSISTED WITH ANSWERING THOSE QUESTIONS TO AID HER IN PREPARING THE TAX RETURNS?

A YES.

Q I AM GOING TO BACK UP FOR JUST A MOMENT AND ASK YOU, IF YOU COULD, AS AN EMPLOYEE OF A&E, WERE YOU PAID BY THE HOUR OR WERE YOU ON SALARY?

A SALARY.

Q WHAT WAS YOUR SALARY?

A $60,000.

Q WAS THAT FOR THE YEAR 2004, 2005, 2006, IS THAT RIGHT?

A YES. AND '8 UP THROUGH '9.

Q SO, IT WAS THAT AMOUNT FOR EACH OF THOSE YEARS?

A YES.

Q DURING THAT TIME, WERE THERE REGULAR HOURS THAT

YOU KEPT IN WORKING -- WAS IT A 9 TO 5 SALARY JOB OR HOW DID THAT GO?

A NO. I WAS EXPECTED TO BE AT THE OFFICE AT 7 IN THE MORNING AND WAS EXPEDITED TO BE THERE UNTIL I GOT MY WORK DONE. I QUITE FREQUENTLY WAS THERE MUCH LATER. I WORKED ON THE WEEKENDS. I HAD TO WORK ON THE WEEKENDS IN ORDER TO DEAL WITH THE HOMEOWNERS WALK-THROUGHS AND THAT KIND OF THING. JUST MOST PEOPLE THAT WERE BUYING HOMES WEREN'T HERE EXPECT ON THE WEEKENDS. SO, I SPENT A LOT OF TIME, ESPECIALLY AT THE FOUNTAINS, ON THE WEEKEND DEALING WITH HOMEOWNERS AND SALES STAFF AND THAT KIND OF THING. SO, NO, I DIDN'T HAVE REGULAR HOURS, BUT I WAS THERE AT 7 O'CLOCK EVERY DAY AND I FREQUENTLY LEFT WELL PAST THE END OF THE DAY.

Q WOULD THE TIME THAT YOU PUT IN PER WEEK, HAVE BEEN MORE OR LESS THAN 40 HOURS PER WEEK?

A I WOULD THINK IT WOULD BE MORE.

Q OF YOUR TYPICAL WORKWEEK OR HOWEVER YOU WOULD WANT TO QUANTIFY IT BY MONTH OR WHATEVER, HOW MUCH PERCENTAGE-WISE OR HOUR-WISE WOULD YOU SAY YOU SPENT IN ANY GIVEN WEEK OR ANY GIVEN MONTH ON DOING AS YOU CALL IT, `CONTRACT WORK' OR WORK FOR YOUR FAMILY AS A LAWYER? I WILL CALL THOSE

YOUR SIDE JOBS.

A I WOULD SAY PROBABLY AT MOST, YOU KNOW, THREE OR FOUR HOURS A WEEK.

Q DID THAT IN ANYWAY IMPINGE UPON OR TAKE AWAY FROM THE TIME THAT YOU SPENT DOING YOUR WORK FOR A&E?

A ABSOLUTELY NOT. I TOOK A&E WORK HOME WITH ME. I WORKED AT NIGHT AFTER MY KIDS WENT TO BED. I MEAN, I WAS A DEVOTED EMPLOYEE I THINK.

Q CAN YOU GENERALLY DESCRIBE TO THE COURT HOW A&E FUNCTIONED, IN TERMS, FIRST, HOW THE OFFICERS OF THE COMPANY FUNCTIONED, WHAT THEIR RESPONSIBILITIES WERE AND THEN HOW YOUR WORKERS FUNCTIONED?

A WELL, DAD AND ELLIS WERE THE OWNERS OF A&E, PRESIDENT AND VICE PRESIDENT AND GENERALLY HOW IT APPEARED IS THAT DAD WAS THE ONE WHO WAS PUTTING THE MONEY IN COMPANY AND HE WAS ALSO SORT OF THE FACE OF A&E. HE IS THE ONE WHO MET WITH MOST CLIENTS, MET WITH THE BANKS, THAT KIND OF THING, AND ELLIS WAS THE ONE WHO HANDLED MORE OF THE ON-SITE JOB RESPONSIBILITIES. NOT TO SAY DAD DIDN'T BECAUSE HE WAS AT THE JOB ALL THE TIME AND CONSTANTLY OVERSEEING SUBCONTRACTORS AND THAT KIND OF THING. THAT WAS SORT OF THE

IMPRESSION THAT WAS THERE AS FAR AS THE GUYS GO. WE WERE ALL EXPECTED TO BE AT THE OFFICE AT 7 O'CLOCK IN THE MORNING. WE GOT THERE AT 7 O'CLOCK IN THE MORNING THAT'S WHEN OUR RESPONSIBILITIES WERE GIVEN TO US FOR THE DAY. SAME FOR THE GUYS. THEY WOULD BE TOLD WHERE THEY WERE GOING AND WHAT THEY WERE TO DO. EVERYBODY WOULD GET WHATEVER MATERIALS THEY NEEDED, GET A TRUCK AND GO TO A JOB-SITE.

Q LET ME BACK UP A MOMENT. A&E, WHO WERE THE SALARIED EMPLOYEES IN 2004 THAT WORKED FOR A&E?

A DAD, ELLIS, ME, AND CARRIE.

Q ALRIGHT. DID A&E, THE FOUR OF YOU HAVE WORKERS OR LABORERS IN 2004 THAT WORKED FOR A&E THAT WERE ON A&E'S PAYROLL?

A YES.

Q AND ABOUT HOW MANY -- THIS IS SEXIST, BUT HOW MANY GUYS DID Y'ALL HAVE WORKING FOR YOU, IN LET'S KIND OF TAKE IT THROUGH EACH YEAR.

A I THINK A&E JUST HAD -- I THINK AT THAT TIME, IT WAS JUST JAMES AND MATTHEW WERE THE ONLY TWO.

Q AND THE OTHER WORK THAT A&E DID, WOULD A&E HIRE SUBCONTRACTORS THEN TO DO THE WORK ON THE VARIOUS A&E JOBS?

A YES.

Q DID THERE COME A TIME IN 2005 -- DID THE EMPLOYEES OF A&E INCREASE OR DECREASE?

A IT SEEMS LIKE WE HIRED A SUPERINTENDENT FOR WILLOUGHBY PLACE. I THINK WE WENT THROUGH TWO DIFFERENT PEOPLE AT THAT POINT JUST TRYING TO GET SOMEBODY ON THE JOB ALL THE TIME AND WE WENT THROUGH TWO DIFFERENT PEOPLE WHO JUST DIDN'T WORK OUT. SO, THEY WERE ON THE PAYROLL FOR A PORTION OF THAT TIME.

Q DID YOU HIRE DIRECTLY ANY LABORERS IN 2005 OTHER THAN MATTHEW AND WHOEVER THE OTHER FELLER WAS THAT YOU SAID?

A JAMES.

Q JAMES.

A YES. I BELIEVE IT WAS AT THIS POINT WHEN ELLIS' SON AND HIS CREW CAME TO WORK DIRECTLY FOR A&E.

Q BEFORE 2005, DID A&E USE AS ONE OF IT'S SUBCONTRACTORS, A COMPANY BY THE NAME OF EES?

A YES.

Q AND ARE YOU FAMILIAR WITH EES?

A YES.

Q WHAT WAS EES?

A THAT'S ELLIS SMITH COMPANY.

Q SO ELLIS SMITH'S COMPANY IN 2004 AND PART OF 2005 WAS A SUBCONTRACTOR AND HIS WORKERS WERE

PAID THROUGH A&E PAID TO EES, IS THAT CORRECT?

A THAT'S MY UNDERSTANDING.

Q HAVE YOU REVIEWED THE RECORDS OF A&E AND ARE YOU FAMILIAR WITH THE RECORDS OF A&E, IN TERMS OF THE INVOICES, PAYROLL, THE GENERAL LEDGER, THE CHECKING ACCOUNT OF A&E, THE RECEIPTS AND THE DEPOSITS TO A&E FROM 2003 THROUGH 2009?

A FROM 2004 TO 2009, YES.

Q WHY NOT IN 2003? AM I NOT CORRECT THAT BUSINESS WAS FORMED IN OCTOBER 2003?

A THE BUSINESS WAS FORMED, BUT THERE WAS NOT A CHECKING ACCOUNT SET UP UNTIL 2004.

Q ALRIGHT. WERE THERE ANY JOBS IN A&E BEFORE 2004?

A THERE WERE A&E JOBS THAT STARTED IN 2003, WHETHER THAT IS BY SIGNING A CONTRACT OR WHETHER ACTUAL WORK WAS DONE OR A PAY REQUEST. THERE WERE A&E JOBS DONE IN 2003. THERE JUST WASN'T AN A&E CHECKING ACCOUNT SET UP.

Q FOR THE WORK THAT A&E DID IN 2003, BEFORE A CHECKING ACCOUNT WAS SET UP, HOW WERE FUNDS RECEIVED...

MR. DURANT YOUR HONOR, I OBJECT TO THE FORM OF THE QUESTION. SHE NEEDS TO ASK DOES SHE KNOW AND THEN SHE CAN ANSWER

YES OR NO.

Q DO YOU KNOW IN 2003, HOW THE FUNDS FOR A&E JOBS THAT WERE GOING ON IN 2003 WERE RECEIVED AND STORED?

A YES.

Q HOW WERE THEY?

A THE A&E JOBS THAT WERE OCCURRING IN 2003 AND EARLY 2004, PRIOR TO THE A&E CHECKING ACCOUNT BEING SET UP, WERE BEING FUNDED AND EXPENSES WERE BEING PAID BY MY DAD. AND THE MONIES FOR THOSE EXPENSES WERE BEING RECEIVED BY MY DAD.

MR. DURANT: YOUR HONOR, THE OBJECTION IS, DID SHE KNOW AT THAT TIME AND WHEN DID SHE KNOW? AND YOU NEED TO ASK THAT BECAUSE I DON'T KNOW IF SHE WAS FAMILIAR OR NOT WITH THE DEALS BEING PAID AT THAT TIME. IT THINK THE KNOWLEDGE IS NOT THAT SHE LOOKED AT RECORDS AFTER THE LAWSUIT WAS FILED. THAT'S MY OBJECTION. I THOUGHT THE TESTIMONY WAS SHE DIDN'T BEGIN WORKING FOR THAT COMPANY `TIL 2004.

MR. DURANT: THAT'S CORRECT.

JUDGE HOWE: YOU CAN ASK HER THAT ON CROSS-EXAMINATION.

MR. DURANT: YES, MA'AM, BUT WE ARE GOING TO BE GOING INTO FOUR YEARS OF THIS AND THAT'S THE BASIS OF THE OBJECTION THAT IS COMING, YOUR HONOR. SHE NEEDS TO LAY THE FOUNDATION OF HOW SHE GOT HER KNOWLEDGE.

MS. COOK: I BELIEVE I HAD LAID A FOUNDATION OF HOW SHE GOT HER KNOWLEDGE. I ASKED HER -- I BELIEVE I ASKED A SERIES OF QUESTIONS AS TO HAD SHE REVIEWED THE BOOKS AND RECORDS OF A&E.

JUDGE HOWE: THERE WAS NO CHECKING ACCOUNT SET UP UNTIL 2004.

DR. DURANT: YOUR HONOR, THE OBJECTION IS...

MS. COOK: THERE ARE OTHER BOOKS AND RECORDS, YOUR HONOR, OF A&E THAN JUST A CHECKING ACCOUNT.

JUDGE HOWE: BUT I THINK SHE WAS SAYING THAT ALL THOSE RECORDS OF A&E, THERE WEREN'T ANY `TIL 2004. NOW SHE IS SAYING THAT HER FATHER PAID THEM.

MS. COOK: LET ME GO BACK AND WE'LL CLARIFY THAT.

MR. DURANT: YOUR HONOR, THE OBJECTION

BEING, OF COURSE, ON THIS SIDE OVER HERE. WE OBJECT TO HER TESTIFYING THAT SHE EXAMINED THE RECORDS SOMETIME IN THE FUTURE AND NOW COMES AND OFFERS TESTIMONY AS TO WHAT THE RECORDS SAY. SHE'S NOT QUALIFIED TO DO THAT. SHE'S NOT THE ACCOUNTANT FOR THE COMPANY. NOW SHE IS SAYING, "HAVE YOU REVIEWED RECORDS?" WELL, WE ALL HAVE. THAT DOES NOT MAKE HER COMPETENT TO TESTIFY AS TO THE ACCOUNTING RECORDS OF THE COMPANY. I THINK, THAT'S WHAT SHE IS GOING TO TESTIFY TO.

JUDGE HOWE: LET'S SEE WHAT FOUNDATION MS. COOK IS GOING TO BE ABLE TO LAY HERE FOR 2003.

Q MRS. SISSON, IN 2003 WERE THERE BOOKS AND RECORDS, AND INVOICES, AND OTHER DOCUMENTS PERTAINING TO JOBS THAT A&E WAS DOING IN 2003?

A YES.

Q WHAT WERE THOSE? GENERALLY DESCRIBE WHAT RECORDS THERE WOULD BE OF A&E ACTIVITY IN 2003?

A THERE ARE QUOTES AND SIGNED CONTRACTS AND PAY REQUESTS, THINGS OF THAT NATURE. JOB-SITE PLANS. I MEAN, THERE WE HAVE LOTS AND LOTS OF

RECORDS AT A&E. I BELIEVE THE QUESTION WHICH SHE ASKED ME WHEN ANSWERED WAS THAT THE CHECKING ACCOUNT HAD NOT BEEN SET UP. WAS WHETHER THERE WERE INVOICES AND PAYMENTS BY A&E. THERE WEREN'T ANY INVOICES OR STATEMENTS BY A&E IN A&E'S RECORDS PRIOR TO THE CHECKING ACCOUNT BEING SET UP BECAUSE CARRIE WOULD NOT HAVE HAD ANY REASON TO SET UP A JOB LEDGER FOR A&E UNTIL THE CHECKING ACCOUNT WAS SET UP.

Q BUT THERE WERE OTHER RECORDS...

A YES.

Q ... OF A&E'S DEALING WITH JOBS THAT WERE STARTED IN 2003, IS THAT CORRECT?

A YES, MA'AM.

Q AND IN YOUR COURSE OF EMPLOYMENT WITH A&E, FROM 2004 THROUGH 2009, EXCLUSIVELY DEALING WITH THIS LITIGATION, DID YOU HAVE RESPONSIBILITY FOR AND DID YOU REVIEW THE BOOKS AND RECORDS OF A&E FROM TIME TO TIME?

A YES.

Q AND UNDER WHAT CIRCUMSTANCES WOULD YOU REVIEW THE BOOKS AND RECORDS OF A&E?

A IF THERE WAS A QUESTION REGARDING AN INVOICE, I WOULD GO BACK AND TRACK AND SEE WHAT WE HAD ALREADY PAID THEM BEFORE WE APPROVED THAT

INVOICE. IF THERE WAS A QUESTION FROM A SUBCONTRACTOR THAT HADN'T BEING PAID, I WOULD GO BACK AND LOOK UP THOSE TYPES OF THINGS. I THINK I TESTIFIED EARLIER THAT IT WAS SORT OF MY JOB WHEN WE HAD PROBLEM CLIENTS TO NEGOTIATE AND RECEIVE FINAL PAYMENTS ON DIFFERENT -- WE HAD SAME PROBLEM WITH MATHI. WE HAD THE SAME PROBLEM AT THE FOUNTAINS WITH GETTING TIM KUHN TO PAY AND THAT WAS SORT OF MY JOB TO MAKE SURE THAT, THAT GOT PAID.

Q IN ORDER TO CARRY OUT THOSE RESPONSIBILITIES FROM 2004 TO 2009 OR WHENEVER THAT WAS GOING ON, DID IT REQUIRE YOU TO LOOK AT THE PHYSICAL RECORDS FOR PARTICULAR JOBS IN TERMS OF INVOICES FROM SUBS, RECEIPTS FROM SUBS? WHAT TYPES OF THINGS WOULD YOU HAVE TO LOOK AT IN ORDER TO CARRY OUT THOSE RESPONSIBILITIES WITH INTERFACING WITH THE OWNER OF THE PROJECT OR SUBCONTRACT WORKING ON A PARTICULAR JOB?

A DEPENDING ON THE PARTICULAR JOB. IT MIGHT MEAN SIMPLY LOOKING AT THE PAY REQUEST OR IT MIGHT MEAN GETTING CARRIE TO PRINT OUT A GENERAL LEDGER AND LOOKING AT THE GENERAL LEDGER TO SEE WHAT THINGS HAD BEEN CHARGED TO THAT JOB SO FAR AND WHAT HAD NOT. SO, IT DEPENDED ON THE

PARTICULAR JOB AND A PARTICULAR PROBLEM THAT WE WERE HAVING.

Q IN ADDITION TO THAT, DID YOU EVER HAVE TO GO TO A LAW OFFICE? WE HAVE PHYSICAL FILES WITH PAPERS. DID YOU EVER HAVE TO RESEARCH THAT TYPE OF INFORMATION?

A YES.

Q AND ABOUT HOW OFTEN DID YOU HAVE TO DO THAT?

A I WAS PROBABLY ASKED, AT LEAST, ONCE A MONTH TO GO BACK AND LOOK AT SOMEBODY TO SEE WHETHER OR NOT WE PAID A SUBCONTRACTOR TOO MUCH. NOW, WHEN WE GOT INTO DEALING SPECIFICALLY WITH TIM KUHN, I WAS DOING THAT ON A EVERYDAY BASIS, TRYING TO GET HIM TO PAY BILLS THAT HE DIDN'T WANT TO PAY.

Q AND THAT WAS THE FOUNTAINS JOB?

A YES.

Q AND DID YOU DO THOSE ON A&E JOBS WHERE ELLIS WAS THE JOB SUPERINTENDENT/PROJECT MANAGER AS WELL AS ON JOBS THAT YOUR DAD WAS OVERSEEING OR YOU WERE OVERSEEING?

A YES.

Q AND THEN IN ADDITION TO EXAMINING THE BOOKS AND RECORDS IN THOSE SITUATIONS, DID YOU ALSO HAVE AN OCCASION TO GO BACK AND LOOK AT THE BOOKS AND RECORDS OF A&E IN TRYING TO ASSIST MS. BRADY IN

HER RESPONSIBILITIES AS THE A&E ACCOUNTANT IN PREPARATION FOR TAX RETURNS OF 2004, 2005, OR 2006?

A YES.

Q IN ADDITION, DID YOU ALSO HAVE RESPONSIBILITIES AND AT THE TIME LOOK THROUGH THE BOOKS AND RECORDS AND INVESTIGATE FROM THE SOURCE DOCUMENTS INFORMATION TO ASSESS A&E IN DEFENDING ITSELF IN THE LAWSUIT ON THE WILLOUGHBY TRANSACTION?

A YES.

Q DID YOU ALSO DO THE SAME TYPE OF WORK IN LOOKING AT BOOKS AND RECORDS, FINANCIAL RECORDS, THE CHECKING ACCOUNT AND THE BACK UP DOCUMENTATION WITH WILLOUGHBY TO ASSESS MRS. BRADY IN WHAT SHE WAS DOING AS AN EXPERT IN THAT LITIGATION?

MR. THOMAS: WE OBJECT, YOUR HONOR. WE REALIZE THAT WE DON'T HAVE A JURY, BUT SHE IS LAYING A FOUNDATION AND THE LAST FEW QUESTIONS HAVE BEEN 20 SENTENCES LONG AND THE ANSWERS HAS BEEN YES. WE THINK THEY ARE LEADING AND WE OBJECT ON THAT BASIS. IF SHE IS GOING TO LAY THE FOUNDATION, SHE NEEDS TO DO IT.

JUDGE HOWE: THEY HAVE BEEN A LITTLE

LEADING, MS. COOK.

MS. COOK: I UNDERSTAND.

JUDGE HOWE: SUSTAINED.

Q MRS. SISSON, WHAT DID YOU DO, IF ANYTHING, IN ORDER TO ASSIST MRS. BRADY IN HER RESPONSIBILITY AS AN EXPERT IN THE WILLOUGHBY JOB?

A WELL, I THINK I SAID EARLIER THAT I WENT BACK AND PULLED ALL OF THE PAY REQUESTS AND PULLED ALL THE INFORMATION REGARDING PAYMENTS ON THOSE PAY REQUESTS TO GIVE TO HER TO TRY AND COME UP WITH HER PAYMENTS RECEIVED ON THAT. SHE WAS HAVING A HARD TIME TRACKING CARRIE'S NOTES. CARRIE'S NOTES CAN SOMETIMES BE CRYPTIC. SO, I WENT BACK AND HELPED HER FIGURE OUT WHAT PAYMENTS APPLIED TO WHICH PAY REQUEST, SO SHE COULD MAKE SURE THAT SHE HAD HER TABLE IN ORDER.

Q AND WHAT, IF ANY, DOCUMENTS OR RECORDS, DID YOU LOOK AT IN ORDER TO BE ABLE TO ASSIST MRS. BRADY IN DOING THAT?

A I LOOKED AT THE GENERAL LEDGER TO BEGIN WITH, I LOOKED AT EACH AND EVERY PAY REQUEST AND LOOKED AT THE PAYMENTS THAT WERE MADE ON THOSE REQUESTS.

Q DID YOU, IN YOUR WORK FOR MR. CRUMPLER IN 2007, DO ANYTHING OR WHAT DID YOU DO TO ASSIST MR.

CRUMPLER WITH INFORMATION THAT HE NEEDED WITH REGARD TO A&E AND HIS EFFORTS TO PREPARE THOSE TAX RETURNS?

A IT STARTED IN 2007, AND IT LASTED THROUGH PART OF 2008. I WENT BACK TO THE GENERAL LEDGER AND JOB LEDGERS FOR EACH YEAR FOR 2004, 5, 6, AND 7 BECAUSE WE COULD NOT GET THE INFORMATION TO PRINT OUT ON THE COMPUTER. WE ACTUALLY HAD TO DO IT BY HAND. I HAD TO GO AND TRACK EACH JOB EXPENSE THAT DID NOT SHOW UP ON A JOB LEDGER AND...

Q HOW DID YOU DO THAT?

A AND I WENT THROUGH THE GENERAL LEDGER AND WHEN YOU GO TO INDIVIDUAL -- WHERE JOB EXPENSES ARE PAID, WHETHER IT'S SUBCONTRACTOR OR MATERIALS OR IT IS LIKE YOUR GARBAGE DISPOSAL OR YOUR PORT-A-POTTIES, WHETHER IT IS ANY OF THOSE EXPENSES. IF IT DID NOT SHOW UP ON JOB LEDGERS, THEN I HIGHLIGHTED IT WHEN AND PULLED THE INVOICE AND LOOKED TO SEE WHAT JOB IT WAS ON AND WROTE THAT NEXT TO IT ON MY GENERAL LEDGER, THE ONE I WAS WORKING FROM. AND I PUT THOSE ALL ON A SPREADSHEET AND GAVE THEM TO RICHARD TO LET HIM KNOW THAT I HAD IDENTIFIED WHERE THOSE JOB EXPENSES SHOULD SHOW UP. I DID THAT FOR THOSE

FOUR YEARS AND I FURTHER DID IT FOR '08 AND '09.

Q AND THOSE ACTIVITIES THAT YOU JUST DESCRIBED, WERE THEY IN ANYWAY CONNECTED WITH WHAT YOU HAVE DONE FOR THIS LITIGATION?

A NO.

Q DID THEY HAPPEN TO BE PART OF WHAT WAS NEEDED IN WHAT YOU DID IN THIS LITIGATION?

A YES.

Q WHERE WAS THE OVERLAP?

A BECAUSE THERE WERE A LOT OF JOB EXPENSES WHERE CARRIE WOULD JUST CODE IT WRONG. FOR EXAMPLE, I DON'T EVEN KNOW THE NUMBERS, BUT IF THE DR. LALE JOB IS $15,000, SHE MIGHT HAVE PUT $16,000 AND THAT'S NOT A JOB. AND SO IT WOULD JUST...

Q AND YOU WERE TALKING ABOUT A NUMBER THAT WAS ASSIGNED TO THE JOB NOT AN AMOUNT?

A RIGHT. A NUMBER, A JOB CODE AND IF SHE WOULD ACCIDENTALLY TYPE $16,000, THEN IT WOULD JUST SORT OF GO TO NO MAN'S LAND. SO, IT ENDED UP BEING AN EXPENSE PAID BY THE COMPANY, BUT NOT ASSIGNED TO A JOB. AND SO THAT'S WHEN I HAD TO GO AND I FOUND A LOT OF THOSE THINGS THAT HELPED IN THIS LITIGATION, FIGURING OUT WHERE PAYMENTS WERE MADE THAT SHOULDN'T HAVE BEEN.

Q BUT YOU TRACKED THAT ORIGINALLY FOR WHAT REASON?

A TO HELP RICHARD FINALIZE OR TRYING TO PREPARE HIS TAX RETURNS.

Q OKAY. WHEN MR. SMITH STOPPED WORKING WITH A&E IN 2007, DID A&E START ANY NEW JOBS AFTER MR. SMITH LEFT?

A I DON'T BELIEVE SO. I KNOW THERE WAS A JOB FOR, I THINK, IT'S CHAPIN & COMPANY WHERE WE FIXED A GARAGE DOOR, ONE OF THEIR GARAGE DOORS, AND I DON'T REMEMBER THE TIMING OF THAT ONE, BUT...

Q AFTER MR. SMITH LEFT, DID A&E CONTINUE IN BUSINESS?

A WELL, WE DID NOT CONTINUE IN CONSTRUCTION BUSINESS, BUT WE CONTINUED IN BUSINESS. I MEAN, WE STILL HAD THINGS THAT WE WERE DOING. I MEAN, I WAS WORKING AND DOING STUFF FOR THE CPA. WE HAD WARRANTY ISSUES THAT WE WERE DOING. WE WERE STILL GETTING COMPLAINTS. I GOT A CALL LAST WEEK ABOUT A COMPLAINT ON AN A&E JOB. SO, WE ARE STILL DOING WORK FOR A&E, BUT AS FAR AS ACTUALLY BUILDING STUFF AND STARTING NEW PROJECTS, NO.

Q AT THE END OF 2007, WERE THERE ANY ONGOING JOBS THAT HAD NOT YET BEEN COMPLETED THAT HAD TO BE COMPLETED THEREAFTER?

A CAN YOU ASK THAT AGAIN?

Q AT THE END 2007, WERE ALL THE A&E JOBS FINISHED?
A YES. I BELIEVE THEY WERE. THERE IS ONE THAT WE NEVER GOT A CO ON. SO, I DON'T KNOW THE EXACT DATE THAT IT WAS FINISHED AND THE PERMIT IS EXPIRED, SO I AM NOT SURE EXACTLY THE DATE IT WAS FINISHED, BUT I BELIEVE THAT WE RECEIVED FINAL PAYMENT BEFORE THEN.
Q IF A&E DID NO MORE CONSTRUCTION "NEW WORK" AFTER 2007, WHY DID A&E HAVE EXPENSES -- WELL, DID A&E HAVE EXPENSES AFTER 2007?
A YES.
Q DID IT EARN ANY INCOME AFTER 2007?
A NO.
Q WHY DID IT STILL HAVE EXPENSES AFTER 2007 IF IT DID NO MORE WORK?
A BECAUSE WE WERE STILL WORKING. LIKE I SAID, FOR THE CPA, WE WERE CONTINUING TO ANSWER QUESTIONS RELATED TO THE BUSINESS. WE WERE STILL ANSWERING PHONE CALLS FROM HOMEOWNERS RESPONDING TO WARRANTY ISSUES, RESPONDING TO CONSTRUCTION DEFECT ISSUES. WE STILL HAD WORK THAT WE WERE DOING ON BEHALF OF A&E.
Q IN YOUR EXPERIENCE AS BOTH A LAWYER AND IN THE CONSTRUCTION BUSINESS, HOW LONG IS IT THAT YOU BELIEVE THAT A&E STILL HAS LIABILITY OR EXPOSURE

FOR LIABILITY FOR DOING CONSTRUCTION WORK?

A EIGHT YEARS.

Q EIGHT YEARS FROM WHAT DAY?

A DATE OF THE LAST CO.

Q AND THE LAST CO THAT A&E WOULD HAVE GOTTEN, TO YOUR KNOWLEDGE, EXCLUSIVE OF ANYTHING MR. SMITH DID AFTER HE LEFT THE EMPLOYMENT, WOULD HAVE BEEN ABOUT WHEN?

A SOME TIME TOWARD THE END OF 2007. LIKE I SAID, ONE PERMIT THAT IS EXPIRED. I DON'T REALLY KNOW HOW THAT WOULD'VE AFFECTED THE LAST DATE OF THE CO. SINCE IT HASN'T HAD A CO YET. THE PLANNING DEPARTMENT TOLD ME TO IGNORE IT. SO, I DON'T KNOW HOW THAT AFFECTS THE EIGHT YEARS, WHETHER YOU WOULD LET THE PERMIT EXPIRE AND THEN THE EIGHT YEARS WOULD START FROM THERE OR WHETHER IT'S FROM THE DATE OF THE LAST CO, WHICH WOULD HAVE BEEN THE MATHI BUILDING. I THINK IT WAS OCTOBER OF '07, MAYBE.

Q ACCORDING TO YOUR UNDERSTANDING, POTENTIALLY WHAT YEAR WOULD CONSTRUCTION DEFECT LIABILITY END AGAINST A&E?

A 2015.

Q AND AFTER 2007, WHO WERE THE EMPLOYEES OF A&E?

A JUST ME, DAD, AND CARRIE.

Q AS WE SIT HERE TODAY, WHO ARE THE EMPLOYEES OF A&E?
A WHO ARE -- THERE ARE NO PAID EMPLOYEES AT A&E. I STILL FEEL LIKE I AM AN EMPLOYEE OF A&E BECAUSE I CONTINUE TO DO WORK ON A&E'S BEHALF.
Q IF SOMEBODY CALLS WITH REGARD TO PROBLEMS, WHO HANDLES THAT?
A ME.
Q LET ME ASK YOU THIS: WHAT TYPE OF WORK DOES GRAND STRAND BUILDERS DO AGAIN?
A CONSTRUCTION.
Q AND YOU'RE THE OWNER OF THE BUSINESS?
A YES, MA'AM.
Q IS IT A CORPORATION?
A YES, MA'AM.
Q AND WHO'S THE SHAREHOLDERS OR SHAREHOLDER IN THAT CORPORATION?
A ME AND MY HUSBAND.
Q WITH REGARD TO GRAND STRAND BUILDERS, WHAT ARE YOUR RESPONSIBILITIES?
A EVERYTHING. IN CHARGE OF BIDDING JOBS, IN PAYING BILLS, SENDING OUT INVOICES, MAKING SURE I GET PAYMENTS, BALANCING MY CHECKBOOK, MAKING SURE THAT GUYS KNOW WHERE THEY ARE GOING, KEEPING A CALENDAR TO TRY TO MAKE SURE WE KNOW

WHAT JOBS WE ARE WORKING ON WHEN, ORDERING MATERIALS.

Q DO YOU HAVE ANY RESPONSIBILITIES WITH REGARDS TO INSURANCE?

A YES. I PAY INSURANCE.

Q WHAT TYPES OF INSURANCE DOES GRAND STRAND BUILDERS HAVE?

A GENERAL LIABILITY.

Q DOES GRAND STRAND BUILDERS HAVE EMPLOYEES?

A NO.

Q HOW DOES GRAND STRAND BUILDERS DO ITS JOBS?

A WE HAVE SUBCONTRACTORS.

Q DOES GRAND STRAND BUILDERS HAVE WORKERS' COMP INSURANCE?

A NO.

Q DOES GRAND STRAND BUILDERS HAVE AN ACCOUNTANT?

A RICHARD IS OUR ACCOUNTANT.

JUDGE HOWE: FOR THE RECORD, THAT IS RICHARD CRUMPLER?

A YES, MA'AM.

Q OTHER THAN THE ACCOUNTANT THAT GRAND STRAND BUILDERS UTILIZES WHO HANDLES ALL THE FINANCES AND THE FINANCIAL RECORDS OF GRAND STRAND BUILDERS?

A I DO.

Q AND WHEN DID GRAND STRAND BUILDERS START?
A WE STARTED DOING SOME WORK, I BELIEVE IN 2008. SOME SMALL JOBS HERE AND THERE.
Q THAT BUSINESS HAS BEEN IN EXISTENCE SINCE THAT TIME?
A YES, MA'AM.
Q DID YOU BECOME AWARE OF ANY REQUESTS BY MR. SMITH DEALING WITH A&E'S PROFITS AND LOSSES IN 2007?
A YES, MA'AM.
Q TELL THE COURT ABOUT THAT.
A I BELIEVE MR. SMITH CAME TO THE OFFICE AND LEFT A LETTER FOR MY DAD ON HIS DESK AND MY DAD WAS OUT OF TOWN. WHEN HE GOT BACK I SAID, "WHAT WAS THE LETTER ABOUT?" AND HE SAID, "I'LL TALK TO YOU ABOUT THAT LATER." AND SO HE CAME IN A COUPLE DAYS LATER AND ASKED CARRIE AND I TO START GATHERING SOME INFORMATION REGARDING THE A&E JOBS AND EXPENSES ON THOSE JOBS AND WHAT THE PAYMENTS WERE ON THOSE JOBS.
Q IN TERMS OF WHEN YOU STARTED DOING YOUR WORK FOR RICHARD CRUMPLER AND WHEN YOUR DAD MADE THAT REQUEST, WHICH CAME FIRST?
A THEY WERE ABOUT THE SAME TIME. THERE WASN'T ONE THAT WAS SUBSTANTIALLY BEFORE THE OTHER. IT

SEEMS TO ME WE WERE TRYING TO DO ALL THAT WORK RIGHT AT THE SAME TIME. AND CARRIE WAS DOING SOME OF THE WORK THAT DAD REQUESTED, WHERE I WAS TRYING TO FOCUS ON GETTING STUFF TOGETHER FOR RICHARD BUT CARRIE AND I BOTH DID COLLECT THE INFORMATION FOR DAD.

Q WHEN WAS CARRIE LET GO FROM A&E?

A I BELIEVE HER LAST PAYCHECK WAS SEPTEMBER OF '09.

Q WHY WAS SHE LET GO AT THAT POINT?

A BECAUSE WE DIDN'T HAVE REALLY ANY MORE WORK AND DIDN'T JUSTIFY HER STAY THERE WHEN I COULD DO WHAT WORK SHE WAS DOING.

Q ALRIGHT. DID YOU DO ANYTHING OR DID YOU PREPARE ANY DOCUMENT OR DOCUMENTS TO ASSIST YOUR DAD IN WHAT HE WAS TRYING TO GATHER AS REQUESTED BY MR. SMITH?

A YES.

Q I AM GOING TO ASK YOU TO LOOK PLAINTIFF'S EXHIBIT NUMBER "9" AND I AM GOING TO HAVE TO FIND THE BOOK. TAKE A MINUTE IF YOU WOULD AND TELL ME -- LOOK THROUGH EXHIBIT NUMBER "9" AND TELL ME IF YOU HAVE EVER SEEN ANY OF THOSE DOCUMENTS BEFORE?

MS. COOK: JUST FOR THE RECORD, AND FOR

THE COURT, I BELIEVE THOSE WOULD BE WHAT MR. SMITH HAD IDENTIFIED AS HIS DEMANDS FOR AN ACCOUNTING AND SOME PAPERWORK THAT YOU RECEIVED AS A RESULT OF THAT.

A FIRST SET OF DOCUMENTS THAT ARE STAPLED TOGETHER, SEVEN PAGES, ONE PAGE HAS GOT SOMETHING ON THE BACK. I HAVE SEEN THAT. I BELIEVE THAT IS THE LETTER THAT ELLIS LEFT FOR DAD ON HIS DESK.

Q AND HOW ABOUT GOING THROUGH THE EXHIBIT?

A THE NEXT LETTER, THAT IS ELLIS' HANDWRITING. IT LOOKS LIKE IT IS FIVE PAGES. I HAVE SEEN THIS. I DON'T REMEMBER WHEN I HAVE SEEN THIS. I DON'T KNOW IF I SAW THIS WHENEVER IT WAS RECEIVED, BUT I HAVE SEEN THIS.

Q YOU DON'T KNOW IF YOU SAW IT WHEN IT WAS RECEIVED BY YOUR FATHER OR AS A RESULT OF THIS LITIGATION?

A THE NEXT DOCUMENT IS STAPLED TOGETHER AND IT'S GOT TWO HANDWRITTEN SHEETS, WHICH ARE MY DAD'S HANDWRITING.

Q AND THAT IS ON LINED NOTEBOOK PAPER?

A YES, AND THE LAST SIX PAGES OF THAT ARE A SPREADSHEET CARRIE AND I HELPED DAD GENERATE.

Q OKAY. AND THAT IS REALLY WHERE I WANT TO FOCUS

IS ON THE SPREADSHEET THAT YOU SAY IS CONTAINED WITHIN EXHIBIT "9" THAT YOU AND CARRIE HELPED COMPILE FOR YOUR FATHER. WHAT WAS THE PURPOSE OF COMPILING THAT DOCUMENT?

A THE PURPOSE WAS IN ELLIS' LETTER, WHICH WAS THE FIRST SEVEN PAGES OF EXHIBIT "9". HE CLAIMED THAT THERE WERE PROFITS IN THE COMPANY OWNED TO HIM WHICH WEREN'T THERE `CAUSE DAD HAD TAKEN MONEY OUT OF THE COMPANY AND SO THE PURPOSE OF GENERATING THIS SPREADSHEET WAS TO SHOW HIM THAT THERE REALLY WERE NOT -- TO SHOW HIM MORE CORRECTLY WHAT THE PROFITS IN A&E WOULD HAVE BEEN.

Q OKAY.

MS. COOK: YOUR HONOR, HAVE YOU FOUND THOSE PARTICULAR SHEETS THAT WE ARE TALKING ABOUT?

JUDGE HOWE: I HAVE.

Q AND I WILL HAVE TO ADMIT, WHEN I FIRST SAW THAT SHEET, IT WAS A LITTLE HARD FOR ME TO FOLLOW IT. COULD YOU EXPLAIN THE FORMAT -- WELL, FIRST OF ALL, IS THIS WORK THAT YOU DID? DID YOU COME UP WITH THIS FORMAT?

A YES.

Q YOU CAME UP WITH THIS FORMAT AND PUT THE

INFORMATION IN THAT FORMAT?

A YES.

Q COULD YOU EXPLAIN TO US HOW YOU SET UP WHAT I'M GOING TO CALL YOUR SPREADSHEETS?

A WHEN CARRIE AND I FIRST GOT THE TASK FROM DAD, WE SAT DOWN AND TRIED TO FIGURE OUT HOW WE WERE GOING TO COMPILE THE INFORMATION. AND THE FIRST THING THAT WE DID WAS IDENTIFY A&E JOBS AND PULLED THOSE GENERAL LEDGERS TO SEE WHAT THE EXPENSES AND THE CLIENT PAYMENTS WERE.

Q AS REFLECTED IN THE COMPUTER?

A AS REFLECTED IN THE COMPUTER.

Q SO LET ME ASK IF YOU, IF WOULD JUST DESCRIBE EACH OF THESE ROWS WHAT IT CONTAINS IN THE FIRST SECTION OF THAT EXHIBIT?

A THE FIRST COLUMN IS PAYMENTS AND THOSE ARE PAYMENTS RECEIVED...

Q I'M SORRY. I NEED YOU TO START WITH THE...

A JOB?

Q YES. THOSE ARE WHAT? THE NAMES OF THOSE ENTITIES ARE WHAT?

A ARE THE JOB NAMES THAT CARRIE HAS, HOW SHE HAS THEM TITLED ON THE COMPUTER.

Q OKAY. DID YOU VERIFY THAT EACH OF THOSE WAS AN A&E JOB?

A WE VERIFIED THAT ALL OF THESE JOBS WERE ON A&E'S GENERAL LEDGER. NOW, WHEN WE FIRST DID THIS, POINTE MARSH -- POINTE MARSH IS INCLUDED ON HERE. WHEN WE FIRST DID THIS, WE DIDN'T INCLUDE POINTE MARSH BECAUSE POINTE MARSH WAS MY DAD'S JOB AS A DEVELOPER, BUT BECAUSE POINTE MARSH WAS ONE OF THE THINGS THAT ELLIS WAS COMPLAINING ABOUT, WE INCLUDED THE AMOUNT OF THE POINTE MARSH JOB FROM A&E'S COMPUTER OR GENERAL LEDGER.

Q WAS A&E A SUBCONTRACTOR ON THE POINTE MARSH JOB?

A YES.

Q WAS THERE A POINT IN TIME WHEN EES WAS A SUBCONTRACTOR ON THE POINTE MARSH JOB?

MR. DURANT: YOUR HONOR, I WOULD ASK HER TO FIRST ASK HOW DOES SHE KNOW WHEN SHE ANSWERS A QUESTION LIKE THAT. THERE'S NO BASIS FOR HER STATEMENT. SHE IS ASKING HER, "WAS HE A SUBCONTRACTOR" AND SHE NEEDS TO ASK HER, "DO YOU KNOW IF HE IS A SUBCONTRACTOR OR NOT."

MS. COOK: YOUR HONOR, I BELIEVE...

MR. DURANT: THIS IS YOUR WITNESS, NOT MINE. SHE IS AN EMPLOYEE OF THE PLAINTIFF IN THIS CASE.

MR. COOK: I AGREE. I BELIEVE MR.

DURANT CAN ASK THAT ON CROSS-EXAMINATION.

MR. DURANT: SHE NEEDS TO ASK THE QUESTION, "DO YOU KNOW" FIRST, AND THEN SHE CAN SAY YES OR NO AND SHE CAN ANSWER IT.

JUDGE HOWE: I DON'T KNOW. WHEN WAS THIS JOB?

MS. COOK: EXCUSE ME?

JUDGE HOWE: WHEN WAS THE JOB?

MS. COOK: THE POINTE MARSH JOB?

Q MRS. SISSON, ARE YOU FAMILIAR WITH THE POINTE MARSH JOB?

A YES.

Q DO YOU KNOW WHO THE OWNER OF THE JOB WAS?

A YES, I DO. IT WAS MY DAD.

Q DO YOU KNOW WHO...

MR. DURANT: IT WAS PARK PLACE PROPERTIES, WAS IT NOT?

A PARK PLACE PROPERTIES. THAT'S MY DAD AND MY MOM, YES.

Q I NEED YOU TO BE SPECIFIC. I KNOW IT'S YOUR FAMILY, BUT...

A PARK PLACE PROPERTIES IS THE DEVELOPER AND OWNER OF THAT PROJECT.

Q AND DO YOU KNOW IF A&E DID ANY WORK ON THE JOB?
A YES, I DO.
Q HOW DO YOU KNOW IF A&E DID ANY WORK ON THAT JOB?
A BECAUSE I LOOKED AT THE GENERAL LEDGER AND I HAVE SEEN PAYMENTS IN AND PAYMENTS OUT, PAID INVOICES. I HAVE SEEN CHECKS WRITTEN BY A&E. I HAVE SEEN ALL OF THAT.
Q DID THE JOB GO ON?
A BETWEEN 2005 AND 2006.
Q DID YOU EVER HAVE AN OCCASION TO VISIT THE JOB?
A YES, MA'AM.
Q HOW MANY TIMES?
A HANDFUL.
Q AND WERE YOU AWARE OF -- DO YOU HAVE ANY KNOWLEDGE ABOUT WHAT WORK A&E DID ON THAT JOB?
A YES. I KNOW THERE WERE OCCASIONS WHERE WE WOULD MEET AT 7 O'CLOCK IN THE MORNING AT THE OFFICE AND IF ELLIS DIDN'T HAVE ANYTHING FOR THESE GUYS TO DO, THEN THEY WOULD SEND THEM UP TO POINTE MARSH TO DO WORK. AND I NOW KNOW FROM LOOKING AT THE RECORDS THAT THOSE HOURS AND THAT WORK WAS BILLED THROUGH EES CONSTRUCTION.
Q OKAY. DID POINTE MARSH PAY THOSE BILLS?
A YES.
MR. DURANT: POINTE MARSH PAID THE BILLS

OR...

A PARK PLACE PROPERTIES.

Q I'M SORRY. PARK PLACE PROPERTIES. DID PARK PLACE PROPERTIES PAY THOSE BILLS?

A PARK PLACE PROPERTIES PAID THOSE BILLS.

Q DID PARK PLACE...

MR. DURANT: YOUR HONOR, HAS SHE ESTABLISHED THAT SHE IS FAMILIAR WITH PARK PLACE PROPERTIES' FINANCIAL RECORDS. SHE HAS NOT ASK THAT QUESTION TO THIS WITNESS?

JUDGE HOWE: WE ARE CALLING IT DIFFERENT NAMES. HOW DO YOU KNOW PARK PLACE PROPERTIES?

A I AM A SIGNATURE I HAVE SIGNATURE AUTHORITY ON THE CHECKING ACCOUNT FOR PARK PLACE PROPERTIES. I HAVE WRITTEN CHECKS OUT OF THAT CHECKING ACCOUNT, NOT VERY OFTEN, BUT I HAVE WRITTEN THEM AND I HAVE GONE BACK THROUGH EVERY SINGLE PARK PLACE PROPERTIES.

JUDGE HOWE: I MEAN, WE ARE JUMPING FROM A&E TO PARK PLACE PROPERTIES ALL OF A SUDDEN. WE WERE ALSO CALLING POINTE SOMETHING OR OTHER.

Q MRS. SISSON, LET'S GIVE THE COURT A LITTLE MORE

BACKGROUND ON THE JOBS A&E HAD AND THE DIFFERENT ENTITIES THAT OWN THEM AND WHAT THE ACTUAL NAMES OF THE PROJECTS MAY HAVE BEEN. AM I CORRECT, THEY ARE NOT ALL THE SAME THING? THE NAME OF A JOB AS REFLECTED IN THE BOOKS OF A&E, IS THAT THE NAME OF THE OWNER OF THE PROJECT?

A NO.

Q OKAY. LET'S GO BACK.

JUDGE HOWE: Y'ALL FORGET THAT YOU'RE INTIMATELY FAMILIAR WITH THESE PROPERTIES AND Y'ALL KNOW THAT POINTE SOMETHING OR OTHER IS THE SAME THING AS PARK PLACE PROPERTIES. I'VE HEARD OF PARK PLACE PROPERTIES AND PARKWAY PROPERTIES, BUT I HAVE NEVER HEARD OF POINTE MARSH.

MS. COOK: YES, MA'AM. WELL, I BELIEVE ACTUALLY MRS. BRADY'S TESTIMONY, THE PLAINTIFF'S TESTIMONY, THEY TALKED ABOUT POINTE MARSH A LOT, BUT...

JUDGE HOWE: THAT WAS BACK IN FEBRUARY.

MS. COOK: YES, MA'AM.

MR. DURANT: WE'VE ALREADY FORGOTTEN THAT, YOUR HONOR.

MS. COOK: WE WILL DO THE ABRIDGED CLIFF

NOTES, HOW IS THAT?

JUDGE HOWE: IT'S GOOD.

Q A&E IS A CORPORATION AND DO YOU KNOW WHO ITS SHAREHOLDERS ARE?

A MY DAD AND ELLIS SMITH.

Q How DO YOU KNOW THAT?

MR. DURANT: I STIPULATE TO THAT, YOUR HONOR.

JUDGE HOWE: I UNDERSTAND THAT.

Q ARE YOU FAMILIAR WITH A CORPORATION BY THE NAME OF PARKWAY OFFICES?

A YES, I AM.

Q AND DO YOU KNOW WHO THE PRINCIPALS OR THE SHAREHOLDERS IN PARKWAY OFFICES ARE?

A MY MOTHER IS THE OWNER OF PARKWAY OFFICES...

MR. DURANT: THAT IS A LIMITED ABILITY COMPANY, YOUR HONOR, PARKWAY OFFICES.

MS. COOK: LIMITED LIABILITY CORPORATION.

MR. DURANT: LIMITED LIABILITY COMPANY.

MS. COOK: OKAY.

Q WHO IS THE OWNER OF THAT COMPANY?

A MY MOTHER, LINDA VEREEN.

Q AND WHAT DOES THAT COMPANY DO?

A IT OWNS PROPERTY AND RENTS PROPERTY.

Q HOW ARE YOU FAMILIAR WITH PARKWAY OFFICES, LIMITED LIABILITY COMPANY?

A BECAUSE THAT'S THE SPACE THAT A&E HAS RENTED. THAT IS THE SPACE WHERE WE HAVE BEEN LOCATED SINCE 2004, TWO DIFFERENT SPACES.

Q A&E? YES, MA'AM.

JUDGE HOWE: A&E HAS RENTED ITS OFFICE SPACE FROM PARKWAY OFFICES?

A YES, MA'AM.

Q ARE YOU FAMILIAR WITH THE COMPANY BY THE NAME OF ARTHUR WAYNE VEREEN COMPANY?

A YES, MA'AM.

Q WHO IS THE SHAREHOLDER OF THAT COMPANY?

A MY DAD, WAYNE VEREEN.

Q AND WHAT TYPE OF WORK DO THEY DO?

A CONSTRUCTION.

Q IS THAT PRESENTLY AND ACTIVELY AN ONGOING CORPORATION DOING BUSINESS?

A IT IS NOT.

Q AND HOW ARE YOU FAMILIAR WITH THAT COMPANY?

A I WORKED FOR ARTHUR WAYNE VEREEN COMPANIES GROWING UP.

JUDGE HOWE: WHEN?

A WHEN I WAS GROWING UP, FROM VERY YOUNG UNTIL I WENT TO COLLEGE.

Q ARE YOU FAMILIAR WITH A COMPANY BY THE NAME OR CORPORATION BY THE NAME OF PARK PLACE PROPERTIES?

A YES, MA'AM. IT IS PARK PLACE PROPERTIES OF MYRTLE BEACH, LLC.

Q AND DO YOU KNOW WHO THE MEMBERS OF THAT COMPANY ARE?

A YES, MA'AM. MY MOTHER IS A 95 PERCENT MEMBER AND MY DAD IS A 5 PERCENT MEMBER.

Q AND WHAT DOES THAT COMPANY DO?

A IT OWNS PROPERTY, WHICH INCLUDES THE PUTT-PUTT UP IN CHERRY GROVE CALLED THE BLACK PEARL.

Q AND WHAT ELSE?

A IT OWNS A FEW OTHER PROPERTIES.

Q AT SOME POINT IN TIME, DID PARK PLACE PROPERTIES DO ANY DEVELOPMENT WORK?

A YES. IN 2005 AND 2006, PARK PLACE PROPERTIES DEVELOPED 23 LOTS KNOWN AS POINTE MARSH IN CHERRY GROVE WHICH ARE ADJACENT TO THE PUTT-PUTT.

Q AND PARK PLACE PROPERTIES, DOES IT OWN THE PUTT-PUTT?

A YES, IT DOES.

Q DID PARK PLACE PROPERTY UTILIZE OR EMPLOY A&E TO DO ANY WORK ON THE PUTT-PUTT WHICH IS CALLED THE

BLACK PEARL?

A YES.

Q AND SO WAS THERE A JOB IDENTIFIED AS THE PUTT-PUTT AS A JOB ON THE GENERAL LEDGER OR THE JOB LEDGERS OF A&E?

A YES, THERE WAS.

Q HOW DID YOU KNOW THAT?

A BECAUSE I'VE SEEN IT ON THE COMPUTER. I HAD IT PRINTED OUT AND I HAVE REVIEWED IT.

Q AND OTHER THAN SEEING THE RECORDS, DO YOU OR DID YOU HAVE ANY OTHER KNOWLEDGE OF A&E'S JOB AT THE PUTT-PUTT?

A WELL, I KNEW THAT WE WERE SENDING GUYS UP THERE TO DO WORK ON THE PUTT-PUTT.

JUDGE HOWE: WHO'S "WE"?

A A&E.

JUDGE HOWE: A&E SENT EMPLOYEES OR SUBS?

A BOTH.

Q DIDN'T A&E DO ANY WORK FOR PARK PLACE PROPERTIES WITH REGARD TO THE POINTE MARSH DEVELOPMENT?

A YES, IT DID.

Q WHAT AND HOW DO YOU KNOW THAT?

A FROM A REVIEW OF RECORDS AND ALSO FROM THE SAME WAY THAT WHEN WE WOULD MEET AT THE OFFICE AT 7, THAT THERE WAS LACK OF WORK AND THEY COULD BE

USED AT POINTE MARSH, AND HE WOULD SEND THE GUYS.

Q WHO'S "WE"?

A A&E WOULD SEND GUYS OR SUBS UP TO POINTE MARSH TO DO WORK.

Q AND WAS THERE A JOB REFLECTED ON THE A&E JOB LEDGERS OR GENERAL LEDGER REFLECTING THE WORK A&E DID FOR PARK PLACE PROPERTIES ON THE POINTE MARSH JOB?

A YES, THERE WAS.

Q WHAT WAS THE NAME OF THAT JOB AS REFLECTED ON A&E JOB LEDGER OR GENERAL LEDGER?

A I BELIEVE CARRIE HAD IT LISTED AS PARK PLACE PROPERTIES, BUT IT WAS KNOWN AS THE POINTE MARSH JOB.

Q OKAY. DO YOU KNOW IF EES DID ANY WORK FOR PARK PLACE PROPERTIES, THE DEVELOPER OF THE POINTE MARSH JOB ON THE POINTE MARSH PROJECT?

A YES.

Q HOW DO YOU KNOW THAT?

A FROM A REVIEW OF THE RECORDS.

Q DO YOU KNOW AND ARE YOU FAMILIAR WITH THE BOOKS AND RECORDS AND THE FINANCIAL RECORDS AND INVOICES, THE BOOKS AND RECORDS OF THE POINTE MARSH JOB OWNED BY PARK PLACE PROPERTIES?

A YES.
Q AND HAVE YOU LOOKED AT THOSE RECORDS?
A YES, I HAVE.
Q AND ARE YOU FAMILIAR WITH THE FINANCIAL RECORDS OF THE PARK PLACE PROPERTY JOB AT POINTE MARSH?
A IN SO MUCH AS THEY RELATE TO A&E, YES.
Q AND WHAT HAVE YOU DONE TO BECOME FAMILIAR WITH THOSE DOCUMENTS?
A I HAVE GONE BACK THROUGH ALL OF THE A&E RECORDS REGARDING THE POINTE MARSH JOB. WHETHER THAT IS PAYABLES -- PAYABLE FILES JOB LEDGER OR INVOICING OR OUR JOB FILE FOR THE POINTE MARSH JOB. I HAVE GONE BACK THROUGH ALL OF THAT INFORMATION, INCLUDING THE PARK PLACE PROPERTIES CHECKBOOKS FROM 2003 TILL 2009.
Q ARE YOU FAMILIAR WITH THE PAYMENTS MADE BY PARK PLACE PROPERTIES ON THE POINTE MARSH JOB FOR WORK DONE BY A&E?
A YES.
Q HOW ARE YOU FAMILIAR WITH THAT?
A I TRACKED THEM IN BOTH THE A&E ACCOUNTING SOFTWARE AS WELL AS IN THE CHECKBOOKS OF PARK PLACE PROPERTIES.
Q ARE YOU FAMILIAR WITH THE ACCOUNTING RECORDS OF PARK PLACE PROPERTIES AND A&E AS IT RELATES TO

ANY WORK DONE BY A&E AT THE PUTT-PUTT PROJECT THAT IS OWNED BY PARK PLACE PROPERTIES?

A YES.

Q HOW ARE YOU FAMILIAR WITH THAT?

A THE SAME WAY. I HAVE BEEN THROUGH THE JOB LEDGER, THE JOB FILE, THROUGH THE PAYABLE RECORDS OF A&E AS WELL AS THROUGH THE PARK PLACE PROPERTIES CHECKBOOK.

Q WHEN YOU SAY YOU HAVE BEEN THROUGH THE PARK PLACE PROPERTIES CHECKBOOK, HAVE YOU JUST LOOKED AT A REGISTER OR HAVE YOU ACTUALLY LOOKED AT THE PARK PLACE PROPERTIES...

A CHECK STATEMENTS.

Q ... THE CHECKING STATEMENT?

A THE CHECKING STATEMENTS THAT SHOWED THE CHECKS THAT WERE CLEARED AND I HAVE ALSO GONE BACK THROUGH THE PAYABLE RECORDS FOR PARK PLACE PROPERTIES.

JUDGE HOWE: WHAT NOW? FOR PARK PLACE PROPERTIES?

A THE CHECKING STATEMENTS, THE MONTHLY STATEMENTS.

JUDGE HOWE: WHO GETS THOSE? WHO'S IN CHARGE OF THE -- WHO'S THE EMPLOYEE OF PARK PLACE PROPERTIES WHO WRITES CHECKS?

A MY DAD WRITES CHECKS AND I WRITE CHECKS.

JUDGE HOWE: SO ARE YOU EMPLOYED BY PARK PLACE PROPERTIES AS WELL AS A&E?

A NO.

JUDGE HOWE: BUT YOU HAVE SIGNATORY POWER FOR PARK PLACE PROPERTIES?

A YES, MA'AM.

Q AND YOU HAD THAT SIGNATORY POWER WHILE YOU WERE EMPLOYED BY A&E?

A YES, MA'AM.

JUDGE HOWE: AND WHAT TIME PERIOD WAS THAT?

A THAT I WAS EMPLOYED BY A&E.

JUDGE HOWE: YES, MA'AM. AND THAT YOU WERE ALSO WRITING CHECKS FOR PARK PLACE PROPERTIES?

A 2004 THROUGH 2009. I CONTINUE TO WRITE CHECKS FOR PARK PLACE PROPERTIES IF HE ASKS ME TO.

Q WHAT IS CARRIE'S LAST NAME?

A DREWETT.

JUDGE HOWE: DOES SHE ALSO WORK FOR PARK PLACE PROPERTIES OR DID SHE WORK FOR PARK PLACE PROPERTIES?

A NO, MA'AM.

Q HAVE YOU EXAMINED THE BOOKS AND RECORDS OF PARKWAY OFFICES AS IT RELATES TO A&E?

A YES, MA'AM.

Q AND WHAT BOOKS AND RECORDS OF PARKWAY OFFICES...

MR. DURANT: YOUR HONOR, IS SHE EXAMINING HER AS AN EXPERT WITNESS IF SHE'S NOT AN EMPLOYEE? I WOULD LIKE TO KNOW WHAT THE BASIS IS OF HER EXAMINING THESE RECORDS IF SHE IS GOING TO PROVIDE TESTIMONY.

MS. COOK: IS THAT AN OBJECTION?

JUDGE HOWE: I BELIEVE IT IS.

MR. DURANT: IT IS AN OBJECTION. YOU HAVE GOT TO LAY A FOUNDATION IF YOU'RE GOING TO...

MS. COOK: IS WHAT I'M DOING IS LAYING THE FOUNDATION.

MR. DURANT: YOU DIDN'T ASK HER IF SHE WAS AN EMPLOYEE THERE OR DID SHE MAINTAIN RECORDS. YOU ASKED HER IF SHE HAD LOOKED AT THE RECORDS. THAT IS THE OBJECTION THAT WE TOLD THE COURT THE WHOLE TIME. SHE'S NOT AN ACCOUNTANT OR A PERSON WORKING FOR THESE COMPANIES THAT DOES ACCOUNTING FUNCTIONS.

JUDGE HOWE: IN WHAT CAPACITY DID YOU REVIEW THESE RECORDS? I MEAN, JUST A

PERSON OFF THE STREETS OR WHAT? WELL, SHE SAID SHE HAD SIGNATORY POWER FOR PARK PLACE PROPERTIES. DID YOU HAVE SIGNATORY POWER FOR PARKWAY OFFICES, TOO?

A NO, MA'AM.

MR. DURANT: SHE DID NOT SAY THAT SHE DID GENERAL ACCOUNTING FOR PARK PLACE PROPERTIES. SHE JUST SAID SHE WROTE CHECKS WHEN HER DADDY TOLD HER TO. SHE HAS SIGNATORY AUTHORITY. SHE DIDN'T SAY THAT SHE KEPT UP WITH THE ACCOUNTS OF PARK PLACE PROPERTIES WHILE THEY WERE DOING BUSINESS. SHE LOOKED AT THOSE ACCOUNTS AFTER THIS LAWSUIT WAS ENTERED AND THAT IS MY OBJECTION. SHE CAN LAY THE FOUNDATION AND FIND OUT A WAY THROUGH MY OBJECTION, BUT MY OBJECTION IS, SHE IS TRYING TO BE AN EXPERT WITNESS, YOUR HONOR, AND SHE IS NOT.

MS. COOK: NO, SIR.

JUDGE HOWE: I THINK SHE SAID SHE WROTE CHECKS FROM 2004 -- NO, SHE ACTUALLY WORKED FOR THEM IN 2004 `TIL?

MR. DURANT: FOR PARK PLACE PROPERTIES.

SHE JUST HAD SIGNATURE AUTHORITY AND SHE WOULD WRITE A CHECK IF HER DADDY ASKED HER TO. AND SHE DIDN'T TESTIFY THAT SHE KEPT UP WITH THE BOOKS AND RECORDS OF THE COMPANY. SHE SAID SHE GOT A HOLD OF THE CHECKING ACCOUNT RECORDS AFTER THIS CLAIM WAS FILED.

MS. COOK: NO, SIR.

JUDGE HOWE: I KIND OF GOT THE IMPRESSION THAT SHE SORT OF WORKED FOR THEM AS WELL AND I DON'T KNOW.

MR. DURANT: THAT'S NOT WHAT SHE SAID.

JUDGE HOWE: WELL.

MS. COOK: CAN WE TAKE A SHORT BREAK?

JUDGE HOWE: YES.

(OFF THE RECORD.)

MS. COOK: YOUR HONOR, BASED ON WHAT MR. DURANT HAS -- SEEMS TO CONTINUOUSLY BE OBJECTING TO WITH REGARD TO THIS WITNESS, I WOULD LIKE TO GO AHEAD AND ADDRESS A FEW THINGS WITH THE COURT TO FIND OUT THE COURT'S POSITION WITH REGARD TO THE TESTIMONY OF THIS WITNESS. FIRST, YOUR HONOR, MRS. SISSON IS NOT BEING OFFERED AS AN EXPERT WITNESS.

JUDGE HOWE: NO, MA'AM. I UNDERSTAND THAT.

MS. COOK: SHE IS BEING OFFERED AS A LAY WITNESS. MY UNDERSTANDING OF THIS CASE IS THAT IT WAS BROUGHT BY THE PLAINTIFF AS A SHAREHOLDER DERIVATIVE ACTION SEEKING AN ACCOUNTING OF THE PROFITS AND THE LOSSES OF A&E. THEY ALSO IN THEIR SECOND CLAIM SEEK A JUDICIAL DISSOLUTION OF THE CORPORATION. IN THE DEFENDANT'S ANSWERS TO THAT COMPLAINT, THEY HAVE ASSERTED DEFENSES. THEY HAVE ASSERTED -- MR. VEREEN INDIVIDUALLY AND ON BEHALF OF A&E HAS LIKEWISE ASSERTED AN CLAIM FOR AN ACCOUNTING FOR A&E. AND THERE HAVE BEEN CLAIMS ASSERTED WITHIN THE BASIS OF THOSE A&E CLAIMS BY MR. VEREEN FOR AN ACCOUNTING HAVING TO DO WITH MONIES HE BELIEVES ARE OWNED BY MR. SMITH AND HIS COMPANIES TO A&E. IN THE COMPLAINT, EXCUSE ME, IN THE ANSWER MR. MACDONALD, WHO WAS AT THAT TIME THE COUNSEL FOR THE DEFENDANTS CONSENTED AND ALSO LIKEWISE JOINED IN A REQUEST FOR JUDICIAL DISSOLUTION. I WAS

SUBSEQUENTLY SUBSTITUTED IN AND ALSO SINCE THIS ACTION WAS FILED AT THE BEGINNING OF 2009, ONE OF THE JOBS THAT A&E DID, AT LEAST, THE FOUNTAINS PROJECT HAS ASSERTED OR MADE A&E AWARE AND MR. SMITH TESTIFIED TO THIS YESTERDAY, AWARE OF ITS ALLEGATIONS OF CONSTRUCTION DEFICIENCIES AT THAT PROJECT. DURING THE COURSE OF DISCOVERY IN THIS CASE, WE, AS COUNSEL, TALKED ABOUT THE FACT THAT A JUDICIAL DISSOLUTION OF THIS CORPORATION AT THIS TIME, SINCE POTENTIAL LIABILITY IS STILL OUT THERE OVER THE HEADS OF A&E, AND THESE TWO PRINCIPALS, MR. VEREEN AND MR. SMITH, THAT I WAS GOING TO SEEK, AND I MADE THEM AWARE, I WAS GOING TO SEEK TO A WITHDRAWAL OF DEFENDANTS REQUEST FOR A JUDICIAL DISSOLUTION AS WE BELIEVE IT WAS BETTER, AND IN FACT, CORPORATE LAW IN THE BUSINESS JUDGMENT RULE WOULD REQUIRE THAT A&E STAY A CORPORATION, IF FOR NO OTHER REASON THAN TO BE ABLE TO HOPEFULLY RESPOND OR BE AN ENTITY THAT COULD RESPOND, RATHER THAN THESE

GENTLEMEN INDIVIDUALLY, TO ANY CLAIMS THAT MAY COME UP HAVING TO DO WITH THE PROJECT. FIRST, I WOULD LIKE, AT THIS POINT, TO AMEND THE PLEADINGS TO OPPOSE THE JUDICIAL DISSOLUTION OF THE ACTION. AND THEN SECONDLY, I WANT TO TALK ABOUT THE CAPACITY OF THIS WITNESS, A LAY WITNESS, TO TESTIFY WITH REGARD TO DEFENDANT WAYNE VEREEN'S INDIVIDUAL AND DERIVATIVE CLAIM BEFORE AN ACCOUNTING BY MR. SMITH FOR A&E. AND I DON'T KNOW IF YOU WANT TO TAKE THOSE -- IF WE COULD ADDRESS THOSE. I GUESS, IT'S A MOTION, AT THIS POINT, TO AMEND THE PLEADINGS, TO WITHDRAW THE CONSENT OR REQUESTS FOR A JUDICIAL DISSOLUTION AND IMPOSE THAT.

JUDGE HOWE: WE CAN GO AHEAD AND ADDRESS THAT NOW.

MS. COOK: I MADE THAT MOTION AND I WOULD LIKE TO AMEND THE PLEADINGS TO CHANGE THE PLEADINGS TO DENY THE REQUEST FOR A JUDICIAL DISSOLUTION AND AFFIRMATIVELY ASK THE COURT TO FIND THE CORPORATION, AND AT THIS POINT, SHOULD NOT BE JUDICIALLY DISSOLVED.

JUDGE HOWE: YOUR MOTION TO AMEND YOUR PLEADING IS GRANTED.

MS. COOK: THANK YOU. WITH REGARD TO THIS WITNESS, MRS. SISSON, IS BEING OFFERED AS A LAY WITNESS TO TESTIFY WITH REGARD TO HER COMPUTATIONS AND THE INFORMATION THAT SHE KNOWS AND HAS REVIEWED. FIRST, IN HER CAPACITY AS AN EMPLOYEE OF A&E, WHICH INFORMATION SHE LEARNED ON BEHALF OF A&E TO PROVIDE THAT TYPE OF ACCOUNTING INFORMATION TO RICHARD CRUMPLER AND TO MRS. BRADY BACK IN 2007. ADDITIONALLY, I AM SEEKING TO INTRODUCE HER TESTIMONY AS A LAY WITNESS WITH REGARD TO HER REVIEW OF THE ACCOUNTING RECORDS, THE INVOICES, THE CHECKS, AND THE RECEIPTS, THE DEPOSITS OF MONIES, AND THE ACCOUNTS RECEIVABLE FROM HER REVIEW OF THE RECORDS THAT ARE OWED TO A&E. YOUR HONOR, I HAVE FOULD NO CASE IN SOUTH CAROLINA THAT REQUIRES IN A SHAREHOLDER DERIVATIVE SUIT WHERE AN ACCOUNTING IS BEGINNING SOUGHT. THAT EXPERT WITNESS TESTIMONY MUST BE INTRODUCED IN ORDER TO AID THE COURT

BECAUSE, UNFORTUNATELY, FOR YOUR HONOR, THE ULTIMATE ISSUE IN THIS CASE HAS TO BE DECIDED BY YOUR HONOR. WE ARE SEEKING AN ACCOUNTING. THERE ARE DIFFERENT TYPES OF ACCOUNTING CAN BE SOUGHT IN AN EQUITABLE COURT AND THIS ACCOUNTING IS NOT A DISCOVERY ACCOUNTING. IT IS AN ACCOUNTING FOR THE COURT TO DETERMINE WHAT MONEY, IF ANY, IS OWNED INTO THE CORPORATION. IF THERE IS A PROFIT AND/OR LOSS IN THE CORPORATION, WHAT THAT AMOUNT IS. THAT HAS TO BE DETERMINED BY THE COURT. I HAVE FOUND NO CASE LAW IN SOUTH CAROLINA THAT REQUIRES AN EXPERT WITNESS TO TESTIFY WITH REGARD TO AID THE COURT IN MAKING THOSE DETERMINATIONS. CLEARLY, THERE'S NOTHING THAT PROHIBITS AN EXPERT WITNESS FROM COMPUTING AND OFFERING INFORMATION TO THE COURT TO MAKE THOSE COMPUTATIONS, BUT THERE IS NOTHING THAT PROHIBITS A LAY WITNESS WHO IS EMPLOYED BY THE COMPANY A&E, AND/OR WORKED WITH A FAMILY COMPANY PARK PLACE PROPERTIES, PARKWAY OFFICES, AND ARTHUR VEREEN

CONSTRUCTION COMPANY AND IS FAMILIAR WITH THOSE COMPANIES, THE ACTIVITIES OF THOSE COMPANIES AND IS FAMILIAR WITH BOOKS AND RECORDS OF THOSE COMPANIES TO TESTIFY WITH REGARD TO THE INFORMATION THAT SHE HAS GATHERED FROM THOSE COMPANIES. UNFORTUNATELY, IT IS GOING TO BE YOUR HONOR'S JOB TO DETERMINE AND TO MAKE THE DETERMINATION FROM THAT INFORMATION AS TO WHAT THE NUMBERS ARE IN THIS CASE. THE CASE LAW INDICATES THAT A LAY WITNESS CAN PROVIDE INFORMATION TO THE TRIAL COURT IN ORDER TO ASSIST IN YOUR ULTIMATE FINDING IN THE CASE. YOUR HONOR, I WOULD POINT OUT UNDER RULE 601 THAT DEALS WITH COMPETENCE OF A WITNESS THAT TO DISQUALIFY A WITNESS, THE COURT HAS TO DETERMINE IS THAT THE PROPOSED WITNESS IS INCAPABLE OF EXPRESSING HIMSELF. AND I DON'T THINK THAT THAT'S AN ISSUE. OR THAT THE PROPOSED WITNESS IS INCAPABLE OF UNDERSTANDING THE DUTY OF A WITNESS AS TO THE TRUTH. I DON'T THINK THAT'S A ISSUE. WITH REGARD TO LACK OF PERSONAL

KNOWLEDGE, GOING TO RULE 602, THE RULE STATES, "THAT A WITNESS MAY NOT TESTIFY TO A MATTER UNLESS EVIDENCE IS INTRODUCED SUFFICIENT TO SUPPORT A FINDING THAT THE WITNESS HAS PERSONAL KNOWLEDGE OF THE MATTER. EVIDENCE TO PROVE PERSONAL KNOWLEDGE MAY, BUT NEED NOT BE CONSISTENT WITH THE WITNESSES OWN TESTIMONY. THE RULE IS SUBJECT TO THE PROVISIONS OF RULE 703 REGARDING OPINION TESTIMONY BY THE EXPERT WITNESS. YOUR HONOR, I AM GOING TO TURN TO THAT EXPERT WITNESS RULE IN JUST A MINUTE, WHICH DOES TALK ABOUT LAY WITNESSES, BUT WITH REGARD -- AND MAYBE I'M NOT UNDERSTANDING MR. DURANT'S OBJECTION. HER PERSONAL KNOWLEDGE DOES NOT -- SHE CAN TESTIFY WITH -- THAT'S WHAT I BELIEVE MRS. SISSON IS DOING. SHE IS JUSTIFYING AS TO HOW SHE GAINED HER KNOWLEDGE, IS FOR THE COURT I BELIEVE TO WEIGHT THE CREDIBILITY, THE BELIEVABILITY, THE RELIABILITY OF THAT TESTIMONY. IT GOES TO THE WEIGHT, BUT NOT TO IT'S ADMISSIBILITY. THE FACT --

THE ONLY WAY MANY WITNESS HAVE KNOWLEDGE OF FACTS IS BY REVIEWING DOCUMENTS. THAT IS WHAT MRS. SISSON HAS DONE BOTH IN TERMS OF HER CAPACITY AS AN EMPLOYEE ONGOING WITH A&E, AND ALTHOUGH NOT A PAID EMPLOYEE WITH PARK PLACE PROPERTIES. SHE IS AFFILIATED WITH PARK PLACE PROPERTIES IN ASSISTING HER FATHER IN THAT WORK, HAS SIGNATORY AUTHORITY ON THAT CHECKBOOK, IS CERTAINLY CAPABLE OF REVIEWING THE DOCUMENTS, AND MERELY TELLING THE COURT, "HERE IS THE RECEIPT. WELL, HERE IS THE BILL. HERE'S THE INVOICE. HERE'S THE CHECK THAT PAID THAT INVOICE. THIS IS WHAT IT WAS FOR. AND HERE ARE THOSE AMOUNTS." YOUR HONOR IS GOING TO HAVE TO DETERMINE SHE IS NOT GOING -- YOUR HONOR HAS TO DETERMINE WHETHER THAT IS A LEGITIMATE EXPENSE OF A&E OR WHETHER IT'S NOT A LEGITIMATE EXPENSE OF A&E, BUT SHE CAN PRESENT TO THE COURT AS A LAY WITNESS FROM HER REVIEW AND HER KNOWLEDGE OF THE BOOKS AND RECORDS OF A&E, PARK PLACE PROPERTIES OF MYRTLE BEACH AND PARKWAY

OFFICES, WHICH IS A CORPORATION THAT OWNS THE OFFICE BUILDINGS WHICH WERE UTILIZED BY A&E, AND IS OWNED BY HER MOTHER, AND SHE HAS REVIEWED THOSE BOOKS AND RECORDS. SHE TESTIFIED AND ARTHUR VEREEN -- WHETHER OR NOT SHE HAS PAID -- I MEAN, WE ALL KNOW WHAT WE DO FOR OUR FAMILIES. YOU GET PAID IN DIFFERENT WAYS. AND ARTHUR VEREEN CONSTRUCTION COMPANY, HER REVIEW OF THOSE BOOKS AND RECORDS. AS I SAID, I BELIEVE WHEN WE WERE TOGETHER IN OCTOBER OF LAST YEAR, WHEN YOUR HONOR ISSUED HER ORDER, WHICH I'M GOING TO TALK ABOUT IN JUST A SECOND, IS NOT A CASE THAT CALLS FOR EXPERT TESTIMONY. MRS. BRADY DID NOT OFFER AN OPINION AS TO THE VALUE. I THINK SHE VERY CANDIDLY SAID, "THIS IS WHAT I FOUND. THESE ARE THE DOCUMENTS THAT I LOOKED AT AND THESE ARE THE NUMBERS THAT I'VE COME UP WITH." I THINK SHE TESTIFIED A COUPLE TIMES IN HER TESTIMONY THAT WHERE THOSE NUMBERS ENDED UP, SHE WAS HAPPY TO LEAVE WITH YOUR HONOR TO MAKE, UNFORTUNATELY, THE

DECISION. YOUR HONOR, WHEN YOU LOOK AT THE RULES AND I AM GOING TO TURN NOW TO THE RULE 703 ON EXPERT TESTIMONY -- EXCUSE ME, 710. OPINION TESTIMONY BY LAY WITNESSES, "IF A WITNESS IS NOT TESTIFYING AS AN EXPERT, THE WITNESSES' TESTIMONY IN THE FORM OF AN OPINION OR INFERENCES IS LIMITED TO THOSE OPINIONS OR INFERENCES WHICH ARE (A) RASHLY BASED ON THE PERCEPTION OF THE WITNESS. (B) ARE HELPFUL TO CLEAR THE UNDERSTANDING OF THE WITNESSES TESTIMONY OR A DETERMINATION OF A FACT IN ISSUE AND DO NOT REQUIRE SPECIAL KNOWLEDGE, SKILL, OR EXPERIENCE, OR TRAINING." WELL, THAT'S WHAT WE HAVE HERE, YOUR HONOR. MRS. SISSON IS GIVING TESTIMONY BASED ON HER KNOWLEDGE OF THE INVOICES AND THE RECEIPTS FROM A REVIEW OF THE RECORDS OF A COMPANY IN WHICH A&E, SHE WAS A PAID EMPLOYEE, AND OF THREE OTHER COMPANIES IN WHICH SHE IS A FAMILY MEMBER OF THE FAMILY THAT OWNS THOSE COMPANIES. ONE OF WHICH, SHE MAY NOT BE A PAID EMPLOYEE, BUT HAS RESPONSIBILITY AND AS

MUCH AS SHE HAS SIGNATURE AUTHORITY OVER THE COMPANY AND ASSISTS PARK PLACE PROPERTIES AND ASSISTS HER FATHER. ANOTHER COMPANY, ARTHUR VEREEN CONSTRUCTION COMPANY THAT SHE HAS GROWN UP IN THAT BUSINESS AND WORKED FOR THE BUSINESS IN HER YEARS GROWING UP. SHE IS SOMEONE WHO IS FAMILIAR, NOT WITH JUST ACCOUNTING PRINCIPLES. THIS IS NOT GOING BY A BALANCE SHEET. THIS IS NOT DOING A PROFIT AND LOST STATEMENT. THIS ISN'T DOING A FINANCIAL STATEMENT. THIS IS IDENTIFYING EXPENSES AND GETTING THE PROOF OF THOSE EXPENSES, FINDING WHAT THOSE EXPENSES WERE PAID FOR...

JUDGE HOWE: THERE HAS BEEN NO TESTIMONY THAT SHE IS KNOWLEDGEABLE ABOUT ACCOUNTING PRINCIPLES.

MS. COOK: AND WE ARE NOT ASKING HER ABOUT ACCOUNTING PRINCIPLES. WE ARE ASKING HER ABOUT THE EXPENSES INCURRED BY A COMPANY. WHO PAID THOSE EXPENSES, WHAT PROOF SHE HAS OF THOSE EXPENSES, AND THE PAYMENT. THE EXPENSE WAS INCURRED FOR -- SHE WORKED IN THE

BUSINESS. SHE DOES THAT EVERYDAY IN HER OWN BUSINESS.

JUDGE HOWE: SHE ONLY WORKED IN ONE BUSINESS, A&E.

MS. COOK: SHE WORKED IN PARK PLACE PROPERTIES.

MR. DURANT: THERE IS NO TESTIMONY TO THAT EFFECT.

JUDGE HOWE: I DON'T KNOW THAT SHE DID.

MS. COOK: WELL, WE ARE TRYING TO ADDRESS SOME OF THIS PRELIMINARILY AND SO -- TO REVIEW THE BOOKS AND RECORDS OF HER FAMILY'S BUSINESSES AND PULL OUT AN INVOICE, GO THROUGH AND FIND THE ACTUAL CHECK, BACK UP THE CHECK WITH THE INVOICE, BE FAMILIAR WITH THE JOBS OF A&E, AND WHAT THE RECEIPTS WERE FOR AND WHERE THE ACTUAL MATERIALS OR LABOR WERE REPRESENTED AND ADD UP THAT ROW OF NUMBERS. THAT DOES NOT TAKE SOMEONE FAMILIAR WITH ACCOUNTING PRINCIPLES. IT TAKES SOMEONE WHO IS FAMILIAR WITH BEING ABLE TO BALANCE CHECKBOOKS AND PAY BILLS.

JUDGE HOWE: I DON'T UNDERSTAND. ARE

YOU SAYING THAT "I" WHO SUPPOSEDLY BALANCES MY OWN CHECKBOOK CAN GO INTO A BUSINESS AND LOOK AT THEIR BOOKS AND RECORDS AND TESTIFY TO THEIR BOOKS AND RECORDS AS A WITNESS JUST BECAUSE I'VE LOOKED AT THEIR BOOKS AND RECORDS?

MS. COOK: NO, MA'AM. YOU WOULD HAVE TO HAVE A FAMILIARITY BY WAY OF WORKING FOR THEM. BY WAY OF HAVING RESPONSIBILITY FOR THOSE BOOKS AND RECORDS AND TO BE ABLE TO DO THAT. AND THIS WITNESS DOES. AND IF YOU BELIEVE SHE DOESN'T THAT GOES TO THE WEIGHT AND BELIEVABILITY OF THE EVIDENCE SHE PUTS IN, NOT IT'S ADMISSIBILITY.

JUDGE HOWE: OKAY. LET ME ASK YOU THIS: IN LAW FIRMS THAT I HAVE WORKED FOR, I COULD SIGN CHECKS, BUT I CERTAINLY WOULDN'T HAVE WANTED TO HAVE TO BALANCE THOSE CHECKBOOKS AND GET INTO ALL THE RECORDS AS TO PAYING ALL THE BILLS AND RECORDS. AND I CERTAINLY WOULDN'T WANT TO SIT ON THE WITNESS STAND AND TESTIFY AS TO INTRICACIES AS TO WHAT WAS OWED AND WHAT WAS NOT OWED JUST BECAUSE I

COULD SIGN ON THE CHECKBOOK. BUT ARE YOU SAYING THAT I WOULD BE, AS A WITNESS, I WOULD BE ABLE TO TESTIFY. I WOULD BE...

MS. COOK: I DON'T KNOW WHETHER YOU WOULD BE OR NOT IF YOU HAD NOT DONE FAMILIARIZED YOURSELF WITH THE DOCUMENTATION TO HAVE PERSONAL KNOWLEDGE OF IT, YOU WOULD NOT.

JUDGE HOWE: BUT THAT'S THE RESPONSIBILITY OF AN EXPERT WITNESS TO GO BACK AND FAMILIARIZE MYSELF WITH THE BOOKS AND RECORDS. ISN'T THAT WHAT AN EXPERT WITNESS DOES?

MS. COOK: THAT IS ONE OF THE THINGS THAT AN EXPERT WITNESS DOES, BUT A LAY WITNESS CAN DO THAT AS WELL, YOUR HONOR. IT GOES TO THE WEIGHT AND CREDIBILITY YOU WANT TO ASSIGN TO IT. AN EXPERT WITNESS, THEY DON'T EVEN HAVE TO LOOK AT BACK UP. THEY CAN TAKE INFORMATION TOLD TO THEM WITHOUT LOOKING AT BACK UP AND OFFER AN OPINION.

JUDGE HOWE: I UNDERSTAND THAT AS A FACTUAL WITNESS I CAN GET ON THE WITNESS

STAND IF ONE OF MY DUTIES, AS AN EMPLOYEE OF THE LAW FIRM, WAS TO KEEP THE BOOKS AND RECORDS. THAT I COULD GET ON THE WITNESS STAND AND PERHAPS GIVE AN OPINION AS TO SOMETHING INVOLVING THE BOOKS AND RECORDS OF THE LAW FIRM, BUT IF ALL I DID WAS HAVE SIGNATORY POWER ON THE LAW FIRM AND THEN BEFORE I TESTIFIED, I WENT BACK AND REVIEWED THE BOOKS AND RECORDS. THAT SEEMS TO ME TO BE GETTING INTO THE EXPERT WITNESS REALM.

MS. COOK: I DISAGREE, YOUR HONOR. FIRST OF ALL, I THINK WE ARE GOING TO HAVE MORE -- WE CERTAINLY WITH A&E HAVE A LOT MORE RESPONSIBILITY FOR A&E'S BOOKS AND RECORDS WITH REGARD TO THIS WITNESS' KNOWLEDGE AND CAPABILITY ON A&E BOOKS AND RECORDS AND ACCOUNTING RECORDS.

JUDGE HOWE: I MEAN, IF CARRIE DREWETT -- IT SOUNDS TO ME MORE IS IF THIS WOULD BE MORE IN HER REALM OF RESPONSIBILITY, IT SOUNDS AS IF THAT'S WHAT SHE DID. SHE MAY NOT HAVE HAD SIGNATORY POWER,

BUT I THINK BASED ON TESTIMONY I HAVE HEARD SO FAR, SHE REALLY KIND OF KEPT THE BOOKS AND RECORDS OF -- I DON'T KNOW WHICH BUSINESSES, BUT AT LEAST, OF A&E. SHE KIND OF KEPT THE BOOKS AND RECORDS AND SHE WENT TO MR. VEREEN AND SAID, YOU KNOW, "HERE'S A CHECK YOU NEED TO SIGN." AND THEN SHE KEPT THOSE BOOKS AND RECORDS. I DON'T THINK SHE SIGNED THE CHECKS.

MS. COOK: NO, MA'AM. SHE DIDN'T.

JUDGE HOWE: I THINK THAT'S WHERE SHE WOULD HAVE COME IN TO TESTIFY. MAYBE I'M WRONG. I DON'T KNOW.

MS. COOK: YOUR HONOR, MRS. DREWETT'S RESPONSIBILITY WAS TO INPUT INFORMATION INTO THE COMPUTER.

JUDGE HOWE: YES, MA'AM.

MS. COOK: WHERE SHE INPUTTED THAT INFORMATION INTO THE COMPUTER WAS AS A RESULT OF HER TRAINING WITH MR. VEREEN, AND AS A RESULT OF BEING BROUGHT INVOICES AND I THINK MR. SMITH TESTIFIED TO THIS IN JUNE. BEING BROUGHT INVOICES ON THE VARIOUS JOBS, BEING TOLD IT GOES

TO THIS JOB, SHE INPUTTED THE AMOUNT TO A COMPUTER PROGRAM. LIKEWISE MRS. SISSON DID THE SAME THING. MR. VEREEN WOULD DO THE SAME THING. "CARRIE, HERE'S A RECEIPT. THIS GOES ON SO-AND-SO JOB." SO, SHE INPUTTED THAT INTO THE COMPUTER SYSTEM. UNFORTUNATELY, THAT DIDN'T ALWAYS GET DONE CORRECTLY. AND WHILE FOR A PERIOD OF TIME, 2004 THROUGH 2007, WHEN THIS ISSUE AROSE, THAT WAS HER JOB, BUT EVEN PRIOR TO THAT, MRS. SISSON, IN HER CAPACITY WITH THE VARIOUS JOBS AND HER CAPACITY AT A&E, ALSO IN AN ATTEMPT TO ASSET -- FIRST OF ALL, GATHERING THE INFORMATION TO TRY TO DEFEND THE WILLOUGHBY LAWSUIT. AT THAT TIME, THIS LITIGATION IS NOWHERE ON THE HORIZON. GOES BACK TO GATHER THE INFORMATION. UNFORTUNATELY, MS. DREWETT, WHICH IS SOMEBODY WHO IS INPUTTING STUFF ON THE COMPUTER SYSTEM...

MR. DURANT: YOUR HONOR, SHE WAS RESPONSIBILE FOR BOOKKEEPING. SHE WAS A BOOKKEEPER AND SHE TESTIFIED IN HER

DEPOSITION THAT MRS. DREWETT WAS THE BOOKKEEPER.

JUDGE HOWE: THAT'S WHAT I THOUGHT.

MRS. COOK: I BELIEVE, FRANK, PUT HER WHOLE DEPOSITION IN THE RECORD AS AN EXHIBIT. AND SHE EXPLAINS IN DETAIL WHAT SHE DID AND WHAT SHE DIDN'T DO AND WHY SHE DID AND DIDN'T DO CERTAIN THINGS. IT BECAME MRS. SISSON'S JOB, AT LEAST, AT THE POINT WHEN A&E WAS SUITED TO GO BACK AND DO THE DUE DILIGENCE TO INVESTIGATE THE PAYABLES, THE RECEIVABLES, THE INCOME, THE LOST WITH REGARD TO A&E'S BUSINESS -- AT LEAST, AT THAT POINT, WITH THE WILLOUGHBY JOB. FROM THAT POINT ON OR WITHIN THAT RESPONSIBILITY, SHE ALSO LEARNS THAT MRS. BRADY IS NO LONGER GOING TO BE -- EVEN BEFORE THAT, MRS. BRADY IS ATTEMPTING TO DO THE TAX RETURNS AND SO HAS TURNED OVER INFORMATION FROM A&E ON ITS FINANCIALS, AND I BELIEVE MR. SMITH SAID HE TESTIFIED THAT HE DELIVERED THAT. MRS. BRADY HAS GONE THROUGH THOSE RECORDS -- I CAN'T REMEMBER HOW MANY

PAGES OF QUESTIONS SHE SAID SHE HAD WRITTEN OUT AND SENT THOSE OVER TO A&E. IT WAS MRS. SISSON THEN WHO WENT THROUGH AND GOT THE INFORMATION TO ANSWER MRS. BRADY'S QUESTIONS IN ORDER TO HELP HER AND ASSIST HER IN PREPARING THE TAX RETURNS. THAT WAS FOR THE WHOLE COMPANY. IN DOING THAT SOME OF THE SAME ISSUES CAME UP, YOUR HONOR. SOME OF THESE SAME ISSUES ABOUT DEPOSITS THAT WERE FOR A&E JOBS HAD NOT BEEN DEPOSITED INTO A&E, BUT WERE BEING DEPOSITED BY MR. VEREEN.

MR. DURANT: THOSE ISSUES DIDN'T COME UP THEN, YOUR HONOR. THEY FILED A TAX RETURN AND DIDN'T INCLUDE THOSE DEPOSITS ANYWHERE.

JUDGE HOWE: MY CONCERN IS NOT SO MUCH ABOUT A&E. MY CONCERN IS MORE ABOUT THESE OTHER COMPANIES THAT SHE IS TESTIFYING TO.

MS. COOK: OKAY. SO I WILL LIMIT -- PRELIMINARILY, YOU ARE...

JUDGE HOWE: MY CONCERN IS NOT SO MUCH ABOUT A&E FROM 2004 ON. I AM CONCERNED

ABOUT HER TESTIFYING TO A&E IN 2003 BECAUSE SHE WASN'T THERE.

MR. DURANT: MIGHT WE BE HEARD ALSO?

JUDGE HOWE: YES. YOU MAY BE HEARD. I'M NOT SURE IF MS. COOK IS EVEN THROUGH. I KIND OF MAY HAVE GOTTEN HER OFF-TRACK.

MS. COOK: NO, NO. I DON'T WANT TO WASTE A LOT OF TIME, YOUR HONOR. IT'S REALLY FOCUSED ON SOMETHING ELSE. AS I UNDERSTAND IT, YOU ARE REALLY MORE FOCUSED ABOUT HER TESTIFYING ABOUT...

JUDGE HOWE: THE OTHER COMPANIES -- PARTNERSHIPS OR COMPANY OR WHATEVER THOSE OTHER ENTITIES ARE WHEN IT WAS MY UNDERSTANDING SHE WAS REALLY EMPLOYED BY A&E FROM 2004 FORWARD.

MS. COOK: YOUR HONOR, BUT EMPLOYMENT IS NOT THE ONLY CHARACTERISTIC...

JUDGE HOWE: I UNDERSTAND THAT. IT IS MY UNDERSTANDING THAT SHE HAD SIGNATORY POWER FOR THE ONE ENTITY AND I'M NOT SURE WE GOT INTO THE OTHERS.

MS. COOK: AND I DON'T THINK WE HAD YET. YES, MA'AM. AND, YOUR HONOR, IT'S NOT

MY POSITION THAT MERELY BECAUSE SHE HAD SIGNATORY AUTHORITY THAT SHE -- THAT IS THE SOLE THING BY WHICH SHE HAS THE ABILITY TO TESTIFY FROM HER REVIEW OF THOSE BOOKS AND RECORDS EITHER IN CONNECTION WITH THIS LAWSUIT OR IF SHE HAS RESPONSIBILITY OTHERWISE FOR PARKWAY OFFICES. SHE WAS NOT AN EMPLOYEE OF, BUT SHE IS THE ONE WHO DID REVIEW THE BOOKS AND RECORDS IN CONNECTION WITH ASSISTING WITH THE INFORMATION FOR THE TAX RETURNS FOR MR. CRUMPLER AND MRS. BRADY IN ORDER TO TRY TO ASSIST IN PREPARING THOSE TAX RETURNS, AS WELL AS THIS LAWSUIT. SHE REVIEWED THOSE BOOKS AND RECORDS AS WELL. AND THE SAME WITH ARTHUR VEREEN CONSTRUCTION. THAT'S ONLY AT THE VERY BEGINNING OF THIS JOB, YOUR HONOR, BEGINNING OF 2003, 2004 BECAUSE THAT WAS THE BUSINESS OF MR. VEREEN. THAT WRAPPING UP WHEN A&E WAS STARTING, AND SO FOR A PERIOD OF TIME BEFORE HE FUNDED A&E, ANY WORK THAT A&E WAS ACTUALLY DOING WAS BEING DONE BY RECEIPTS AND BILLS GOING IN AND OUT OF

ARTHUR VEREEN CONSTRUCTION. SO, TO DO THE PROPER TAX RETURNS, WHICH HAVE NOT BEEN FILED AND I THINK THE TESTIMONY IS GOING TO BE, YOUR HONOR, THAT WHEN MR. CRUMPLER FINALLY PREPARED AND THEY SENT IN THOSE TAX RETURNS, IT WAS WITH THE UNDERSTANDING THAT THEY WERE GOING TO HAVE TO BE AMENDED. AND MUCH HAD BEEN SAID IN THIS LAWSUIT ABOUT WHAT WAS OR WAS NOT ON THOSE TAX RETURNS AND HOW THINGS WERE RECORDED. WHAT WAS OR WHAT WAS NOT ON THE TAX RETURN, DOES NOT HAVE ANYTHING TO DO WITH THIS COURT -- IT IS A PIECE OF EVIDENCE THAT THE COURT CAN CONSIDER IN COMING UP WITH ITS ULTIMATE DETERMINATION, BUT IT IS NOT DETERMINATIVE OF WHAT THE ACTUAL PROFIT OR LOSS IS IN THIS BUSINESS OR WHAT ADVANCES MR. SMITH HAS TAKEN THE COURT MAY FIND WERE LEGITIMATELY TAKEN OR SHOULD BE CREDITED BACK AND LIKEWISE FOR MR. VEREEN. SO THE FACT THAT A TAX RETURN WAS FILED DOES NOT MEAN THAT THERE WAS NOT ONGOING WORK DONE WITH REGARD TO PAYMENTS RECEIVED BY ARTHUR

VEREEN CONSTRUCTION THAT SHOULD PROPERLY BE INCOME TO A&E. AS WELL AS ARTHUR VEREEN CONSTRUCTION PAYING THOUSANDS OF DOLLARS FOR MATERIALS, EQUIPMENT, AND LABOR FOR A&E JOBS BECAUSE A&E DIDN'T HAVE -- HAD NOT EARNED ANY INCOME AT THAT POINT IN TIME, AND ARTHUR VEREEN CONSTRUCTION, WRITING THE CHECK TO PAY FOR THOSE THINGS. AND IT WAS MRS. SISSON THAT WAS HAVING TO GO BACK, NOT JUST FOR THIS LAWSUIT, YOUR HONOR, BUT TO TRY TO GET AND GATHER THAT INFORMATION ON BEHALF OF A&E. SO THAT A&E COULD DO A PROPER TAX RETURN FOR 2004, 2005 AND SO FORTH.

JUDGE HOWE: OKAY. LET ME HEAR FROM YOU, MR. DURANT. OBVIOUSLY, I HAVEN'T HAD TIME TO READ THROUGH THIS.

MS. COOK: AND I JUST GOT THIS TOO, YOUR HONOR.

JUDGE HOWE: AND IT MAY BE THAT KIND OF THING -- I DON'T KNOW IF WE NEED TO TAKE A BREAK AND LET ME READ IT.

MR. DURANT: IT'S NOT A VERY COMPLICATED THING, YOUR HONOR. I WANT BE INTO RULE

SO-AND-SO. WHEN WE APPEARED BEFORE YOU IN OCTOBER, YOUR HONOR, THE ISSUE WAS THIS IS AN ACCOUNTING LAWSUIT. AND SO WHEN YOU GO INTO AN ACCOUNTING LAWSUIT, YOU GET AN ACCOUNTANT. THE REASON THESE THINGS ARE COMPLICATED, IF YOU GET A DISINTERESTED PERSON WITH CREDENTIALS THAT CAN REVIEW RECORDS TO MAKE IT EASIER ON THE COURT BECAUSE IT'S VERY IMPOSSIBLE FOR THE COURT TO DO IT. IN OCTOBER, I WAS SURPRISED WHEN THEY DIDN'T USE MR. CRUMPLER. WE WERE LOOKING FORWARD TO ACCOUNTANTS GETTING TOGETHER TO SORT OUT THESE THINGS AND I WAS VERY SURPRISED WHEN THEY DIDN'T USE HIM. WE ACTUALLY SUBPOENAED HIM, LIKE GOING INTO A GUNFIGHT WITHOUT A GUN. YOU'RE GOING TO HAVE THAT SAME STANDARD OF PRODUCING THE EVIDENCE FOR YOU TO ACCOUNT WITHOUT AN ACCOUNTANT TO ASSIST THE COURT. AND WE TOLD THE COURT, WE HAVE A PROBLEM BECAUSE THEY ARE TRYING TO GET A WITNESS, WHO'S A DAUGHTER, TO COME IN AND REVIEW THE RECORDS THAT SHE DID NOT PREPARE. SHE DIDN'T HAVE

ANYTHING TO DO WITH RUNNING THE BOOKKEEPING OF THIS COMPANY OR ANY OF THE OTHERS ONES. IT'S IN HER DEPOSITION, YOUR HONOR, AND SHE IS GOING TO HAVE TO ANSWER THE SAME WAY SHE DID IN HER DEPOSITION, SOMEONE ELSE DID IT. I CAN'T GET JULIAN DURANT, MY LAW STUDENT TO COME IN HERE AND LOOK AT MR. SMITH'S RECORDS AND LOOK AT IT FOR 3 OR 4 MONTHS AND TESTIFY OVER HERE BECAUSE I'VE LOOKED AT THEM A LOT AND THIS IS THE BILL. THE RECORDS ARE IN EVIDENCE, YOUR HONOR. ALL THE CHECKS, ALL THE CHECKING STATEMENTS, THE COMPUTERIZED RECORDS THEY PRINTED, THEY ARE IN EVIDENCE. WE DON'T NEED JULIAN, FOR THE RECORD, AND WE DON'T NEED BETH, FOR THE RECORDS, BECAUSE THE RECORDS ARE IN EVIDENCE. THE ONLY REASON TO HAVE THE WITNESS IS TO COMMENT ON SOMEONE WITH PERSONAL KNOWLEDGE OF THOSE RECORDS. AND BETH DOES NOT HAVE PERSONAL KNOWLEDGE. SHE CAN'T GAIN PERSONAL KNOWLEDGE BY LOOKING AT THE RECORDS. SHE CAN TALK TO HER DADDY AND HER DADDY

CAN SAY THAT, "I DID IT FOR THIS REASON" OR THE INVOICE MAY SAY SOMETHING AND SHE CAN SAY SOMETHING ABOUT IT, BUT SHE IS NOT ADDING ANYTHING. THIS IS AN ACCOUNTING CASE. YOU'RE GOING TO HAVE ACCOUNTING PRINCIPLES. YOU'RE GOING TO MATCH UP STUFF. THERE'S TAX QUESTIONS. NOW, MR. VEREEN IS CAPABLE OF TESTIFYING WITH WHAT HE DID WITH ALL HIS RECORDS. HE'S THE WITNESS. "I WROTE THE CHECK. THIS IS WHY I WROTE THE CHECK." HE'S THE WITNESS. HE'S THE WITNESS THAT WROTE FOR ALL THE COMPANIES. A&E, WE HAVE A PROBLEM BECAUSE SHE DID THIS WORK UNTIL THE LAWSUIT WAS ENTERED '07 SUMMER. IT WAS A LAWSUIT WAITING. SO SHE IS COMMISSIONED BY THE ACCOUNTANT, WHO? MR. CRUMPLER. GO GET THESE RECORDS AND HELP ME ASSIMILATE. THEY DO TAX RETURNS AS WELL AS ANSWER THESE QUESTIONS AND I DON'T DOUBT THAT SHE DIDN'T TRY. THERE ARE 19 BOOKS OVER THERE. I CAN'T CROSS-EXAMINE HER ABOUT SOMETHING THAT SHE KNOWS NOTHING ABOUT. SHE KNOWS IT'S A RECEIPT, SHE KNOWS IT'S

A BILL, AND SHE KNOWS IT'S ON THE COMPUTER. SHE'S NOT GOING TO KNOW WHY SOMEONE SIGNED A CHECK OR WHY THEY DIDN'T. WHEN SHE ASSEMBLED THE INFORMATION FOR THE TAX RETURNS, SHE DIDN'T KNOW WHAT HER DADDY DID WITH THE DEPOSITS. SHE PUT IT IN ANOTHER ACCOUNT BECAUSE SHE IS NOT FAMILIAR WITH THOSE RECORDS. THAT IS NOT HER JOB. IT WAS NOT MR. SMITH'S JOB. IT WAS MR. VEREEN'S JOB. AND WHEN YOU GET FURTHER ON OUT, IT JUST BECOMES RIDICULOUS.

JUDGE HOWE: I ASSUME YOU'VE DEPOSED HER?

MR. DURANT: YES, I DID.

JUDGE HOWE: AND I ASSUME YOU GOT THOSE KIND OF ANSWERS WHEN YOU ASKED HER, I DON'T KNOW?

MR. DURANT: SHE SAID THAT CARRIE DREWETT WAS THE BOOKKEEPER. SHE SAID THAT SHE INPUTTED EVERYTHING ON THE COMPUTER. SHE SAID SHE NEVER MADE AN INPUT TO THE COMPUTER BEFORE OR AFTER THE LAWSUIT WAS FILED. SHE AND CARRIE WOULD PRINT THE STUFF OUT FOR HER TO

LOOK AT. SHE LOOKED AT THE CHECKBOOK, BUT SHE CAN'T TESTIFY ON WHAT SHE DID AFTER THE FACT, YOUR HONOR. SHE'S TESTIFIED ON BEHALF OF A&E AND SHE DOESN'T KNOW THE REASON WHY HER DADDY DID THIS OTHER THAN WHAT HER DADDY TELLS HER. THAT'S MY OBJECTION, YOUR HONOR. IT'S AN OBJECTION THAT WE TOLD YOU IN OCTOBER. WE EVEN BRIEFED IT BECAUSE MR. VEREEN IS GOING TO HAVE TO COME UP HERE AND PUT ALL HIS RECORDS IN 'CAUSE HE'S THE ONLY ONE WITH PERSONAL KNOWLEDGE OF WHY HE WROTE THIS CHECK AND WHY HE WROTE SOME OTHER CHECKS. IT'S NOT THAT SHE'S DISHONEST, YOUR HONOR. SHE LACKS THE PERSONAL INFORMATION AND WE ARE NOT ASKING HER TO ASSEMBLE RECORDS AND TELL YOU, "WELL, THERE'S $300,000 WORTH OF CREDIT. YES, BECAUSE I HAVE LOOKED THROUGH THEM HERE THEY ARE." AN EXPERT WITNESS CAN DO THAT. THEY CAN TALK TO THE PEOPLE, BUT SHE CANNOT. YOUR HONOR, I'M NOT GOING TO BEAT A DEAD HORSE.

JUDGE HOWE: MS. COOK, IT DOES APPEAR TO ME AS IF YOU ARE TRYING TO USE A LAY

WITNESS TO GIVE OPINION TESTIMONY. YOU ARE TRYING TO DO RULE 701, AREN'T YOU?

MS. COOK: I GUESS, YOUR HONOR, IN TERMS OF OPINION TESTIMONY, IT WOULD BE A DIFFERENT TYPE OF OPINION TESTIMONY. IT'S NOT OPINION TESTIMONY, YOUR HONOR, BECAUSE OPINION TESTIMONY, AS I UNDERSTAND IT, FROM A EXPERT WITNESS WOULD BE AFTER THAT EXPERT WITNESS' DUE-DILIGENCE, WHATEVER IT IS. THAT EXPERT WITNESS THEN TAKES THAT DUE-DILIGENCE AND OFFERS AN OPINION AS TO THE ULTIMATE ISSUE IN THE CASE, SUCH AS STANDARD OF CARE IN A PRODUCTS LIABILITY CASE WHERE IT IS THE EXPERT WITNESS THAT ESTABLISHES WHAT THE STANDARD OF CARE IS IN THAT TYPE OF CASE.

JUDGE HOWE: OR IN THIS KIND OF CASE. IT WOULD BE SEVERAL, MANY ISSUES LIKE, WAS THIS A CORPORATE LIABILITY OR A CORPORATE EXPENSE OR NOT A CORPORATE EXPENSE? WAS THIS AN A&E EXPENSE OR WAS THIS A WAYNE VEREEN EXPENSE OR AN ARTHUR VEREEN CONSTRUCTION EXPENSE OR AND EES

EXPENSE.

MS. COOK: CORRECT. BUT THAT IS AN OPINION THAT DOES NOT GO TO THE ULTIMATE ISSUE IN THE CASE, WHICH IN THIS CASE, THE ACCOUNTING IS FOR BREACH OF FIDUCIARY DUTY AND THE WAY THEY HAVE PLED IT, AND MISAPPROPRIATION OF MONEY AND THE ULTIMATE ISSUE ABOUT WHETHER THERE HAS BEEN A BREACH OF FIDUCIARY DUTY AND THERE NEEDS TO BE REIMBURSEMENTS OR OFF-SETS OR CREDITS WITH REGARD TO THE ACCOUNTING IS WHAT, YOUR HONOR, IS THE ISSUE FOR AN OPINION OR MAKE THE FINAL DETERMINATION OF. WITH REGARD TO GETTING THERE, YOUR HONOR, THIS LAY WITNESS IS OFFERING THE TESTIMONY TO SAY, "THIS IS THE BILL. THIS IS WHERE IT WAS PAID, AND THIS IS WHAT IT WAS FOR." NOW, IT IS OUR POSITION THAT IT IS ULTIMATELY YOUR DETERMINATION AS TO WHETHER OR NOT THAT BILL FOR THAT LULL THAT WAS RENTED THAT WAS USED ON WILLOUGHBY AND WAS PAID FOR BY A CHECK WITH A&E IS AN A&E EXPENSE OR IS NOT AN A&E EXPENSE OR BY ANOTHER

EXAMPLE.

JUDGE HOWE: WELL, HOW DOES SHE KNOW THAT? THAT'S MY QUESTION. HOW DOES SHE KNOW THAT?

MS. COOK: BECAUSE, YOUR HONOR, SHE WAS PART OF THE PERSON THAT WAS WORKING ON THE WILLOUGHBY JOB AND KNOWS WHAT EXPENSES, LABOR, MATERIALS, SUBCONTRACTORS WERE USED ON THE JOBS. TURNED IN INVOICES AND THE RECEIPTS FOR THE THINGS THAT SHE HAD TO GO TO HOME DEPOT AND BUY FOR THE JOB. GAVE THEM TO CARRIE DREWETT WHO ENTERED IT ON A LEDGER IN COMPUTER WHERE IT WAS ENTERED RIGHT OR WRONG. AND THEN MRS. DREWETT DID WRITE THE CHECK AND IT WAS SIGNED BY MR. VEREEN. AS PART OF HER DUTIES FOR A&E -- AND YOU SAID YOU WEREN'T THAT CONCERNED WITH THE A&E PART OF THIS, BUT AS PART OF HER DUTIES FOR A&E, THEN THAT PRIOR TO THIS LAWSUIT IN ORDER TO AID MRS. BRADY IN ORDER WHAT SHE DID DO HER DUE-DILIGENCE TO COME UP WITH AN ULTIMATE EXPERT OPINION TO THE WILLOUGHBY LAWSUIT, SHE WENT BACK

THROUGH AND DID FOR -- REVIEW THE BOOKS AND RECORDS WITH REGARD TO WILLOUGHBY AND IN DOING THAT HAD TO COME UP WITH WHAT THE ACTUAL EXPENSES FOR THE WILLOUGHBY JOB WERE FROM WHATEVER SOURCE, WHETHER IT WAS THE JOB LEDGER, WHETHER IT WAS THE FILE, WHETHER IT WAS THE CHECKING REGISTER, OR THE CHECKING ACCOUNT RECORDS FOR PARKWAY OFFICES BECAUSE THERE WAS A CHECK WRITTEN. THEY HAD CHECK -- HER DADDY HAD THAT CHECKBOOK AND WENT TO -- WELL, THAT WOULDN'T HAVE HAPPENED, BUT A&E HAD THAT CHECKBOOK OR HIS PERSONAL CHECK AND WENT TO HOME DEPOT TO BUY A SAW TO BRING BACK TO WILLOUGHBY. AND SHE TOO -- IN ORDER -- GATHER THAT INFORMATION IN ORDER TO HAVE ALL THE EXPENSES FOR THAT JOB TALLY THAT WAS UTILIZED BY MRS. BRADY WHETHER THAT WAS FOR -- WHETHER THAT INFORMATION CAME FROM A&E'S BOOKS OR RECORDS OR WHEREVER THAT INFORMATION CAME FROM, IN THIS CASE, COULD BE PARK PLACE PROPERTIES, COULD BE PARKWAY OFFICES...

JUDGE HOWE: OR HER DAD.

MS. COOK: OR HER DAD. OR HER DAD INDIVIDUALLY TO FIND OUT ALL THE ACTUAL BILLS THAT WERE PAID ON WILLOUGHBY. NOW, IT'S FOR THE COURT TO DETERMINE IN THIS ACCOUNTING IF THAT BILL THAT WAS PUT ON THE WILLOUGHBY JOB LEDGER WAS FROM A RECEIPT BY WAYNE VEREEN AT HOME DEPOT WITH A CHECK WRITTEN TO HOME DEPOT BY WAYNE VEREEN, BUT ENTERED AS AN EXPENSE ON WILLOUGHBY. IT IS FOR YOUR HONOR TO DETERMINE IF YOUR HONOR BELIEVES THAT'S A LEGITIMATE WILLOUGHBY EXPENSE. IT GOES TO THE WEIGHT, YOUR HONOR, AND THE ULTIMATE DETERMINATION THAT YOUR HONOR HAS TO MAKE.

MR. DURANT: YOUR HONOR, WE HAVE NEVER SAID THAT SHE COULD NOT TESTIFY AS TO SOMETHING THAT SHE SPECIFICALLY DID.

JUDGE HOWE: I UNDERSTAND. SHE ABSOLUTELY CAN'T.

MR. DURANT: BUT SHE CAN'T TESTIFY TO EVERYTHING IN THE WORLD. SHE'S OFFERING TESTIMONY THAT SHE HAS NO BASIS OF OTHER THAN HER CONVERSATION WITH HER FATHER OR MRS. DREWETT.

JUDGE HOWE: I GUESS PART OF THE PROBLEM IS WE HAVEN'T GOTTEN TO THE TESTIMONY. WE ARE JUST ASSUMING WHAT SHE IS GOING TO TESTIFY TO.

MR. DURANT: THERE IS A WHOLE BUNCH OF BOOKS AND THEY ARE ALL THE SAME THING. AND THEY PLAN TO GO GET ALL THIS STUFF IN THROUGH HER AND WE DON'T THINK SHE IS COMPETENT TO TESTIFY. WE KNOW WHAT THEY ARE, WE'VE GOT THE BOOKS. SHE'S NOT TESTIFYING AS TO WHAT SHE HAD PAID AND HAD...

JUDGE HOWE: I DON'T HAVE THOSE BOOKS. I DON'T HAVE THOSE 19 BOOKS.

MS. COOK: NO, MA'AM. WE'RE NOT GOING THROUGH ALL OF THOSE.

JUDGE HOWE: I HOPE NOT.

MS. COOK: WE ARE NOT.

JUDGE HOWE: WE WILL BE HERE TILL CHRISTMAS.

MS. COOK: WE HAVE PREPARED, AND THEY WERE PROVIDED FROM A&E, A RESPONSE AND AS YOUR HONOR ORDERED IN HER OCTOBER 10TH ORDER, HAS GONE THROUGH AND PREPARED A BOOK AND HAS SET IT OUT

EXACTLY IN THE FORMAT THAT MRS. BRADY DID. ONLY MRS. SISSON INPUTTED ALL THE INVOICES AND ALL THE RECEIPTS THAT SHE COULD FIND TO VERIFY WHAT SUSAN HAD PUT DOWN OR WHAT SUSAN HAD LEFT OUT. AND THAT'S WHAT'S IN THESE -- IN THE BOOK THAT RESPONDS TO SUSAN BRADY. AND WE WENT OVER THAT. WE SPENT 4 DAYS IN SUSAN BRADY'S OFFICE, I THINK, OR 3 DAYS. EITHER 1 OR 2 DAYS IN DECEMBER IN SUSAN BRADY'S OFFICE AND THEN I THINK WE SPENT 2 DAYS IN JANUARY IN SUSAN BRADY'S OFFICE, GOING OVER ALL OF THIS INFORMATION AS YOUR HONOR ORDERED US TO DO, AND THERE WERE SOME THINGS THAT SUSAN AND HER CLIENT CONCEDED THEY EITHER HAD LEFT OUT OR WITH THE RECEPIT, THEY SAID THEY DIDN'T GIVE YOU CREDIT FOR THAT. LIKEWISE, THERE WERE SOME THINGS IN GOING THROUGH ALL THAT WITH BETH AND THE BACK UP THAT WE ALL HAD. THE BACK UP THAT SUSAN HAD OR DIDN'T HAVE, WENT THROUGH AND THERE WERE SOME THINGS THAT WE SAID, "YOU DIDN'T FIND THIS. YOU DIDN'T INCLUDE THIS." AND

THAT'S WHAT'S IN THIS NOTEBOOK AND THAT'S WHAT WE WENT THROUGH. ADDITIONALLY, THEY WERE PROVIDED FOUR NOTEBOOKS FULL OF INFORMATION FROM A&E. AND THOSE ARE THE ONLY OTHER NOTEBOOKS, AND I DID NOT INTEND TO GO LINE ITEM BY LINE ITEM. WE PREPARED -- MY CLIENT HAD PREPARED A SUMMARY TO SHOW YOU EACH OF THOSE NOTEBOOKS WITH THE BACK UP WHICH SHOWS THE EXPENSE THAT IT IS MY CLIENT'S. THE EXPENSE THAT WAYNE VEREEN, EITHER THROUGH CAPITAL CONTRIBUTIONS OR PAYMENT OF BILLS, ALONG WITH AN INVOICE, BELIEVES HE IS DUE FROM A&E AND THEN EACH OF THOSE OTHER COMPANIES; ARTHUR VEREEN CONSTRUCTION COMPANY, PARKWAY OFFICES, PARK PLACE PROPERTY. LIKEWISE, IN GOING THROUGH ALL THOSE BOOKS AND RECORDS, AND AS WAS NECESSARY, NOT ONLY FOR THIS LITIGATION, BUT STARTED OUT FOR SUSAN BRADY AND RICHARD CRUMPLER TO GO THROUGH THE BACK UP THAT HAD BEEN SUBMITTED OR NOT SUBMITTED BY ELLIS SMITH FOR HIMSELF FOR PERSONAL REIMBURSEMENTS HE GOT AND HIS

COMPANY, EES, GOT TO COME UP WITH WHAT AMOUNTS, IF ANY, ELLIS SMITH OWES TO A&E. NOW, THE WEIGHT YOU ASSIGN TO THAT -- I MEAN, THAT'S WHAT YOU HAVE -- WE ARE JUST GIVING YOU THE DOCUMENTATION. IT'S YOU THAT HAVE TO MAKE THE DECISION IN THIS MATTER AS TO WHAT IS A LEGITIMATE BUSINESS EXPENSE AND AS TO WHAT IS NOT A LEGITIMATE BUSINESS EXPENSES OF A&E. WHAT WAS PAID BY -- ON A&E'S BEHALF BY OTHER COMPANIES AND IF THERE IS SUFFICIENT EVIDENCE TO SUPPORT THAT OR WHAT YOU'RE NOT GOING TO LET BE COUNTED TOWARDS EITHER CASH CONTRIBUTION OR PAYMENT OF OBLIGATIONS TOWARD THE COMPANIES. AND THE SAME THING WITH MR. SMITH. ALL THEY HAVE GIVEN, YOUR HONOR, IS MRS. BRADY'S PICKING UP FROM PRELIMINARY WORK THAT RICHARD CRUMPLER HAD DONE. STARTED WITH PRELIMINARY NUMBERS OF RICHARD CRUMPLER THAT DO NOT TAKE INTO ACCOUNT THIS INFORMATION AND MRS. SISSON, I THINK SHE HAD -- SHE HAS TESTIFIED TO THIS. THAT FOR EACH YEAR WITHIN COMPUTER GENERATED LEDGERS, THERE

WERE UNASSIGNED JOB COST THAT HAD NOT BEEN ASSIGNED TO JOBS. SHE WENT THROUGH AND I THINK THAT'S WHAT SHE TESTIFIED TO IN ORDER TO PREPARE THAT INFORMATION FOR RICHARD AND SUSAN AND PULL THE ACTUAL INVOICES TO SEE FROM THOSE UNASSIGNED -- FROM THE GENERAL LEDGER THAT HAD EXPENSES THAT HAD NOT BEEN ALLOCATED TO A PARTICULAR JOB TO MAKE THAT DETERMINATION SO THAT COULD BE GIVEN TO THE ACCOUNTANTS. THE ACCOUNTANTS CAN ONLY RELY ON THE INFORMATION THAT THEY'RE GIVEN FROM THEIR CLIENTS.

JUDGE HOWE: I UNDERSTAND. AND I THINK SHE TESTIFY WHERE -- I THINK MRS. BRADY HAS TESTIFIED WHERE SHE GOT THE INFORMATION. I THINK MR. SMITH TESTIFIED WHAT INFORMATION HE GAVE HER. THAT'S WHAT EXPERTS DO. THEY ARE RETAINED TO DO A JOB BASED ON WHAT INFORMATION IS GIVEN TO THEM. AND I THINK...

MS. COOK: FOR THE PURPOSES OF LITIGATION, YOUR HONOR, THIS WITNESS WAS ASSIGNED TO DO THAT JOB FOR THE PURPOSES

NOT OF LITIGATION.

JUDGE HOWE: BUT IT WAS PART OF IT.

MS. COOK: IT DEFINITELY WAS AFTER-THE-FACT, BUT SHE WAS ASSIGNED BEFORE THIS LITIGATION TO DO THE JOB OF GATHERING THE INFORMATION AND ASSIGNING IT TO A PARTICULAR JOB FOR THIS ACCOUNTANT AND FOR RICHARD CRUMPLER TO FILE TAX RETURNS. SHE WAS DOING IT, NOT WITH A BIASED EYE TOWARD ANYTHING AND TO SAY THAT -- I DON'T MEAN THIS IN ANY DISPARAGING WAY TOWARDS MRS. BRADY BECAUSE I -- I -- BUT TO SAY THAT MS. BRADY IS AN INDEPENDENT WITNESS AND INDEPENDENT ACCOUNTANT IS LAUGHABLE. SHE IS A PROFESSIONAL. AND I DON'T --

JUDGE HOWE: I DON'T THINK THEY'RE SAYING SHE IS AN INDEPENDENT ACCOUNTANT. I THINK EVERYBODY KNOWS SHE IS A RETAINED EXPERT WITNESS.

MS. COOK: FRANK SAID ABOUT FOUR DIFFERENT TIMES, "INDEPENDENT, UNBIASED."

MR. DURANT: I SAID SOMEONE TRAINED THAT HAS CREDENTIALS THAT REQUIRE THEM TO

PREFORM THEIR SERVICES A CERTAIN WAY, WHICH A CPA DOES. WE WENT THROUGH THAT --

JUDGE HOWE: ABSOLUTELY.

MS. COOK: I DON'T DISPUTE THAT, BUT IT STILL GOES, YOUR HONOR, TO THE WEIGHT OF THE EVIDENCE IF I WANT TO TAKE THIS CPA TRAINED IN ACCOUNTING'S TESTIMONY AND DETERMINE THE EVIDENCE SHE PUT BEFORE YOU AND GIVE IT MORE WEIGHT THAN THIS LAY WITNESS WHO IS DOING THE VERY WORK THAT A EXPERT WITNESS HAS TO RELY ON TO GIVE A OPINION, THEN YOU ARE FREE TO DO THAT, YOUR HONOR. BUT MY CLIENT IS -- MY CLIENT, THROUGH THIS WITNESS, IS ENTITLED TO PUT IN THE EVIDENCE OF THE RECORDS AND THE WORK THAT SHE PREFORMED FOR A&E, NOT IN ANTICIPATION OF THIS LITIGATION, BUT TO PROVIDE THE ACCOUNTING INFORMATION TO THE ACCOUNTANTS. AND THEN WENT FURTHER WHEN THIS LITIGATION AROSE TO VERIFY THE BOOKS AND RECORDS. IF WHAT MRS. BRADY CAME UP WITH WAS CORRECT, IF SHE LEFT THINGS OUT, IF SHE DIDN'T FIND THINGS.

AND IN FACT, YOUR HONOR, WHAT WE HAVE COME ACROSS THERE ARE SOME THINGS THAT NEED TO BE ON MY CLIENTS -- ON MR. VEREEN'S INDIVIDUAL SIDE OF THE PAGE, AS BEING OWED TO A&E THAT MS. BRADY AND MR. SMITH DIDN'T FIND. AND WHAT WEIGHT YOU WANT TO GIVE TO THAT YOU'RE FREE TO GIVE TO IT.

JUDGE HOWE: ALRIGHT.

MR. DURANT: YOUR HONOR, THE ONLY FINAL COMMENT IS, IS THAT THE COMPLAINT OF THE PLAINTIFF IS THAT THERE WERE SOME ULTRA VIRUS TRANSACTIONS, UNLAWFUL, ILLEGAL TRANSACTIONS. AND WE HAVE SHOWN YOU ABUNDANT PROOF OF IT. SHE HAS HER DEFENSE TO COME IN NOW AND SAY THE DAUGHTER CAN GO LOOK AT THOSE RECORDS AND JUSTIFY IS LUDICROUS. TO SAY THAT SHE CAN COME IN WHILE BEING PAID BY A&E IN THIS CASE AND LOOK AT THESE OTHER COMPANIES AND SAY, "HEY, I'M THE WITNESS WHO IS GOING TO PUT IN THE CLAIM ..."

JUDGE HOWE: SHE IS NOT GOING TO BE ALLOWED TO DO THAT. SHE IS NOT GOING TO BE ALLOWED TO GIVE HER OPINION AS TO

THAT.

MR. DURANT: THANK YOU, YOUR HONOR.

JUDGE HOWE: BUT SHE CAN TESTIFY TO FACTUAL ISSUES WITH REGARDS TO A&E.

MR. DURANT: FACTUAL ISSUES, NOT OPINION ISSUES?

JUDGE HOWE: THAT'S CORRECT. AND THAT'S FROM 2004 FORWARD. THERE MAY BE SOME OTHER ISSUES THAT WE NEED TO TAKE UP AS WE GET TO THEM, ANY SPECIFIC ISSUES BECAUSE THIS IS KIND OF AT THE VERY BEGINNING. AND YOU MAY OBJECT TO THOSE AS YOU GET TO THEM.

MR. DURANT: THANK YOU.

MS. COOK: YES, MA'AM.

(OFF THE RECORD FOR LUNCH.)

Q MRS. SISSON, WE WERE TALKING ABOUT PLAINTIFF'S EXHIBIT NUMBER "9", WHICH WAS, I BELIEVE, MR. SMITH'S LETTERS TO YOUR FATHER AND THEN SOME WORK THAT YOU PREPARED AT THE REQUEST OF YOUR FATHER THAT WAS CONTAINED WITHIN THAT. YOU DID PREPARE THAT?

A YES, MA'AM.

Q WHAT DID YOU DO TO PREPARE IT?

A I PULLED COPIES OFF JOB LEDGERS AND THEN CARRIE

AND I HAD NUMEROUS DISCUSSIONS REGARDING OVERHEAD ITEMS FOR THE CONSTRUCTION COMPANY THAT WOULD NOT BE ASSIGNED TO A JOB LEDGER. WE BROKE THOSE ITEMS OUT AND INCLUDED THOSE AS OVERHEAD EXPENSES FOR THE COMPANY.

MR. DURANT: "WE" IS WHO?

A CARRIE AND I.

Q AND DID YOU PROVIDE THAT DOCUMENT TO YOUR FATHER?

A YES, MA'AM.

Q THAT'S ALL THE QUESTIONS THAT I HAVE ON THAT EXHIBIT.

JUDGE HOWE: FOR THE RECORD, I GUESS WE NEED TO SAY THAT IS THE LAST OR THE MIDDLE 3 OR 4 PAGES OF EXHIBIT "9" THAT WERE TYPE WRITTEN.

Q MRS. SISSON, HAVE YOU HAD A OPPORTUNITY AND DID YOU REVIEW THE REPORT DONE BY SUSAN BRADY?

A YES, MA'AM, I DID.

Q DID YOU HAVE OCCASION TO ATTEND MEETINGS IN MRS. BRADY'S OFFICE WHERE THE PLAINTIFF AND THE DEFENDANT, THE ATTORNEYS FOR THE PLAINTIFF AND THE DEFENDANT, YOU AND MRS. BRADY WERE PRESENT AND WENT OVER THAT NOTEBOOK?

A YES, MA'AM.
Q DID YOU HAVE A COPY OF THAT REPORT, WHICH I BELIEVE FOR THE YEAR -- SHE PREPARED THEM BY YEAR, BY YEAR 2004?
A SHE DID.
Q THROUGH 2007. I WANT TO TURN YOUR ATTENTION TO PLAINTIFF'S EXHIBIT "1", WHICH I THINK IS MRS. BRADY'S REPORT FOR THE YEAR 2004. DO YOU HAVE THAT IN FRONT OF YOU?
A I HAVE MY COPY OF MY NOTEBOOK.
Q I BELIEVE THE ORIGINAL COURT EXHIBIT IS WITH YOUR HONOR?

JUDGE HOWE: YES.

Q MRS. SISSON, WHEN YOU REVIEWED MRS. BRADY'S 2004 REPORT, DID YOU -- OR WHAT DID YOU DO TO MATCH UP OR VERIFY THE INFORMATION IN HER REPORT IN TERMS OF CHECK NUMBERS, THE DATE OF THE CHECK, WHO IT WAS PAYABLE TO, AND THE AMOUNT?
A THE FIRST THING I DID WAS I LOOKED AT HER REPORT AND IF SHE HAD NOT PROVIDED BACK UP BEHIND ANY INDIVIDUAL ITEM, I WENT AND PULLED THAT BACK UP. SO THAT I THEN COULD DETERMINE WHAT IT WAS THAT SHE WAS TRYING TO CLAIM AS AN EXPENSE THAT WAS OWNED BY MY FATHER.
Q AND DID YOU DO THAT FOR EACH OF THE YEARS OF HER

REPORT?

A I DID.

Q WHAT DID YOU DO NEXT WITH REGARD TO HER REPORT?

A THEN WE WENT THROUGH EACH OF THOSE ITEMS. DAD AND I SAT DOWN AND WENT THROUGH EACH OF THEM AND LOOKED AT HER BACK UP AND LOOKED AT WHAT SHE WAS CHARGING TO DETERMINE WHETHER OR NOT WE AGREED WITH THOSE BEING PERSONAL EXPENSES OF HIS OR HIS COMPANIES.

Q DID YOU COMPILE -- IF MRS. BRADY DID NOT HAVE A BACK UP IN HER REPORT, YOU FOUND BACK UP? DID YOU COMPILE THAT IN ANY WAY?

A WELL, I PREPARED A SUMMARY SHEET, WHICH HAD THE INFORMATION THAT SHE HAD CONTAINED IN HER REPORT AND SORT OF, OUR RESPONSE TO HER CLAIM, THAT THOSE WERE PERSONAL EXPENSES AND THEN PROVED AN EXPLANATION NEXT TO THAT TO EXPLAIN, YOU KNOW, WHERE WE HAD COME UP WITH OUR ANSWER OR WHY WE HAD COME UP WITH OUR ANSWER.

Q AND WAS THAT PART OF THE INFORMATION THAT WAS PROVIDED AND DISCUSSED IN THE MEETINGS AT MRS. BRADY'S OFFICE?

A YES, MA'AM.

Q AND DID YOU ALSO PROVIDE THROUGH DISCOVERY OR IN THE DISCUSSIONS AT MRS. BRADY'S OFFICE COPIES OF

THAT BACK UP DOCUMENTATION THAT YOU HAD GATHERED IF MRS. BRADY DIDN'T HAVE IT IN HER REPORT?

A YES, MA'AM.

Q AND DID YOU FIND THAT FROM YOUR ACTIVITIES THAT THERE WERE AMOUNTS CONTAINED IN MRS. BRADY'S REPORT THAT YOUR FATHER OR HIS ENTITIES AGREE ARE PERSONAL EXPENSES THAT SHOULD BE REIMBURSED BACK TO A&E?

A WE DID.

Q THROUGH THAT EXERCISE -- AND DID YOU DO THAT FOR EACH YEAR 2004, 2005, 2006, AND 2007?

A I DID.

Q AND AFTER GOING THROUGH THAT EXERCISE, DID YOU PREPARE A SUMMARY FOR EACH OF THOSE YEARS?

A I PREPARED A SUMMARY FOR EACH OF THOSE YEARS AND THEN AN OVERALL SUMMARY AS WELL.

Q LET ME HAND YOU WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT "82", AND LET ME ASK IF YOU CAN IDENTIFY THAT?

A THIS IS THE OVERALL SUMMARY OF PAGE ONE, WHICH SHOWS EACH OF THE YEARS FOR THE REPORTS THAT SUSAN BRADY DID THE 2004, 2005, 2006, 2007. AND WHERE IT SAYS, "A&E ADD ON'S" THOSE ARE ITEMS THAT SHE ADDED TO THE END OF HER 2007 THAT DON'T PARTICULARLY RELATE TO THE 2007 YEAR. THEY'RE

JUST ADDITIONAL ITEMS. AND THEN SHE HAD NOT DONE ONE FOR 2008, 2009 SO THAT'S -- THE TOP FIRST PAGE IS A SUMMARY SHEET OF ALL OF THEM AND IF YOU FLIP BACK THE NEXT TWO PAGES ARE THE SUMMARY SHEETS FOR 2004, AND NEXT THEN THE TWO PAGES ARE 2005. AND THE NEXT TWO PAGES ARE FOR 2006. THE NEXT TWO PAGES ARE FOR 2007, AND THE LAST PAGE IS REGARDING THE ADDITIONAL ITEMS.

VEREEN, SUMMARY REPORTS
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "82".

Q SO THAT'S THE RESPONSE TO THE ADDITIONAL CATEGORY MRS. BRADY HAD ON HER REPORT LISTING OUT ADDITIONAL ITEMS?

A RIGHT.

Q CAN WE TURN OUR ATTENTION TO -- THIS IS THE INFORMATION THAT YOU WENT OVER WITH MRS. BRADY. I THINK WE WERE THERE TWO DAYS IN JANUARY AND TWO DAYS IN FEBRUARY. IS THIS THE INFORMATION THAT YOU WENT OVER WITH HER?

A YES.

Q AND WE WERE ALL PRESENT?

A YES.

Q AND LET'S START WITH 2004. IN MRS. BRADY'S

REPORT UNDER 2004, HERS ARE SET OUT KIND OF IN A SPREADSHEET FORMAT, CORRECT?

A THEY ARE.

Q AND SHE HAS -- SO THAT WE CAN MATCH THINGS UP IN HER REPORT, SHE HAS THE DESCRIPTION OF A CATEGORY AND THEN SHE'LL HAVE A REFERENCE NUMBER. DOES THAT CORRESPOND TO A TAB, AN ACTUAL NUMERIC TAB THAT SHE HAD IN HER REPORT?

A IT DOES.

Q IF YOU LOOK AT YOUR REPORT, YOUR FIRST COLUMN IS TABBED. DO THOSE TABS CORRESPOND DIRECTLY TO MRS. BRADY'S TABS?

A THEY DO.

Q UNDER TAB ONE FOR MRS. BRADY'S 2004 REPORT, DID YOU GO THROUGH AND VERIFY -- WHAT IS YOUR UNDERSTANDING OF WHAT MRS. BRADY'S TAB 1 WAS?

A THESE WERE A SERIES OF CHECKS THAT WERE WRITTEN TO MY FATHER, PERSONALLY, BY A&E. AND THEY WERE EITHER -- SHE SHOWS THEM IN HER LIST AS EITHER BEING ACCOUNTS RECEIVABLE TO HIM, OVERHEAD, GENERAL EXPENSES, SUBCONTRACTOR FEES, OR SUPERVISORY FEES.

Q AND WHAT, IF ANYTHING, DID YOU DO WITH REGARD TO HER TAB 1 IN 2005?

A WE DID NOT BELIEVE THOSE WERE ITEMS THAT WERE

ACTUALLY DUE BACK FROM DAD TO THE COMPANY. THOSE WERE ITEMS THAT WERE -- THOSE WERE PAYMENTS MADE TO HIM EITHER TO REIMBURSE HIM FOR EXPENSES PAID BY HIM ON BEHALF OF THE COMPANY OR EITHER THEY WERE SUPERVISORY FEES THAT HE WAS RECEIVING TO EQUATE WITH THE SUPERVISORY FEES ELLIS SMITH WAS RECEIVING?

Q OKAY. DID YOU GO AND --

MR. DURANT: YOUR HONOR, THE COURT NOTES OUR CONTINUING OBJECTION TO HER TESTIFYING AS TO WHAT THESE PAYMENTS WERE FOR. SO, WE DON'T HAVE TO OBJECT EVERY TIME.

JUDGE HOWE: YES, SIR. YOU MAY.

MR. DURANT: FOR THE RECORD, TOO. WE GOT THIS SHEET OF PAPER ON FRIDAY BEFORE THE TUESDAY. I MEAN, THE FIRST DAY OF COURT. THIS WAS NOT PRODUCED IN DECEMBER.

JUDGE HOWE: YOU GOT IT LAST FRIDAY?

MR. DURANT: WE GOT IT FRIDAY BEFORE THE FIRST DAY REPORT IN FEBRUARY.

JUDGE HOWE: I UNDERSTAND.

Q MRS. SISSON, DID YOU ACTUALLY GO AND PULL FROM A&E'S REPORTS A COPY OF EACH OF THESE CHECKS?

A I DID.

Q WHY DID YOU DO THAT?

A I DON'T BELIEVE SUSAN HAD THEM BEHIND HER TAB IN THIS NOTEBOOK. IT WAS JUST THE TOP SHEET THAT HAD THE CHECK NUMBER, THE DATE, PAYEE AND THEN SHE HAD ACCOUNT INFORMATION AND ACCOUNT INFORMATION LISTED.

Q AND FROM YOUR COMPILING THE ACTUAL CHECKS, DID YOU FIND THAT ALL OF THE CHECKS THAT MRS. BRADY HAD LISTED, YOU ACTUALLY FOUND CHECKS AND CONFIRMED THAT CHECKS WERE WRITTEN FROM A&E TO YOUR FATHER, PERSONALLY, FOR EACH THOSE CHECKS?

A YES, MA'AM.

JUDGE HOWE: I'M SORRY. DID YOU SAY SHE DIDN'T HAVE THE CHECKS?

A NO, MA'AM.

JUDGE HOWE: I SEE A CHECK RIGHT HERE IN THIS NOTEBOOK. IS THIS YOUR NOTEBOOK? I THOUGHT THIS WAS SUSAN BRADY'S NOTEBOOKS.

MR. DURANT: SOME OF THE COPIES DIDN'T HAVE ALL THE INFORMATION IN THEM, YOUR HONOR.

MS. COOK: SOME OF THEM DID, YOUR HONOR. I'M CONFUSED ON WHAT NOTEBOOK YOU'RE

LOOKING AT. SO LET ME SEE. CAN I ACTUALLY SEE THE NOTEBOOK?

JUDGE HOWE: I THINK THIS IS THE COURT'S NOTEBOOK. THE VERY FIRST CHECK I LOOK FOR IS IN THERE THE $26,000 CHECK WRITTEN TO MRS. VEREEN. IS THAT WHAT --

MS. COOK: YES, MA'AM.

Q MRS. SISSON, WERE THERE -- CAN YOU SAY FROM LOOKING AT THAT EXHIBIT RIGHT NOW THAT YOU'RE LOOKING AT WHETHER OR NOT MRS. BRADY HAD IN HER NOTEBOOK ALL OF THE CANCELED CHECKS?

A NO. THIS IS MY NOTEBOOK. SO, MY NOTEBOOK HAS ALL OF THEM IN THERE. IF SUSAN WAS MISSING SOMETHING, I WENT AND FOUND IT AND PUT IT IN MY NOTEBOOK, SO THAT WE COULD DISCUSS IT AND MAKE A RESPONSE TO IT.

Q AS WE GO THROUGH THIS THE NOTEBOOK, MRS. BRADY'S NOTEBOOK, UNDER SOME OF HER TABS ARE AMOUNTS THAT SHE HAD LISTED, BUT YET DID NOT HAVE IN HER NOTEBOOK ANY BACK UP FOR?

A YES.

Q AND WHEN YOU FOUND THOSE SITUATIONS, DID YOU GO AND COMPILE THE BACK UP YOU COULD FIND FOR THE ITEMS MRS. BRADY HAD?

A I DID.

Q AND ARE THEY CONTAINED, NOT IN THE COURT'S EXHIBIT OR PLAINTIFF'S EXHIBIT NUMBER "1", BUT ARE THEY CONTAINED IN ONE OF YOUR FOUR NOTEBOOKS THAT YOU PREPARED?

A THEY ARE.

Q AND IF YOU WOULD EXPLAIN TO THE COURT, IN LOOKING AT MRS. BRADY'S NOTEBOOK WHERE YOU WOULD FIND -- IF IT IS NOT CONTAINED IN HER NOTEBOOK, THE BACK UP THAT YOU ACTUALLY WERE ABLE TO LOCATE FOR AN EXPENSE THAT MRS. BRADY HAD LISTED? WHERE WOULD YOU FIND THAT, AND I KNOW IT MAY BE DIFFERENT PLACES, BUT WOULD YOU GENERALLY -- JUST DESCRIBE TO THE COURT WHAT YOU DID?

A IN OTHER WORDS, FOR THE 14 DIFFERENT CHECKS THAT MRS. BRADY HAD LISTED UNDER TAB 1 OF HER 2004 REPORT, I CONFIRMED ALL OF THEM AND THEN WE INCLUDED THEM IN THE ACCOUNTS RECEIVABLES NOTEBOOK THAT I DON'T BELIEVE HAS BEEN PRODUCED AS A EXHIBIT YET FOR ARTHUR WAYNE VEREEN BECAUSE THOSE WERE PAYMENTS THAT WERE RECEIVED BY HIM FOR WORK OR FOR EXPENSES THAT HE PAID ON BEHALF OF A&E. SO THOSE ARE REFLECTED IN ARTHUR WAYNE VEREEN ACCOUNTS RECEIVABLE.

Q AND DID YOU HAVE AN ACCOUNTS RECEIVABLE

NOTEBOOK? THAT'S WHAT YOU ARE CALLING IT, THE ACCOUNTS RECEIVABLE NOTEBOOK FOR EACH ENTITY FOR YOUR FATHER THAT REFLECTS IN THAT NOTEBOOK FROM THE BACK UP THAT YOU HAVE COMPILED A LIST OF ITEMS THAT YOU ACKNOWLEDGE YOUR FATHER PERSONALLY OWES TO A&E?

A I DID. WE DID.

Q AND IS THAT SUMMARY OF EXPENSES CONTAINED IN WHAT WE HAVE PRE-MARKED AS PLAINTIFF'S EXHIBIT "77"?

A IT IS, YES.

Q AND DID YOU DO THAT LIKEWISE -- AND WE'RE NOT INTRODUCING THAT YET. DID YOU DO THAT LIKEWISE FOR ARTHUR VEREEN CONSTRUCTION COMPANY?

A I DID.

NOTEBOOK BY MRS. SISSON
OF AWV, ACCOUNTS RECEIVABLE
2003 THROUGH 2009
MARKED FOR IDENTIFICATION ONLY
AND INTRODUCED
AS DEFENDANT'S EXHIBIT "77".

Q DID MRS. BRADY'S REPORT CONTAIN WITH IT EXPENSES OR CHARGES THAT SHE FOUND AS BEING DUE TO A&E FROM ARTHUR VEREEN CONSTRUCTION COMPANY? I'M SORRY. I DID THAT REVERSE. DID MRS. BRADY'S

BRADY'S REPORT ADDRESS PAYMENTS THAT HAD BEEN MADE OR CHECKS THAT HAD BEEN WRITTEN TO ARTHUR VEREEN CONSTRUCTION COMPANY FROM A&E?

A YES, SHE DID.

Q AND DID YOU DO THE SAME PROCESS AND GO AND LOCATE THE BACK UP FOR THOSE PAYMENTS THAT HAD BEEN MADE TO ARTHUR VEREEN CONSTRUCTION COMPANY?

A I DID.

Q DID YOU COMPILE THOSE?

A I DID.

Q DID YOU PRODUCE THEM IN A NOTEBOOK THAT WAS PRODUCED TO THE PLAINTIFFS IN A NOTEBOOK THAT WE HAVE PRE-MARKED AS DEFENDANT'S EXHIBIT "78"?

A I DID.

NOTEBOOK BY MRS. SISSON
AVC, ACCOUNTS RECEIVABLE
FROM 2003 THROUGH 2009
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "78".

Q DID YOU AND MRS. BRADY DO THE SAME THING FOR PARKWAY OFFICES AND PARK PLACE PROPERTIES?

A YES.

Q DID YOU PREPARE A COMPILATION AND THE BACK UP THAT REFLECTS THE ITEMS MRS. BRADY FOUND, BEING

CHECKS WRITTEN TO PARKWAY OFFICES AND YOU FOUND THE BACK UP AND YOU INCLUDED THOSE IN WHAT WE HAVE MARKED AS DEFENDANT'S EXHIBIT "79"?

A YES, MA'AM.

NOTEBOOK BY MRS. SISSON
PARKWAY OFFICES
ACCOUNTS RECEIVABLE
2003 THROUGH 2009
MARKED FOR IDENTIFICATION ONLY
AND INTRODUCED
AS DEFENDANT'S EXHIBIT "79".

Q AND YOU DID THE SAME THING FOR PARK PLACE PROPERTIES IN THE NOTEBOOK THAT HAS BEEN PRE-MARKED AS DEFENDANT'S EXHIBIT "80"?

A YES, MA'AM.

NOTEBOOK BY MRS. SISSON
PARK PLACE PROPERTIES
ACCOUNTS RECEIVABLE
2003 THROUGH 2009
MARKED FOR IDENTIFICATION ONLY
AND INTRODUCED
AS DEFENDANT'S EXHIBIT "80".

Q UNDER TAB ONE -- AFTER YOU DO THAT, DID YOU PREPARE DEFENDANT'S EXHIBIT "82" WHICH IS A SUMMARY OF THAT INFORMATION?

A YES, MA'AM.

SUMMARY SHEETS FOR VEREEN
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "82".

Q FOR THE YEAR 2004, DOES A&E -- DOES YOUR FATHER AGREE THAT ANY OF THE PAYMENTS MRS. BRADY AND HER REPORT HAVE IDENTIFIED AS BEING OWED BACK TO A&E, DOES YOUR -- FROM YOUR RESEARCH, DOES YOUR FATHER AGREE THAT ANY OF THOSE ARE OWED BACK TO A&E?

A HE DOES.

Q AND WHAT AMOUNTS FROM THESE CHECKS, IF YOU CAN DETERMINE BY TAB, WHAT AMOUNT FROM THESE PAYMENTS FROM ARTHUR VEREEN, DOES YOUR FATHER AGREE HE PERSONALLY OWES BACK TO A&E?

A WELL, WE WENT THROUGH TO EACH TAB OF SUSAN'S REPORT, AND LIKE I SAID, TRIED TO VERIFY THE AMOUNTS THAT SHE HAD LISTED SPECIFICALLY WITH TAB NUMBER TWO, POTENTIAL INSURANCE. SHE HAD LISTED AN AMOUNT OF $3,050 AND SOME CHANGE. AND WE VERIFIED THAT NOT ALL OF THOSE PAYMENTS FOR THE LIFE INSURANCE HAD ACTUALLY GONE THROUGH.

Q LET'S TURN TO TAB TWO UNDER MRS. BRADY'S 2004 REPORT AND EXPLAIN TO THE COURT FROM YOUR

RESEARCH, WHAT YOU DID FIND.

A SUSAN HAD A SHEET OF PAPER BEHIND TAB TWO THAT HAD LISTED DRAFTS AND SHE HAD FOR JUNE, JULY, AUGUST, SEPTEMBER, OCTOBER, NOVEMBER, AND DECEMBER FOR POTENTIAL INSURANCE IN THE AMOUNT OF 435.80 FOR EACH MONTH. AND WHEN WE WENT BACK AND LOOKED, THE JUNE, JULY, AUGUST, AND SEPTEMBER PAYMENTS HAD ACTUALLY NOT CLEARED THE BANK. THOSE WEREN'T DRAFTS THAT WERE MADE AND WE BROUGHT THAT TO SUSAN'S ATTENTION AT ONE OF OUR MEETINGS AND SHE DID CORRECT THAT AT THE END OF HER 2007 NOTEBOOK.

Q SO IF YOU LOCATE AT YOUR EXHIBIT NUMBER "82", THE SECOND PAGE UNDER TAB TWO, THE ALLEGED AMOUNT BY MRS. BRADY ON BEHALF OF HER CLIENT AT THE TIME, THAT WAS OWED BACK FROM MR. VEREEN TO A&E WAS $3,050.60, IS THAT CORRECT?

A THAT'S CORRECT.

Q YOU WENT AFTER DOING YOUR RESEARCH -- AND DID YOU IN THE NOTEBOOK FROM YOUR FATHER UNDER TAB TWO, ARE THERE THE ACTUAL DOCUMENTATION THAT SHOWS THE OCTOBER, NOVEMBER, DECEMBER PAYMENTS AND THAT THEY CLEARED THE BANK?

A NO. THESE WERE PAYMENTS MADE BY A&E. SO, THAT WOULD NOT BE SHOWN IN THE ARTHUR W. VEREEN

ACCOUNTS RECEIVABLE NOTEBOOKS. THEY'RE ADDRESSED HERE IN SUSAN'S NOTEBOOK.

Q YOU DIDN'T ADDRESS THOSE IN SEPARATE NOTEBOOKS, YOU ADDRESSED THOSE IN SUSAN'S NOTEBOOK BY PROVIDING HER THE BACK UP?

A YES. BECAUSE THERE ARE THE A&E PAYMENTS.

Q AFTER PRESENTING THEM THAT INFORMATION, DO YOU HAVE AN UNDERSTANDING OF WHETHER OR NOT THEY CHANGED THEIR $3,000 NUMBER AND LOWERED IT?

A THEY DID. SHE MADE A ADJUSTMENT ON SOME PIECE OF PAPER IN THE BACK OF 2007.

Q WOULD THAT, AS FAR AS YOU RECALL, BE CONTAINED IN PLAINTIFF'S EXHIBIT NUMBER "40" THAT I THINK WAS GIVEN TO US ON THE DAY MRS. BRADY'S...

A NO. I BELIEVE IT'S IN THE BACK OF PLAINTIFF'S EXHIBIT "4" WHICH IS HER ACTUAL 2007 NOTEBOOK. THERE IS A SHEET OF PAPER IN THE BACK THAT SAID SHE MADE AN ADJUSTMENT.

Q OKAY. SO WITH YOUR EFFORTS IN PROVIDING THE BACK UP. IS IT YOUR UNDERSTANDING THAT EVERYONE AGREED THAT THE AMOUNT SHOULD BE REDUCED?

A YES.

Q TELL THE COURT FROM YOUR RESEARCH, AND LET'S JUST GO BY TAB, WHICH CATEGORIES OF EXPENSES THAT YOUR FATHER AGREES IS OWED BACK TO A&E? I

JUST WANT TO GO BY CATEGORIES RIGHT NOW, NOT ACTUAL AMOUNTS.

A OKAY. TAB NUMBER THREE IS GREEN TURTLE. GREEN TURTLE IS A JOB ACCOUNT SET UP BY CARRIE TO ADDRESS ANY MATERIALS OR EXPENSES PAID ON BEHALF OF MY DAD FOR HIS HOUSE IN GREEN TURTLE KEY IN THE BAHAMAS. AND SO, WE ADMIT THAT THOSE AMOUNTS ARE OWED BACK TO THE COMPANY.

Q SO THOSE AMOUNTS WERE PAID BY A&E AND THEY WERE PERSONAL EXPENSES OF YOUR FATHER?

A YES, MA'AM.

Q AND YOU KNOWLEDGE THAT AND THAT NEEDS TO BE ACCOUNTED FOR AND REIMBURSED BY YOUR FATHER?

A YES, MA'AM. THE NEXT ITEM, JOHN HANCOCK INSURANCE. WHILE WE AGREED FOR THIS PARTICULAR ITEM, I BELIEVE IT'S A LIFE INSURANCE POLICY FOR THE LATER YEARS. THESE ACTUAL PAYMENTS WERE NOT MADE DURING 2004 AND I BELIEVE SUSAN CORRECTED THIS ALSO IN HER 2007 NOTEBOOK THAT THESE PAYMENTS WERE NOT ACTUALLY MADE BY A&E.

Q IN MRS. BRADY'S NOTEBOOK, DID SHE ACTUALLY PROVIDE ANY BACK UP SHOWING THOSE PAYMENTS BEING MADE?

A SHE JUST HAS A SHEET OF PAPER THAT SHOWS LIKE IN -- IT JUST SHOWS DRAFT AND IT HAS DATES WITH

JOHN HANCOCK AND IN AN AMOUNT OF 514.50 FOR EACH MONTH.

Q SHE DID NOT PROVIDE IN HER REPORT ANY BACK UP TO BEGIN WITH THAT SHOWED THAT SHE HAD VERIFIED THOSE $3,601 WHERE THE PAYMENTS HAD BEEN MADE, CORRECT?

A SHE DID NOT.

Q WERE YOU PRESENT WHEN A CONVERSATION WAS HAD IN HER OFFICE ABOUT THAT AMOUNT?

A YES, MA'AM.

Q AND WHAT DID SHE ADVISE WITH REGARD TO WHERE SHE CAME UP WITH THAT AMOUNT?

A SHE SAID, "MR. SMITH GAVE ME THIS FIGURE."

Q DID SHE INDICATE SHE HAD DONE ANYTHING TO VERIFY THE AMOUNT SHE HAD INCLUDED FOR THIS CATEGORY?

A SHE DID NOT.

Q IT'S YOUR UNDERSTANDING THAT SHE HAS AGREED FOR THE YEAR 2004, THAT SHOULD NOT BE AN EXPENSE CHARGED BACK TO YOUR FATHER BECAUSE IT WAS NEVER PAID OUT OF A&E?

A THAT'S CORRECT. THAT'S MY UNDERSTANDING. THE NEXT LINE ITEM IS CALLED PAUL THOMAS, ACORN. PAUL THOMAS RENTALS/ACORN CABINETS IS A GENTLEMAN WHO OWNS WAREHOUSE SPACE BEHIND THE AIRPORT. AND THAT SPACE WAS USED TO STORE

MATERIALS, EQUIPMENT, TOOLS, THINGS OF THAT NATURE. AND MY DAD DID HAVE A OLD MODEL T FORD THAT WAS ALSO STORED IN THERE AS WELL AND I THINK SOME DUCK **DECOYS TOYS** AND THOSE ARE AMOUNTS WE CLAIM ARE AN A&E EXPENSE.

Q WHAT DOES THE $2,400 REPRESENT? IS THAT RENT ON THAT STORAGE SPACE?

A IT'S RENT ON THAT FOR SIX MONTHS. IT'S $400.00 A MONTH.

Q DID SHE HAVE ANY PROOF OF THAT EXPENSE BEING PAID BY A&E?

A SHE'S GOT A SHEET OF PAPER THAT HAS CHECKS AND DATES, BUT SHE DID PROVIDE THE BACK UP FOR THAT.

Q DID YOU GO AND FIND THOSE CHECKS AND VERIFY THEM?

A I DID GO AND FIND THAT EACH OF THESE CHECKS HAD BEEN WRITTEN AND CASHED.

Q SO THE AMOUNT IS CORRECT?

A CORRECT.

Q IT'S JUST DISPUTED BY YOUR FATHER THAT, THAT IS AN A&E EXPENSE?

A THAT'S CORRECT.

Q NEXT?

A THE NEXT TAB IS TAB SIX, AND THAT'S TITLED, "SHELL", AND THAT'S THE SHELL GAS CARD. IT'S A

GAS CARD THAT THE COMPANY USED AS WELL AS MY YOUNGER SISTER WHO WAS LIVING IN COLUMBIA. MY DAD HAD GIVEN HER A COPY OF THE SHELL CARD AND SHE USED IT THERE. MRS. BRADY, IN OUR DISCUSSIONS, SAID THAT MR. SMITH TOLD HER THAT THIS WAS WAYNE'S DAUGHTER'S CARD. SO SHE CHARGED THE ENTIRE AMOUNT BACK TO MY DAD, BUT PULLED THE CHECKS AND THE RECEIPTS WITH THEM AND IDENTIFIED THOSE AMOUNTS THAT WERE ACTUALLY CHARGED IN MYRTLE BEACH. THEY WERE USED BY OUR EMPLOYEES TO GET FROM JOB-TO-JOB. SO ANY AMOUNTS THAT WERE CHARGED IN MYRTLE BEACH WE TOOK OUT OF HER $372.00.

Q AND SO THE AMOUNT THAT YOU DISPUTE AS BEING OWED, THAT IT IS -- A&E'S POSITION IS NOT -- THE AMOUNT THAT YOU DISPUTE AS NOT BEING AN A&E EXPENSES IS $221.48?

A WE AGREE THAT $151.00 FOR THAT IS A PERSONAL EXPENSES OWED BY MY DAD.

Q AND THE REST IS AN A&E EXPENSES, IS THAT YOUR POSITION?

A YES, MA'AM.

Q AND WAYNE'S ACCOUNTS RECEIVABLE NOTEBOOK, WILL IT HAVE THE DOCUMENTATION TO SHOW THE $221.48?

A NO. THOSE AMOUNTS ARE JUST HANDLED IN SUSAN'S

NOTEBOOKS BECAUSE THESE EXPENSES WERE PAID BY A&E.

Q AND HOW ABOUT THE $151.04?

A NO.

JUDGE HOWE: LET ME ASK YOU SOMETHING, DO YOU JUST ASSUME IF IT WAS CHARGED IN MYRTLE BEACH, IT'S A COMPANY EXPENSE?

A THAT'S WHAT WE DID.

JUDGE HOWE: SO YOUR GAS WOULD BE A COMPANY EXPENSE AS WELL?

A MY GAS IN MYRTLE BEACH WOULD BE A COMPANY EXPENSE.

MR. DURANT: YOUR HONOR, THIS WAS NOT A CREDIT CARD THAT A&E OWED. THIS WAS A CREDIT CARD THAT WAS MR. VEREEN'S PERSONAL CREDIT CARD, WHICH WE DIDN'T HAVE GAS CHARGES OR...

JUDGE HOWE: OKAY. I GUESS, YOU WILL GET TO THAT ON CROSS-EXAMINATION. I WANTED TO CLARIFY THAT.

Q THE NEXT LINE ITEM NUMBER SEVEN ...

A I PROBABLY SHOULD JUST CLARIFY FOR THE COURT. SHE PROBABLY DOES NOT UNDERSTAND. MY DAD HAS ANOTHER DAUGHTER WHO WAS IN SCHOOL IN COLUMBIA.

JUDGE HOWE: YES. I UNDERSTAND THAT.

YOU SAID YOUR SISTER.

A OKAY. GOOD.

Q NUMBER SEVEN 29TH PLACE MRS. BRADY HAS ALLOCATED $630.00 AS BEING DUE BACK TO A&E FROM YOUR FATHER?

A YES.

Q DO YOU AGREE WITH THAT?

A HE AGREES THAT, THAT IS A PERSONAL EXPENSE.

Q JUST FOR INFORMATION PURPOSES, WHAT WAS THAT FOR?

A THAT WAS FOR MONTHLY ASSOCIATION DUES FOR A TOWNHOUSE THAT HE OWNS AT 29TH PLACE.

Q THE NEXT LINE ITEM, WHICH IS FAIRLY SELF-EXPLANATORY, NUMBER EIGHT, WHAT IS THAT?

A SURFSIDE CLEANERS IS CHARGES FOR MY DAD'S DRY CLEANING FOR HIS PANTS AND SHIRTS.

Q AND YOUR DAD AGREES THAT HE OWES THAT TO A&E?

A HE AGREES THAT, THAT IS A PERSONAL EXPENSE.

Q THE SUNCOM BILL BEHIND TAB NINE THAT MRS. BRADY HAS ALLOCATED AS BEING OWED BY YOUR FATHER TO A&E, DID YOU VERIFY THOSE AMOUNTS?

A YES. I BELIEVE MRS. BRADY HAD PROVIDED THE BACKUP FOR THESE BILLS IN HER NOTEBOOK.

Q YOUR FATHER DISPUTES THAT HE OWNS THOSE SUNCOM BILLS BACK?

A HE DOES. ORIGINALLY, THEY BELIEVED IT WAS FOR MY DAD AND MY MOTHER. THIS BILL IS ACTUALLY FOR MY DAD AND FOR ONE OF OUR SUBCONTRACTORS, IN THE SAME VANE AS THE COMPANY PAID FOR ELLIS TO HAVE TWO PHONES. THAT WAS THE RATIONALE FOR US NOT AGREEING THAT THIS WAS A PERSONAL EXPENSE THAT MY DAD NEEDED TO REIMBURSE THE COMPANY.

Q A&E DID PAY FOR TWO PHONES FOR MR. SMITH?

A YES.

Q THE WILLOUGHBY PLACE, TAB TEN, CAN YOU EXPLAIN TO ME WHAT YOUR UNDERSTANDING OF THE AMOUNTS MRS. BRADY HAS ALLOCATED TO WILLOUGHBY PLACE AS BEING OWED BACK TO A&E BY YOUR FATHER?

A THESE WERE PAYMENTS THAT SHE IDENTIFIED AS BEING DEPOSITED INTO THE ARTHUR WAYNE VEREEN COMPANY CHECKING ACCOUNT FOR THE WILLOUGHBY PLACE JOB AND...

MR. DURANT: YOUR HONOR, SHE IS GOING BEYOND A&E NOW. I THINK SHE'S GOING INTO WILLOUGHBY PLACE. THAT'S THE PROBLEM WITH PUTTING ALL OF THESE TOGETHER.

JUDGE HOWE: LET'S SEE WHAT SHE SAYS.

Q DID MRS. BRADY PROVIDE THE DEPOSIT TICKETS SHOWING THE AMOUNTS BEING DEPOSITED BY -- INTO

THE ARTHUR WAYNE VEREEN CONSTRUCTION COMPANY?

A YES, SHE DID.

Q AND DID YOU RESEARCH THAT AND VERIFY THAT, IN FACT, THOSE AMOUNTS WERE DEPOSITED INTO THE ARTHUR VEREEN CONSTRUCTION ACCOUNT?

A YES, I DID.

Q WHAT DID YOU DETERMINE THE PAYMENTS WERE FOR?

A IN DISCUSSIONS WITH MY DAD, THESE PAYMENTS WERE FOR REIMBURSEMENT FOR HIS EXPENSES ...

MR. DURANT: YOUR HONOR, THAT IS HEARSAY. AGAIN. AND YOU HAVE ALREADY...

JUDGE HOWE: SUSTAINED.

Q IN RESEARCHING THIS LINE ITEM, DID YOU PULL ANY DOCUMENTATION TO SHOW AND VERIFY THOSE DEPOSITS WERE MADE INTO ARTHUR WAYNE VEREEN COMPANY?

A YES. I LOOKED THROUGH THE CHECKING STATEMENTS OF ARTHUR WAYNE VEREEN CONSTRUCTION COMPANY.

Q AND MRS. BRADY'S REPORT, DOES SHE IDENTIFY PAYMENTS THAT WERE MADE BY ARTHUR VEREEN CONSTRUCTION COMPANY TO PAY FOR MATERIALS OR LABOR ON BEHALF OF A&E?

A SHE DOES NOT.

Q DID YOU RESEARCH TO SEE...

MR. DURANT: SAME OBJECTION, YOUR HONOR.

WE SAID THAT WE'RE GOING INTO WHAT ARTHUR WAYNE VEREEN CONSTRUCTION COMPANY DID WITH HER TESTIMONY.

JUDGE HOWE: SUSTAINED.

Q IF YOU WOULD LOOK AT THESE DEPOSITS THAT MRS. BRADY IDENTIFIED. THE FIRST ONE IS A MARCH THE 26TH, 2004 DEPOSIT OF $30,880.00. DO YOU -- YOU ACTUALLY, PARTICIPATED AND OVERSAW A GOOD BIT OF THAT WILLOUGHBY JOB, DID YOU NOT?

A I DID.

Q PRIOR TO BEING PAID THIS $30,880.00 ON THE WILLOUGHBY JOB, BY WILLOUGHBY, HAD A&E INCURRED FINANCIAL OBLIGATIONS, BILLS, LABOR, AND SERVICES PROVIDED ON THE WILLOUGHBY JOB?

A IT WAS AN A&E JOB AND A&E HAD INCURRED EXPENSES, BUT A&E DIDN'T HAVE A CHECKING ACCOUNT YET.

Q IN YOUR CAPACITY WITH A&E, DO YOU KNOW HOW A&E PAID FOR THE OBLIGATIONS?

MR. DURANT: OBJECTION. SHE IS GOING TO ARTHUR WAYNE VEREEN CONSTRUCTION COMPANY, YOUR HONOR. IT'S GOT TO BE THE ANSWER.

MS. COOK: WELL, YOUR HONOR...

JUDGE HOWE: OVERRULED. I'M GOING TO OVERRULE THAT ONE.

Q DO YOU HAVE THE KNOWLEDGE OF HOW A&E FUNDED THE CONSTRUCTION IN THE EARLY 2004 YEAR FOR OBLIGATIONS FOR THE WILLOUGHBY PROJECT?

A ARTHUR VEREEN CONSTRUCTION COMPANY WAS PAYING THOSE BILLS.

Q AND DID YOU GATHER THE INFORMATION TO SHOW THE BILLS AND THE AMOUNTS THAT HAD BEEN INCURRED ON THE WILLOUGHBY PROJECT BY A&E IN EARLY 2004?

A THE BILLS AND EXPENSES PAID BY ARTHUR VEREEN CONSTRUCTION COMPANY?

Q NO. I WANT TO LIMIT IT RIGHT NOW TO, DID YOU GATHER FROM ANY SOURCE, JOB LEDGERS OF WHATEVER, TO SEE WHAT BILLS HAD BEEN INCURRED AT WHAT POINT ON THE A&E/ WILLOUGHBY JOB -- PAID THEM YET, BUT -- WHO -- WHAT THE AMOUNTS WERE THAT WERE INCURRED, AND THE TIME THAT THEY WERE INCURRED? THE TIMEFRAME OF WHICH THEY WERE INCURRED?

A YES.

Q AND DID YOU VERIFY THAT PAYMENTS WERE MADE FROM WHATEVER SOURCE FOR THOSE OBLIGATIONS?

MR. DURANT: SAME OBJECTION. YOUR HONOR. SHE IS GOING RIGHT BACK TO WILLOUGHBY PLACE AGAIN.

JUDGE HOWE: SUSTAINED.

Q IS IT YOUR UNDERSTANDING THAT THE OBLIGATIONS THAT WERE INCURRED ON THE WILLOUGHBY PLACE PROJECT WERE PAID FOR -- WERE PAID FOR?
A THEY WERE.
Q AND HOW DO YOU KNOW THAT?
A WHEN I WAS ASSISTING MRS. BRADY WITH THE WILLOUGHBY PLACE EXPERT REPORT, I PULLED ALL OF THE PAY REQUESTS AND ALL OF THE PAYMENTS MADE AND VERIFIED THAT THEY HAD ALL BEEN PAID.
Q DID YOU PERFORM THAT -- WHAT WAS THE PURPOSE OF YOU DOING THAT? TO ASSIST MRS. BRADY? WHY DID YOU NEED TO KNOW THAT INFORMATION?
A SHE WAS TRYING TO CALCULATE PROFIT ON THAT JOB AS PART OF THE LITIGATION FOR THE COPYRIGHT INFRINGEMENT ACTION.
Q AND TO DO THAT, DID YOU HAVE TO DETERMINE -- DID SHE HAVE TO DETERMINE WHAT THE ACTUAL COSTS OF THAT JOB WERE?
A SHE DID.
Q AND DID SHE GATHER THAT INFORMATION AT THAT TIME OR DID YOU?
A I DID.
Q IN ORDER FOR HER TO PREPARE HER EXPERT REPORT, DID SHE ALSO HAVE TO DETERMINE WHAT HAD BEEN PAID BY THE OWNER OF THE JOB, THE WILLOUGHBY

COMPANY -- THE FOLKS THAT OWN THE WILLOUGHBY PROJECT TO DETERMINE WHAT INCOME HAD COME IN?

A SHE DID.

MR. DURANT: YOUR HONOR, BEFORE SHE GOES FURTHER, THIS $113,000 WAS NOT INCLUDED ON MRS. BRADY'S REPORT BECAUSE IT WAS GIVEN TO HER BY THIS WITNESS?

JUDGE HOWE: MS. COOK.

Q DID YOU GATHER THE INFORMATION TO DETERMINE HOW MUCH HAD BEEN PAID TO A&E ON THE WILLOUGHBY JOB?

A YES.

Q DID YOU DETERMINE HOW MUCH HAD BEEN PAID TO ANY OTHER SOURCE BY THE OWNER OF THE WILLOUGHBY JOB?

A I PULLED EVERY PAY REQUEST AND PAYMENTS MADE ON THAT PAY REQUEST AND GAVE SUSAN A LIST OF THE PAY REQUEST AND THE AMOUNT PAID AND THE DATE PAID.

JUDGE HOWE: MS. COOK, I THOUGHT THIS SAYS THIS WAS AN ALLIGATED -- IS ALLIGATING $113,480 -- IS ALLEGED TO HAVE BEEN PAID BY SOMEBODY ON BEHALF OF A&E, IS THAT CORRECT?

MS. COOK: **MY** UNDERSTANDING OF MRS. BRADY'S REPORT IS SHE IS CLAIMING THAT -- ON BEHALF OF A&E THAT $113,480.0 IS OWNED.

JUDGE HOWE: TO A&E?

MS. COOK: BY MR. VEREEN.

JUDGE HOWE: IS THAT NOT TRUE, MR. DURANT?

MR. DURANT: YOUR HONOR, THIS IS CHECKS WRITTEN FOR THE WILLOUGHBY PLACE JOB THAT MR. VEREEN DEPOSITED IN THE ARTHUR VEREEN CONSTRUCTION COMPANY ACCOUNTANT AND TO WHICH HE OWES THIS TO US FOR -- UNLESS HE CAN SHOW US HE PAID EXPENSES TO JUSTIFY IT, WHICH HE HAS NOT. I DO UNDERSTAND WHAT HER POSITION IS, BUT THIS WAS AN A&E JOB. NOBODY HAS PRESENTED ANY CONTRACT BECAUSE WE HAVE BEEN ASKING FOR, BUT THESE CHECKS WERE FOR WORK PREFORMED BY A&E, WHICH A&E MADE PAYMENT ON THE BOOKS AND RECORDS. AND I DON'T KNOW HOW THEY MATCH UP BECAUSE WE DID NOT GET THOSE EARLY ON. I UNDERSTATED SHE CAN ASK HER WHAT SHE WANTS TO, BUT THESE ARE CHECKS THAT WERE IN THE WRONG ACCOUNT. THIS WAS AN A&E JOB. THAT IS THE REASON IT IS LISTED.

MS. COOK: YOUR HONOR, WE DON'T DISPUTE THAT. WHAT -- AND LET ME GET BACK TO

MRS. SISSON.

Q MRS. SISSON, DID YOU FIND WHERE ARTHUR VEREEN CONSTRUCTION COMPANY OR YOUR FATHER HAD PAID $113,480.00 ON THE WILLOUGHBY JOB, HAD ADVANCED THAT AND MORE MONEY THAN THAT IN THE WILLOUGHBY JOB PERSONALLY?

A YES, HE DID.

MR. DURANT: IS THE ANSWER PERSONALLY OR THAT ARTHUR VEREEN CONSTRUCTION COMPANY HAD ADVANCED THE MONEY?

A THEY ARE ARTHUR VEREEN COMPANY PAID EXPENSES.

MR. DURANT: I HAVEN'T SEEN THOSE.

Q IS THE PROOF OF THE ARTHUR VEREEN CONSTRUCTION COMPANY PAYMENT CONTAINED IN ANY OF THE DOCUMENTATION THAT HAS BEEN PRODUCED DURING DISCOVERY?

A YES. THEY ARE IN THE ARTHUR VEREEN CONSTRUCTION COMPANY ACCOUNTS RECEIVABLE NOTEBOOK.

Q AND THESE NOTEBOOKS WERE DELIVERED TO MR. DURANT IN NOVEMBER, IS THAT CORRECT?

A I BELIEVE SO, YES.

Q SO OUT TO THE SIDE -- AND IS THAT WHY ARTHUR VEREEN CONSTRUCTION COMPANY AND YOUR FATHER DISPUTE THAT YOUR FATHER OR ARTHUR VEREEN CONSTRUCTION COMPANY OWED BACK $113,480.00 TO

A&E?

A YES, IT IS.

MR. DURANT: YOUR HONOR, THAT IS MY CONTINUING OBJECTION. SHE IS TALKING ABOUT WHAT ARTHUR VEREEN CONSTRUCTION COMPANY OWES, NOT WHAT SHE KNOWS AS AN A&E EMPLOYEE. I OBJECT TO THAT TESTIMONY.

JUDGE HOWE: HOW WOULD YOU KNOW FROM THESE -- I ASSUME THIS IS YOUR BACKUP RIGHT HERE IN TAB NUMBER TEN?

A THESE THREE PAGES MRS. BRADY PROVIDED IN HER REPORT.

MS. COOK: THAT IS IN MRS. BRADY'S REPORT.

JUDGE HOWE: WELL, HOW WOULD YOU KNOW THAT? THAT IS THE BACKUP FROM THE WILLOUGHBY PROJECT?

A THE CHECK IN THE AMOUNT OF $30,830. IT'S GOT H. WILLOUGHBY WRITTEN OUT NEXT TO IT.

MS. COOK: I BELIEVE ON THE DEPOSIT TICKETS THAT MRS. BRADY HAS AS THEY WERE DEPOSITED, THEY WOULD INDICATE WHAT JOBS THE FUNDS WERE COMING IN FROM.

JUDGE HOWE: THE DEPOSITS? NOT THE ONES

THAT I HAVE.

MS. COOK: HOLD ON ONE MINUTE, YOUR HONOR.

MR. DURANT: THEY SAY WILLOUGHBY ON THE DEPOSIT TICKET, YOUR HONOR.

JUDGE HOWE: ON ONE OF THEM IT DOES, BUT NOT ON THE OTHER ONE.

MS. COOK: THEY HAD TO RUN THEM OFF THE CHECKING ACCOUNTS, YOUR HONOR. LET ME JUST SHOW YOU. THIS WILL BE A LITTLE BIT EASIER. RIGHT HERE THESE SHEETS CAME FROM THE CHECKING ACCOUNT. HERE'S THE FIRST ONE. FLIP THE PAGE. THAT'S THE END OF MY PAPERS.

(DISCUSSION HELD OFF THE RECORD.)

JUDGE HOWE: THESE ARE INDIVIDUAL DEPOSIT SLIPS, AREN'T THEY?

MS. COOK: AND DURING DISCOVERY -- WE WERE ASKED TO PRODUCE TO THEM A COPY OF THE ARTHUR VEREEN CONSTRUCTION COMPANY CHECKING STATEMENTS, PARKWAY OFFICES CHECKING STATEMENTS, PARK PLACE PROPERTY CHECKING STATEMENTS, AND MR. VEREEN'S CHECKING STATEMENTS, AND A&E'S CHECKING STATEMENTS. SO THESE PAGES BEHIND THIS

TAB COME FROM ARTHUR VEREEN CONSTRUCTION COMPANY'S CHECKING ACCOUNT.

JUDGE HOWE: I UNDERSTAND THAT. MY QUESTION IS, HOW DOES THE WITNESS KNOW THAT THESE ALL CAME FROM THE WILLOUGHBY PROJECT?

MS. COOK: BECAUSE AT THAT TIME, THEY WERE DEPOSITED ON THE DEPOSIT SLIPS. THEY WERE WRITTEN -- THE SOURCE OF THE FUNDS WERE FROM THE CHECK THAT THEY WERE DEPOSITING. NO ONE DISPUTES THAT, DO THEY, FRANK?

MR. DURANT: NO. WE ACTUALLY FOUND IT BY SUBPOENAING THE DEPOSIT RECORDS.

MS. COOK: THAT'S CORRECT.

MR. DURANT: THEY DIDN'T GIVE IT TO US.

MS. COOK: AND THE DEPOSIT RECORDS REFLECT THE SOURCE OF THE FUNDS FOR EVERY DEPOSIT, JUST LIKE WHEN I DEPOSITED A CHECK INTO MY PA ACCOUNT. IF I DEPOSIT FOUR CHECKS FOR A TOTAL DEPOSIT OF $10,000, THE FIRST CHECK I WRITE ON MY DEPOSIT SLIP IS THAT IT WAS FROM JOE BLOW FOR A REAL ESTATE CLOSING.

JUDGE HOWE: I UNDERSTAND THAT YOU WOULD

WRITE THIS DEPOSIT SLIP, WILLOUGHBY, AND THEN YOU WOULD WRITE STOCK BUILDERS, BUT THAT'S FOR MARCH 26TH?

MS. COOK: THAT'S RIGHT.

JUDGE HOWE: AND ON MARCH 22ND...

MS. COOK: THAT ONE IS NOT APPLICABLE TO WHAT WE WERE TALKING ABOUT, YOUR HONOR. IT'S ONE CHECK. THIS PAGE COMES FROM THE CHECKING ACCOUNT STATEMENT SO ON THAT PAGE THERE IS ONLY ONE DEPOSIT -- DEPOSIT SLIP.

JUDGE HOWE: OKAY. I'VE GOT WILLOUGHBY. I UNDERSTAND NOW. THIS ONE DOESN'T SAY WILLOUGHBY. OKAY. I'VE GOT'CHA NOW.

MS. COOK: MA'AM, WHEN YOU RUN IT OFF FROM THE CHECKING ACCOUNT STATEMENT EVERY MONTH THEY DON'T COME ONE AT A TIME, THEY COME MULTIPLE.

JUDGE HOWE: SO THIS ONE IS WILLOUGHBY?

MS. COOK: YES, MA'AM.

JUDGE HOWE: THESE AREN'T WILLOUGHBY'S. I'VE GOT'CHA NOW. Y'ALL HAVE TO UNDERSTAND ALL OF YOU HAVE BEEN DOING THIS FOR A LONG TIME, BUT I HAVEN'T.

MS. COOK: YES, MA'AM. YES, MA'AM. I

DON'T GUESS MR. DURANT OR MR. FRED DID A VERY GOOD JOB OF EXPLAINING THE SITUATION WHEN THEY WERE TESTIFYING.

JUDGE HOWE: KEEP IN MIND WHEN THEY WERE TESTIFYING, I DID NOT HAVE THESE BOOKS.

MS. COOK: I KNOW, YOUR HONOR. WE LIKE -- WE WANT TO SHOWS YOU NOT JUST TESTIFY, BUT WE WANT TO SHOW YOU THE DOCUMENTS THAT CANNOT LIE. PEOPLE CAN LIE, BUT DOCUMENTS CAN'T.

JUDGE HOWE: OKAY. VERY GOOD.

MS. COOK: JUST LIKE WE SHOWED YOU UNDER A FEW TABS THAT MRS. BRADY INCLUDED AMOUNTS BECAUSE MR. SMITH SAID SO AND THEN WHEN THE RUBBER HIT THE ROAD, WE SHOWED THAT THERE WERE NO PAYMENTS.

JUDGE HOWE: NOW, WE ARE ALL ON THE SAME PAGE. I UNDERSTAND NOW.

MR. DURANT: YOUR HONOR, FOR THE PURPOSES OF THE RECORD, THERE WAS AN A&E WHEN THESE DEPOSITS WERE MADE. AN A&E ACCOUNT WAS OPEN.

JUDGE HOWE: I WOULD THINK SO. A&E HAS BEEN IN BUSINESS QUITE SOMETIME IN APRIL

OF 2004, BUT IT'S NOT HARD TO OPEN AN ACCOUNT.

MR. DURANT: ACCOUNT WAS OPENED AND THERE WAS --

MS. COOK: NO, MA'AM. JUST LIKE MR. DURANT IS NOT WAITING UNTIL CROSS-EXAMINATION, LET ME ALSO SAY TO YOUR HONOR, THE EXPENSES THAT HAD TO BE EXPENDED BY A&E...

JUDGE HOWE: EXCEED THE INCOME.

MS. COOK: IN ORDER TO BE ABLE TO GET A PAID REQUEST TO BE PAID BY WILLOUGHBY, IT HAD TO BE EXPENDED IN 2003 AND EARLY 2004, BEFORE THERE WAS SUFFICIENT INCOME IN...

JUDGE HOWE: I UNDERSTAND THAT TOO.

MS. COOK: INSTEAD OF CONTRIBUTING -- AND I AGREE, YOUR HONOR, THE PROPER WAY TO HAVE DONE THIS. THE PROPER WAY TO HAVE DONE THIS WOULD HAVE BEEN FOR MR. VEREEN TO HAVE WRITTEN A CHECK OR DEPOSIT MONEY INTO AN ACCOUNT.

JUDGE HOWE: OR FOR THEM TO HAVE OPENED A LINE OF CREDIT TO BEGIN.

MR. COOK: BUT HE WAS FUNDING BY WAY OF

EITHER PAYING BILLS OR INFUSING CASH AND THEN AS CASH CAME IN, WAS REIMBURSING HIMSELF FOR WHAT HE HAD BEEN -- WHEN WE GET TO THE END OF THE ROAD, IT MIGHT NOT HAVE BEEN DONE IF HE WROTE A CHECK TO PAY A BILL FOR $100,000 FOR MATERIALS FOR HIMSELF. AND THEN THE PROJECT PAID A&E AND IT WAS AN A&E PROJECT. AND THEN THE PROJECT PAID A&E THE $100,000. HE MIGHT HAVE REIMBURSED HIMSELF INSTEAD OF PUTTING THAT WHOLE CHECK IN THERE AND THEN WRITING HIMSELF BACK A CHECK -- WRITING HIMSELF BACK A CHECK REIMBURSING HIMSELF FOR A CAPITAL CONTRIBUTION TO SHOW THAT'S WHY HE WAS THEN WRITING A CHECK OUT TO HIMSELF TO REIMBURSE THAT. HE DID NOT DO THAT. AND THAT IS WHY WE ARE HERE TODAY, YES, MA'AM.

JUDGE HOWE: I UNDERSTAND.

MS. COOK: YES, MA'AM. YES, MA'AM. YES, MA'AM.

MR. DURANT: YOUR HONOR, WHEN I WAS TALKING, IT WAS JUST INCORRECT THAT THERE WAS NO ACCOUNT. SOME OF THESE ACCOUNTS THAT HAVE BEEN OPENED FOR A

GOOD WHILE. I THINK HE PUT 50,000 IN, IN DECEMBER.

JUDGE HOWE: I'M SORRY. I DID NOT MEAN TO INTERRUPT NOW THAT WE WERE ON THE SAME WAVELENGTH.

MS. COOK: NOW, I DON'T KNOW WHERE I AM ANYMORE, BUT ANYWAY, WE WILL GET BACK ON TRACK.

Q JUST SO HOPEFULLY, WE CAN STAY ON THE SAME WAVELENGTH, ONE OF THE THINGS THAT I THINK THAT YOUR HONOR ASKED YOU WAS HOW YOU KNEW WHAT PAYMENTS HAD BEEN MADE BY ARTHUR VEREEN CONSTRUCTION ON THE WILLOUGHBY JOB. IS THAT BACKUP CONTAINED IN EXHIBIT NUMBER "78"?

A IT IS.

Q AND DID YOU COMPILE THIS NOTEBOOK?

A I DID.

MR. DURANT: THERE'S A CONTINUING OBJECTION. SHE IS GOING INTO ARTHUR VEREEN CONSTRUCTION AGAIN. SHE IS NOT COMPETENT TO TESTIFY ABOUT ARTHUR VEREEN CONSTRUCTION.

MS. COOK: YOUR HONOR, THROUGH DISCOVERY THEY REQUESTED ALL THE DOCUMENTATION FROM ARTHUR VEREEN CONSTRUCTION.

JUDGE HOWE: WELL, IT'S NAMED AS A DEFENDANT?

MS. COOK: YES, MA'AM.

JUDGE HOWE: BUT THEY DIDN'T NECESSARILY REQUEST IT OF THIS DEFENDANT. I MEAN, OF THIS WITNESS.

MS. COOK: NO, MA'AM, BUT THIS WITNESS IS THE ONE WHO GATHERED IT FOR THEM, MAINTAINED THE BOOKS AND RECORDS TO BE ABLE TO GATHER IT FOR THEM, PROVIDE IT. ANY TIME YOU ARE DEALING IN A SITUATION, YOU HAVE GOT SOMETHING THAT IS HISTORICAL IN NATURE GOING BACK TO ARTHUR VEREEN CONSTRUCTION AT THE TIME THEY REQUESTED THIS INFORMATION. WASN'T EVEN DOING BUSINESS ANYMORE. SO, TO GET THOSE RECORDS, THERE WASN'T GOING TO BE AN ONGOING EMPLOYEE OF ARTHUR VEREEN CONSTRUCTION COMPANY. WHAT WE HAD WAS A EMPLOYEE OF A&E WHO WAS IN CHARGE OF THE WILLOUGHBY PROJECT, WAS FAMILIAR WITH THE WORK THAT WAS GOING ON AND THE BILLS THAT WERE BEING INCURRED, THE SOURCE OF PAYMENT FOR THOSE BILLS THAT HAD BEEN INCURRED, AND THE SOURCE OF PAYMENT OR

INCOME COMING IN ON THE WILLOUGHBY JOB, AND RECORDS REFLECTING WHERE IT WENT.

JUDGE HOWE: I UNDERSTAND.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT NUMBER "78" INTO EVIDENCE.

JUDGE HOWE: WHAT IS DEFENDANT'S "78"?

Q WOULD YOU IDENTIFY FOR THE COURT AND TELL THE COURT WHAT EXHIBIT "78" IS AND HOW IT WAS COMPILED.

A THIS IS THE AUTHOR VEREEN CONSTRUCTION COMPANY ACCOUNTS RECEIVABLE NOTEBOOK THAT I COMPILED WITH THE HELP OF MY FATHER. IDENTIFYING ALL OF THE EXPENSES PAID OUT BY ARTHUR VEREEN CONSTRUCTION COMPANY ON BEHALF OF A&E AND A&E'S JOBS. AND ANY PAYMENTS RECEIVED BY ARTHUR VEREEN CONSTRUCTION COMPANY FOR REIMBURSEMENT OF THOSE EXPENSES PAID OUT.

MR. DURANT: SAME OBJECTION, YOUR HONOR. SHE DID PREPARE THESE. MR. VEREEN CAN PUT IN WHATEVER HE WOULD LIKE TO.

JUDGE HOWE: WELL, SHE SAID SHE COMPILED THAT WHOLE NOTEBOOK WITH THE ASSISTANCE OF HER FATHER.

MR. DURANT: WELL, IT'S JUST DOUBLE

HEARSAY THEN, YOUR HONOR. SHE DID NOT WORK FOR A&E. THEY ARE TRYING TO MAKE HER A...

JUDGE HOWE: ARTHUR VEREEN?

MR. DURANT: ARTHUR VEREEN CONSTRUCTION COMPANY IS WHAT WERE TALKING ABOUT IN THAT MR. VEREEN OWNS THE COMPANY. HE CAN TESTIFY AS TO ALL THOSE THINGS. SHE WAS ASSIMILATING INFORMATION FOR A LAWSUIT AND SHE IS NOT A FACT WITNESS IN THE CASE AS TO WHAT ARTHUR VEREEN CONSTRUCTION COMPANY DID OR DIDN'T DO.

MS. COOK: NO. BUT SHE IS A FACT WITNESS, YOUR HONOR, OF WHAT SHE COMPILED FROM THE RECORDS OF ARTHUR VEREEN CONSTRUCTION COMPANY AND HOW SHE COMPILED THOSE IN -- AND HOW SHE COMPILED THAT INFORMATION.

JUDGE HOWE: I AM GOING TO LET IT IN BUT I'M NOT SURE HOW MUCH SHE CAN TESTIFY TO.

MS. COOK: I UNDERSTAND. I WOULD -- YOU KNOW, THE RECORDS SPEAK FOR THEMSELVES.

MR. DURANT: YOUR HONOR, BEFORE SHE GETS IT IN, WE HAVE THAT ISSUE OF, WAS THERE

AN INVOICE WITH IT ALL THAT SHE HAS TO GO THROUGH AND SHE HASN'T DONE THAT YET. AND WE ARE NOT BEING STICKLERS ABOUT IT AND SHE HAS ADDED STUFF THAT WAS DELIVERED TO ME FRIDAY AFTERNOON, WHICH I THINK IS COLOR CODED AND THAT IS NOT PROPER TO BE IN THERE ALSO.

MS. COOK: YOUR HONOR, I THINK I EXPLAINED IN CHAMBERS. THERE IS NOTHING IN THIS NOTEBOOK -- FIRST, ALL OF THE DOCUMENTS ...

JUDGE HOWE: THIS IS THE BLUE AND ...

MS. COOK: YELLOW, YES, MA'AM. THIS -- AND I HOPE FRANK WILL AGREE WITH THIS, BUT I CAN GET BETH TO TESTIFY ABOUT ALL OF THESE BOOKS WERE PRODUCED TO MR. DURANT IN NOVEMBER OF 2010.

MR. DURANT: NO. THAT NOTEBOOK SAYS, JANUARY 15TH, WHICH IS THE SECOND SET OF NOTEBOOKS AND IT CONTAINS INVOICES THAT WEREN'T DELIVERED BY DECEMBER ...

MS. COOK: WELL, IF MR. DURANT WOULD LET ME FINISH AND I WASN'T FINISHED. I APOLOGIZE THAT I AM NOT RUNNING ATHENEUM, BUT I HAVE BEEN TOLD ONE THE

THINGS THAT I NEED TO DO IS TO SLOW DOWN, BY NOT ONLY MADAM COURT REPORTER, BUT BY MY PHYSICIAN. SO I UNDERSTAND THAT OUR ADRENALINE IS PUMPING, BUT IF MR. DURANT COULD LET ME GET FINISHED WITH A STATEMENT BEFORE HE OBJECTS IT MIGHT OBVIATE A LOT OF THINGS. THESE NOTEBOOKS WERE PRODUCED TO MR. DURANT IN NOVEMBER OF 2010, WITH THE EXCEPTION, YOUR HONOR, OF SOME INFORMATION THAT WAS FOUND BY MY CLIENTS AFTER YOUR CUTOFF DEADLINE AND I WANT TO ADDRESS THAT TOO, BUT AFTER YOUR CUTOFF DEADLINE ON DECEMBER THE 1ST, 2010. AFTER THAT DEADLINE -- AND EVERYTHING THAT IS IN WHITE IN THESE NOTEBOOKS, AND WE HAVE A EXACT DUPLICATE FOR YOUR HONOR RIGHT DOWN HERE. EVERYTHING THAT IS WHITE IN THESE NOTEBOOKS ON WHITE PAPER ARE THE ACTUAL DOCUMENTS THAT WERE PRODUCED IN THE NOVEMBER NOTEBOOKS. WHEN WE WENT TO MRS. BRADY'S OFFICE IN DECEMBER, AFTER THE NOTEBOOKS HAD BEEN PRODUCED TO HAVE OUR CONFERENCE TO SEE WHAT WE COULD TRY TO WORK OUT, THE ORIGINAL NOTEBOOKS

WEREN'T SETUP WITH THE SAME TAB NUMBERS AS MRS. BRADY. SO WE WENT BACK BETWEEN THE JANUARY MEETING AND THE FEBRUARY MEETING AND SET UP OUR NOTEBOOKS EXACTLY IN THE SAME FORMAT AS MRS. BRADY'S WERE SO IT WOULD BE EASIER FOR EVERYONE TO WORK WITH. AT THE SAME TIME, MY CLIENTS HAD FOUND BETWEEN DECEMBER AND JANUARY SOME ADDITIONAL BACKUP DOCUMENTATION BY WAY OF INVOICES OR CHECKS THAT HAD NOT BEEN PRODUCED BY YOUR HONOR'S DEADLINE, BUT BY WHICH WE WERE ALL SEEKING TO GET TO A CORRECT EQUITABLE NUMBER OF WHAT REALLY HAPPENED IRRESPECTIVE OF TIMETABLES. WE INCLUDED THAT INFORMATION, AND IN FACT, MR. SMITH MUCH TO PROBABLY THE CHAGRIN OF HIS ATTORNEY, ALTHOUGH I AM SURE FRANK WANTS HE TRUTH TOO, AGREED WITH SOME OF THE LATE PROVIDED INVOICES. ONCE HE SAW THEM HE SAID, "YES, THAT'S RIGHT. WAYNE DOESN'T OWE THAT BACK. THAT IS FOR THE BARBECUE THAT WE BOUGHT FOR THE CHRISTMAS PARTY". BUT WHEN WE WERE HERE EARLY, YOUR HONOR, YOU REMEMBER WE WERE HAVING KIND OF --

IT WAS DISJOINTED BECAUSE WE WERE HAVING TO FIND FOR THE COURT, AS WE SHOULD HAVE TO, WHETHER SOMETHING WAS PRODUCED BEFORE THAT DEADLINE OF AFTER THAT DEADLINE. SO, EVEN THOUGH THEY HAD THE NOTEBOOKS WITH EVERYTHING THAT IS PRODUCED IN THEM RIGHT NOW, COLOR SHEETS AND ALL, BY JANUARY THE 15TH, BECAUSE WE DELIVERED THEM SETS OF EVERYTHING WHEN WE MET WITH THEM A SECOND TIME AND WENT OVER EVERYTHING. IT WAS STILL AFTER YOUR HONOR'S DEADLINE. SO, WHAT IS NOW CONTAINED IN THESE NOTEBOOKS, THE BLUE PAGES THAT ARE IN THE NOTEBOOKS, ARE THE ADDITIONAL DOCUMENTATION FOUND BY THE DEFENDANTS IN THE CASE AFTER THE DECEMBER 1ST DEADLINE. SO THOSE ARE DOCUMENTS THAT ARE AFTER THE DEADLINE AND TO THE EXTENT WE WOULD LIKE TO PROFFER THOSE. WE UNDERSTAND WHAT THE COURT HAD RULED EARLIER.

JUDGE HOWE: RIGHT.

MS. COOK: THE YELLOW SHEETS THAT ARE WITHIN THESE NOTEBOOKS ARE BECAUSE BETWEEN THE TIME THAT WE MEET WITH MR.

SMITH AND MRS. BRADY AND THE ATTORNEYS AT MRS. BRADY'S OFFICE IN DECEMBER AND STARTED GOING OVER THINGS AT THAT MEETING, MR. SMITH ASKED FOR SOME ADDITIONAL -- "DO YOU HAVE THIS? DO YOU HAVE THAT?" FOR SOME ADDITIONAL INFORMATION. LIKE YOUR HONOR, WE DIDN'T HAVE IN THE NOTEBOOKS, BUT ONE OF THE THINGS WAS, WELL, IF YOU HAVE THE PAYROLL CARDS, YOU KNOW, I MIGHT AGREE THAT. WELL, A BOX -- WE ACTUALLY BROUGHT THE TWO BOXES OF INFORMATION THAT MR. DURANT, MR. SMITH, AND MRS. BRADY GOT WHEN THEY WENT TO THE A&E OFFICES IN MARCH, 2009 AND THEN FROM THE DOCUMENTATION THAT WAS THERE, THEY PICKED TWO BOXES OF DOCUMENTS THAT THEY WANTED. WE BROUGHT THOSE TWO BOXES WITH US, BUT FROM THAT INFORMATION, ONE OF THE BOXES WAS FULL OF -- THEY HAD PULLED ALL THE TIME CARDS. SO, THE THINGS THAT ARE IN YELLOW ARE THE THINGS THAT MR. -- ARE ADDITIONAL INFORMATION THAT MR. SMITH REQUESTED BETWEEN -- I'M NOT SAYING IT WASN'T ALREADY COVERED,

PERHAPS, IN SOMETHING FRANK HAD ASKED OR JACK HAD ASKED, BUT IT WAS THINGS THAT MR. SMITH REQUESTED BETWEEN THE JANUARY MEETING AND THE FEBRUARY MEETING THAT MY CLIENTS WENT BACK AND FOUND, AND SO, THAT'S -- AND ADDED TO THE NOTEBOOK AND THAT'S WHAT'S IN YELLOW.

JUDGE HOWE: OKAY. AND SO THAT'S BEGINNING PREFERRED, TOO?

MS. COOK: WELL, WE WOULD LIKE FOR THAT TO COME IN AS ADMITTED EVIDENCE INASMUCH AS IT WAS A REQUEST FROM MR. SMITH AT THAT MEETING THAT WE THEN PRODUCED.

MR. DURANT: YOUR HONOR, WE DID NOT AGREE TO EXPAND ANYTHING, NO. WHAT WE DID AGREE, AS WE LOOKED AT STUFF AND WE AGREED TO $63,553.85 ON EXPENSES REGARDLESS OF WHAT THEY WERE. WE SAID, "WE'LL GIVE YOU CREDIT FOR THOSE WHETHER THEY ARE OR ARE NOT --" THEY ARE DELINEATED IN THE REPORT IN THE BACK. AGAINST THE ADVICE OF OUR CPA, WHO SAYS WE CAN'T EVEN TAKE THE CREDIT, BUT WE AGREED TO THOSE THINGS THAT ARE LISTED, BUT NO MORE. WE DIDN'T AGREE TO EXPAND

WHAT SHE COULD GIVE. WE WERE ADAMANT THAT -- LOOKED AT SOME POINT IN TIME, WE HAVE GOT TO KNOW WHEN THIS IS GOING TO STOP. BECAUSE THEY KEPT TELLING US YOU ISSUED THE BAR CLAIM IN DECEMBER 1, AND THAT'S WHAT WE BELIEVE IS BINDING UPON THE DEFENDANTS. WE GAVE SOME CREDITS THAT WE DID NOT HAVE TO, YOUR HONOR, BUT WE WERE SUPPOSED TO DO THAT.

JUDGE HOWE: YOU MEAN YOU GAVE CREDITS THAT WERE AFTER THE DECEMBER CUTOFF?

MR. DURANT: YES. SOME OF THEM WE DID AND IF THEY WANT US TO TAKE THEM BACK THAT'S FIND. WE'LL GO BACK AND FIGURE THOSE UP.

JUDGE HOWE: NO. LET'S DON'T GO BACK.

MS. COOK: YOUR HONOR, I DON'T DISPUTE THAT THE YELLOW IS WHAT EXTRA STUFF MR. SMITH ASKED US TO PROVIDE, IF WE COULD FIND IT. WE FOUND IT AND SOME OF IT ACTUALLY HAS ALREADY BEEN PRODUCED BECAUSE IT WAS INCLUDED IN ONE OF THE BOXES OF INFORMATION THAT MR. SMITH HAD ACTUALLY GOTTEN BACK IN MARCH, BUT WE GOT IT AND WE PUT IT IN THE APPROPRIATE

PLACE.

JUDGE HOWE: IT MAY ACTUALLY BE DOUBLED FOR THIS?

MS. COOK: YES, MA'AM, BUT WE WANTED TO BE ABLE TO DELINEATE WHAT THAT WAS AND WHAT WAS IN THE ACTUAL NOTEBOOK IN NOVEMBER. SO, IT MAY HAVE ALREADY BEEN PRODUCED, YOUR HONOR. I UNDERSTAND THERE HAS TO BE A CUTOFF DATE, BUT I ALSO UNDERSTAND THAT THIS IS A COURT OF EQUITY. WE ARE TRYING TO GET, I THOUGHT, TO THE TRUTH OF WHAT IS OWED AND WHAT IS NOT OWED IRRESPECTIVE OF ARTIFICIAL CUTOFF DATES AND THINGS OF THAT NATURE, AND I DON'T MEAN THAT, BUT TO ME, IT FLIES IN THE FACE OF WHAT THIS COURT SITS TO TRY TO DETERMINE, WHICH IS THE TRUTH OF THE SITUATION THAT THE PLAINTIFFS HAVE ASKED FOR THIS ACCOUNTING AND WE HAVE NOW PROVIDED DOCUMENTATION AND I TOTALLY AGREE THAT THE SITUATION MIGHT BE SOMEWHAT DIFFERENT IF WE HAD BEEN ABLE TO COMPLETE THIS TRIAL DURING THE THREE DAYS IN FEBRUARY THAT WE HAD. BUT, YOUR

HONOR, CLEARLY MR. DURANT HAS HAD ALL THIS INFORMATION. MRS. BRADY HAS HAD ALL THIS INFORMATION. MR. THOMAS HAS HAD ALL THIS INFORMATION, AND MR. SMITH HAS HAD ALL THIS INFORMATION SINCE JANUARY 15TH 2011, AND WE ARE SITTING HERE IN OCTOBER. I DON'T EVEN KNOW WHAT DAY IT IS, THE 12TH, OR THE 13TH, WHATEVER IT IS. SOME 8 OR 9 MONTHS LATER AND THE DOCUMENTS SPEAK FOR THEMSELVES. THE DOCUMENTS SAY WHAT THE DOCUMENTS SAY. WE ARE NOT TRYING TO HIDE ANYTHING. I UNDERSTAND THE COURT'S REASONING THAT THERE HAD TO BE A CUTOFF DATE IN ORDER TO GIVE EVERYONE A FULL AND FAIR OPPORTUNITY TO KNOW WHAT THEY WERE GOING TO BE LOOKING AT AND FACING WHEN WE CAME INTO COURT AND I UNDERSTAND THAT. AND SOME OF IT WAS GIVEN 30 TO 60 DAYS LATE, BUT WE ARE 9 MONTHS DOWN THE ROAD, YOUR HONOR, AND THEY HAVE HAD THIS ALL THAT TIME. WITH THAT BEING SAID, I RESPECTFULLY REQUEST THAT -- I KNOW WHAT THE COURT HAS RULED WITH REGARD TO THE BLUE SHEET, WHICH ARE

THINGS THAT MY CLIENT SUPPLEMENTED AFTER DECEMBER THE 1ST, AND I WOULD REQUEST THAT THE COURT EXCEPT THE YELLOW SHEETS AS EXHIBITS INTRODUCED INTO EVIDENCE, BUT IF NOT I WOULD LIKE TO PROFFER THOSE AS WELL.

JUDGE HOWE: I WILL ALLOW THE NOTEBOOK IN ON WHITE SHEETS AND WE WILL PROFFER THE BLUE AND THE YELLOW, BUT I WILL LET IT COME IN OVER THIS WITNESS AND THEN WE WILL GO FROM THERE. I DON'T KNOW THAT SHE WILL BE ABLE TO TESTIFY MUCH TO IT. WE WILL SEE WHERE IT GOES. I KNOW MR. VEREEN IS GOING TO BE ABLE TO TESTIFY TO IT ALL.

MS. COOK: YES, MA'AM.

JUDGE HOWE: I CAN'T GO BACK ON THE ORDER.

MS. COOK: YES, MA'AM. I DO UNDERSTAND.

Q MRS. SISSON, ACCORDING TO EXHIBIT NUMBER "82", DOES IT INDICATE WHERE IN EXHIBIT NUMBER "78" YOU HAD BEEN ABLE TO COMPILE THOSE PAYMENTS?

A YES. OUT TO THE RIGHT-HAND SIDE IS WHERE I PUT ON NOTES AND IT SAYS, "PAYMENT RECEIVED AT AVCCAR," TAB 69. SO IF YOU GO TO THIS NOTEBOOK

AND YOU GO BACK TO TABS 69, ALL OF THOSE PAYMENTS WILL BE REFLECTED THERE IN THAT NOTEBOOK.

MR. DURANT: ARE YOU SAYING THAT THERE ARE BACKUPS ON TAB 69? THERE IS NOTHING ON 69.

MS. COOK: YOUR HONOR, IS THERE SOMETHING IN YOUR TAB 69?

MR. DURANT: THAT LOOKS TO BE CHECKS MADE JUST TO ARTHUR VEREEN CONSTRUCTION FROM A&E. IS THAT SOMETHING DIFFERENT?

A NO. THAT'S WHAT I TESTIFIED THAT THEY WERE.

MS. COOK: YOUR HONOR, JUST SO I DON'T LEAVE A MISIMPRESSION IN --

Q WOULD YOU EXPLAIN TO THE COURT WHAT IS BEHIND TAB 69?

A TAB 69 OF EXHIBIT "78" ENTITLED, "ARTHUR VEREEN CONSTRUCTION COMPANY ACCOUNTS RECEIVABLE NOTEBOOK" ARE THE PAYMENTS RECEIVED BY ARTHUR VEREEN CONSTRUCTION COMPANY FROM A&E OR FROM A&E CLIENTS.

Q AND THOSE WOULD BE PART OF WHAT IS REFLECTED IN THE $113,480.00 THAT SUSAN BRADY HAS BEHIND HER NOTEBOOK AT TAB 10, IS THAT CORRECT?

A THAT'S CORRECT.

MR. DURANT: I HAVE NO PROBLEM WITH THAT, YOUR HONOR.

Q AND THEN TAB 11?

A TAB 11 IS ON SUSAN'S SHEETS. SHE LISTED THAT AS CHECKS DEPOSITED INTO ARTHUR VEREEN CONSTRUCTION FOR SOUTH STRAND CARDIOLOGY. SOUTH STRAND CARDIOLOGY WAS A JOB WE DID FOR DR. LALE ON THE SOUTH END OF MYRTLE BEACH.

Q AND A&E'S JOB LEDGER, IN JOB NOTES, IS IT CALLED THE LALE JOB OR IS IT CALLED ...

A YES. IT'S CALLED LALE, WHICH IS L-A-L-E.

Q I'M SORRY. I INTERRUPTED YOU.

A SO, IN SUSAN'S NOTEBOOK SHE HAD INCLUDED THE HANDWRITTEN PAGE WITH NOTES ON IT. THIS IS CARRIE'S HANDWRITING AND THERE ARE NOTES ON IT IN THE MIDDLE OF THE PAGE. IT SAID "RECEIVED 57,562 FROM SOUTH STRAND DEPOSITED INTO PARKWAY OFFICES ACCOUNT PER WAYNE." AND SHE INCLUDED A BACKUP DEPOSIT SLIP ON THE SECOND PAGE FOR THE MAY 18TH, 2004, $50,000 DEPOSIT. THE DEPOSIT SLIPS SAYS, "SOUTH STRAND CARDIOLOGY" AND THAT IS FOR THE DR. LALE JOB, BUT SHE COULD NOT ACCOUNT FOR THE OTHER 7,562.

Q "SHE" BEING SUSAN?

A SUSAN.

Q AND YOU FOUND IT AND YOU AGREE IT IS CONTAINED WITHIN EXHIBIT NUMBER "78" AND IS THE PROOF OF THE $50,000 PAYMENT THAT ARTHUR VEREEN CONSTRUCTION COMPANY DEPOSITED, CORRECT?

A CORRECT.

Q DID YOU, IN YOUR SEARCH, EVER FIND A $7,562 CHECK OR PAYMENT THAT DID NOT -- THAT WAS OWED TO A&E AND OR DID NOT GET DEPOSITED TO A&E ON THE LALE JOB?

A I COULD NOT ACCOUNT FOR THAT AT ALL.

Q AND OTHER THAN THIS HANDWRITTEN SHEET, COULD YOU FIND ANY EVIDENCE IN THE A&E ACCOUNTING RECORDS THAT $7,562 WAS OWED AT THAT TIME TO THE DR. LALE JOB TO A&E?

A DID NOT FIND ANYTHING.

Q DID YOU FIND THE $7,562 DEPOSIT IN ANY ACCOUNT OF ARTHUR VEREEN CONSTRUCTION COMPANY?

A NO.

Q AND DID YOU FIND ONE INTO THE ACCOUNT OF PARKWAY OFFICES, A DEPOSIT?

A NO.

Q DID YOU FIND ONE, A DEPOSIT, INTO THE ACCOUNT OF PARK PLACE PROPERTIES?

A NO.

Q AND THEN DOES ARTHUR VEREEN CONSTRUCTION COMPANY

AND MR. VEREEN AGREE THAT IT OWES TO A&E?

MR. DURANT: YOUR HONOR, WE OBJECT TO THAT QUESTION. SHE COULDN'T ANSWER THAT WHETHER OR NOT ONE OF THESE ...

JUDGE HOWE: DON'T YOU THINK THAT IS A APPROPRIATE QUESTION FOR MR. VEREEN?

MS. COOK: OKAY.

Q LET'S TURN TO THE TAHITIAN PRINCESS. IS THAT TAB 12?

A IT TAB 12, I BELIEVES SUSAN PROVIDED A COPY OF A ARTHUR VEREEN CONSTRUCTION COMPANY DEPOSIT SLIP DATED DECEMBER THE 22ND, 2003, IN THE AMOUNT OF $15,000. AND, IN CONVERSATIONS WITH MY DAD, WE AGREED THAT, THAT WAS MONEY THAT WAS RECEIVED BY ARTHUR WAYNE VEREEN CONSTRUCTION COMPANY AS REIMBURSEMENT FOR EXPENSES PAID BY ARTHUR WAYNE VEREEN CONSTRUCTION COMPANY AND THAT PAYMENT IS REFLECTED IN EXHIBIT "78" ARTHUR VEREEN CONSTRUCTION COMPANY ACCOUNTS RECEIVABLE AT TAB 7.

Q AND HOW ABOUT TAB 13?

A TAB 13, SUSAN JUST HAD A SHEET WITH A LIST OF 12 CHECK NUMBERS WITH DATES AND CHECKS BEING IDENTIFIED AS BEING WRITTEN TO ARTHUR VEREEN CONSTRUCTION COMPANY IN VARYING AMOUNTS. SO I

WENT AND PULLED EACH OF THOSE CHECKS TO MAKE SURE THAT THEY HAD BEEN WRITTEN AND HAD BEEN DEPOSITED INTO ARTHUR VEREEN CONSTRUCTION COMPANY AND VERIFIED THAT THEY HAD AND SHOWED THEM AS RECEIPTS TO ARTHUR VEREEN CONSTRUCTION COMPANY IN EXHIBIT "78" AT TAB 69.

MR. DURANT: WHICH ONE ARE YOU ON NOW?

MS. COOK: 13.

MR. DURANT: THE $113,000?

MS. COOK: YES, SIR.

Q DOES YOUR FATHER AND ARTHUR VEREEN CONSTRUCTION COMPANY DISPUTE THAT IT OWES THAT BACK TO A&E?

A WE DISPUTED IT INASMUCH AS IT IS OWED BACK TO A&E ONLY TO THE EXTENT THAT IT EXCEEDS ANY EXPENSES PAID BY ARTHUR VEREEN CONSTRUCTION COMPANY.

Q TAB 14?

A TAB 14 WAS TWO PAYMENTS TO CAROLINA FIRST BANK, TWO DIFFERENT CHECKS AND ...

Q THESE WERE PAYMENTS BY A&E TO CAROLINA FIRST BANK?

A CORRECT. WHEN WE MET WITH SUSAN AND THE REST OF EVERYBODY HERE IN MRS. BRADY'S OFFICE, WE EXPLAINED THAT WE AGREED WITH THE CHECK 1102 ON JUNE 1ST, THAT, THAT WAS PAYMENT FOR PROPERTY

TAXES ON THE A&E BUILDING, BUT FOR THE PRIOR YEAR, NOT FOR 2004, BUT FOR 2003. SO WE AGREED THAT WAS A PERSONAL EXPENSE OWED BY MY DAD BACK TO A&E. HOWEVER, CHECK 1304 DATED 6/24/04 IN THE AMOUNT $17,426 WAS A CHECK WRITTEN TO CAROLINA FIRST FOR A CERTIFIED CHECK ON A METAL BUILDING WHICH WAS AN A&E PROJECT, JACK FROST.

Q LET ME STOP YOU THERE FOR JUST A MINUTE. WHEN MRS. BRADY IN HER REPORT IN 2004, LISTED THESE CHECKS UNDER TAB 14 REFLECTING PAYMENTS FROM A&E TO CAROLINA FIRST, DID SHE HAVE ANY BACKUP TO VERIFY THAT THOSE CHECKS WERE ACTUALLY WRITTEN TO CAROLINA FIRST?

A ALL I HAVE WAS A PIECE OF PAPER WITH TWO CHECKS WRITTEN ON IT.

Q SHE HAD NO CHECKS, NO CANCELED CHECKS, NO COPIES OF THE CHECKS, NO BANKING ACCOUNT STATEMENTS SHOWING THAT HAD BEEN WRITTEN OUT OF A&E BEHIND THIS TAB?

A NO.

Q DID YOU GO AND FIND THE ACTUAL PROOF OF THE CHECKS HAVING BEEN WRITTEN?

A I DID.

Q IS THAT CONTAINED IN EXHIBIT "78"?

A NO.

Q DID YOU -- BUT YOU DID CONFIRM THAT THOSE TWO CHECKS HAD BEEN WRITTEN BY A&E TO CAROLINA FIRST?

A YES.

Q HOW DID YOU CONFIRM THAT?

A I PULLED THE CHECK AND I PULLED THE CORRESPONDING CERTIFIED CHECK RECEIPT AND WENT TO THE JOB FILE AND PULLED TO MAKE SURE THAT ...

MR. DURANT: WHERE IS THAT IN THIS BOOK? DO YOU HAVE A TAB FOR IT?

MS. COOK: NO, SIR.

A I PULLED THE INVOICE OUT OF THE JOB FILE FOR THE METAL BUILDING.

Q AND DID YOU PROVIDE THAT INVOICE TO THE PLAINTIFFS?

A I KNOW WE BROUGHT THEM A COPY OF THE CHECK STUB THAT CARRIE KEEPS IN THE ACCOUNTS PAYABLE AS PART OF WAYNE'S ACCOUNTS RECEIVABLE NOTEBOOK THAT WAS PRODUCED TO THE DEFENDANTS IN NOVEMBER.

Q SO, IN WAYNE'S ACCOUNTS RECEIVABLE NOTEBOOK WILL BE A COPY OF THE TOP OF A CHECK STUB SHOWING -- WELL, LET'S GET BACK TO --

MR. DURANT: YOUR HONOR, THERE IS NO REFERENCE IN THIS BOOK AND I SEE IT NOWHERE IN THE INFORMATION THAT SHE

PROVIDED TO ME.

MS. COOK: FRANK, I'M GETTING THERE.

MR. DURANT: OKAY.

MS. COOK: YOUR HONOR, CAN YOU BEAR WITH US JUST A MINUTE? MAYBE WE COULD TAKE A BREAK FOR JUST A MINUTE?

JUDGE HOWE: SURE.

(DISCUSSION HELD OFF THE RECORD.)

Q MRS. SISSON, I WANT TO HAND YOU WHAT I HAVE PRE-MARKED AS DEFENDANT'S EXHIBIT "83". CAN YOU IDENTIFY THAT DOCUMENT FOR THE COURT?

A YES. THIS IS ANOTHER NOTEBOOK THAT I PREPARED ENTITLED, "ARTHUR W. VEREEN LAWSUIT ACCOUNTS RECEIVABLE." AND THE PURPOSE OF COMPILING THIS NOTEBOOK WAS TO ADDRESS EACH OF THE ITEMS IN THE COMPLAINT BECAUSE SOME OF THOSE ITEMS WERE NOT REFLECTED IN SUSAN'S NOTEBOOKS. AND SO I WANTED TO MAKE SURE THAT WE HAD ADDRESSED EVERYTHING IN THE COMPLAINT AND EVERYTHING IN SUSAN'S NOTEBOOKS. THAT'S WHY I PUT THIS NOTEBOOK TOGETHER.

Q WOULD YOU DESCRIBE TO THE COURT HOW YOU SET IT UP, HOW IT'S LAID OUT, AND WHERE YOU GOT THE INFORMATION THAT'S CONTAINED THEN BEHIND EACH OF THE TABS?

A IT IS SET UP, I BELIEVE, ACCORDING TO THE WAY THE COMPLAINT IS LAID OUT REGARDING MONIES THAT THE PLAINTIFF ALLEGES THAT ARE OWED BY THE DEFENDANTS TO A&E. AND THEN, FOR EXAMPLE, THE PLAINTIFF ALLEGES THAT A CERTAIN AMOUNT IS OWED BY THE PARK PLACE PUTT-PUTT JOB. SO, THAT IS AN ITEM HERE -- WHAT THEY CLAIM AND WHAT WE ALLEGE IS THE CORRECT AMOUNT AND THEN I PROVIDED THIS REPORT WHICH SUPPORTS OUR CLAIM OF THE CORRECTED AMOUNT. AND I HAVE GONE THROUGH EACH THING, EACH ITEM OF THE COMPLAINT THAT WAY AND ADDRESSED IT.

Q AND IN THE COMPLAIN...

MR. DURANT: IS THERE ANOTHER COPY OF THAT SOMEWHERE?

MS. COOK: HOLD ON JUST A MINUTE.

A FRANK, IF YOU WANT ME TO LOOK AT MY COPY YOU CAN HAVE THIS COPY IF YOU WANT ME TO DO THAT?

MR. DURANT: I DIDN'T GET THIS, YOUR HONOR.

MS. COOK: YES, SIR. OKAY. I TELL YOU WHAT I'M GOING TO DO, I'M GOING TO GIVE YOU MY COPY. LET'S GIVE THE COURT THE COURT'S COPY. IF THE COURT DOESN'T MIND, I'M GOING TO STAND OVER THE

SHOULDER OF MY CLIENT?

JUDGE HOWE: THAT'S FINE.

Q BUT I WANT TO GO BACK FOR JUST A MINUTE ABOUT HOW YOU HAVE THIS NOTEBOOK SET UP. IN THE PLAINTIFF'S COMPLAINT, THE FIRST CAUSE OF ACTION UNDER PARAGRAPH 11, THERE ARE SUB-PARAGRAPHS THAT GO A) THROUGH CC), CORRECT?

A YES.

Q DOES THAT CORRESPOND IN SOME WAY TO THE TABS THAT YOU HAVE SET OUT IN THIS NOTEBOOK?

A YES.

Q WHILE YOU HAVE GOT NUMBERS 101, 102, 103, DOES THAT CORRESPOND TO THE A, B, C ANYTHING LIKE THAT OR ARE YOU JUST ...

A REALLY, I JUST USED TABS THAT I HAD IN MY OFFICE. I TRIED TO USE SOMETHING COMPLETELY DIFFERENT THAT WHAT IS IN THE OTHER NOTEBOOK SO THAT THERE WOULD BE NO CONFUSION.

Q OKAY. AND YOU TOOK EACH ALLEGATION IN THE COMPLAINT UNDER PARAGRAPH 11, AND ADDRESSED IT IN THIS NOTEBOOK?

A YES. AND THEN IN ADDITION, I ALSO FOUND ...

Q HOLD ON. AND AT THE BEGINNING OF THAT NOTEBOOK, WHICH WE HAVE MARKED FOR IDENTIFICATION AS PLAINTIFF'S "83", THE FIRST 3 PAGES, ARE AN

INDEX OR A SUMMARY TO EACH OF THE TABS, IS THAT CORRECT?

A YES.

Q AND WHAT WERE YOU GOING TO SAY WAS NEXT?

A IN DOING MY REVIEW OF THE A&E RECORDS, I FOUND A FEW JOBS ON THE GENERAL LEDGER THAT SUSAN HADN'T ACCOUNTED FOR, SO I ADDED THOSE AS WELL AS THINGS LIKE PERSONAL EXPENSES THAT WERE DUE BACK TO A&E.

Q YOU FOUND ACTUALLY MORE JOBS AND MORE EXPENSES THAN SUSAN HAD RECORDED IN SOME INSTANCES THAT YOU ADDED THE ACCOUNT COMPLETELY FOR THE EXPENSES OWED BY VEREEN SOURCES?

A THAT'S CORRECT.

Q AND WAS THIS NOTEBOOK -- WHAT'S BEHIND EACH OF THE TABS THEN?

A IT'S THE BACKUP OR THE PURPOSE FOR THAT EXPENSE.

Q IS IT A CHECK AND THEN WHETHER IT'S INVOICES, BILLS, OR ACCOUNTING STATEMENTS?

A THESE ARE AMOUNTS THAT CAME OUT OF A&E'S CHECKING ACCOUNT. SO, THEY ARE EITHER JOB LEDGERS IF THEY RELATE TO A JOB OR THEY ARE CHECKS IF THEY RELATE TO A SPECIFIC PAYMENT.

MS. COOK: YOUR HONOR, WE WOULD LIKE TO INTRODUCE EXHIBIT "83" INTO EVIDENCE.

JUDGE HOWE: ANY OBJECTION?

MR. DURANT: YOUR HONOR, THE OBJECTION IS THIS WASN'T GIVEN TO US. THEY HAVE GOT IT TABBED A DIFFERENT WAY. WE DON'T KNOW HOW THEY DID IT. YOU ARE ASKING US TO ADDRESS SOMETHING IN A ACCOUNTING THAT WASN'T GIVEN TO US THIS WAY ON DECEMBER 1ST, 2010 AS YOU REQUIRED.

JUDGE HOWE: WAS THE INFORMATION GIVEN TO YOU? I MEAN, MAYBE THE NOTEBOOK WASN'T GIVEN TO YOU, BUT WAS THE INFORMATION?

MR. DURANT: THERE IS NO WAY TO EVEN LOOK AT THIS TO KNOW WHAT YOU ARE DOING BECAUSE THEY MIXED IT ALL -- IT'S GIVEN IN DIFFERENT SCENARIOS. WE WERE LOOKING FOR INVOICES AND CHECKS. I DON'T KNOW WHAT SHE HAS GOT THERE BECAUSE I HAVEN'T SEEN IT.

MS. COOK: YOUR HONOR, THIS INFORMATION WAS PRODUCED BY NOVEMBER 15TH WHEN ALL THE OTHER NOTEBOOKS WERE PRODUCED. IT WAS NOT TABBED IN THIS FORMAT, BUT I BELIEVE EVEN THE SUMMARY WAS PROVIDED AT THAT TIME. ADDITIONALLY, WHEN WE WENT

TO MRS. BRADY'S OFFICE THE FIRST TIME IN JANUARY, IN THE PARTICULAR NOTEBOOK AS YOU GOT THROUGH, SOME OF THE BACKUP THERE WILL BE LITTLE SCRIBBLES ON THE SIDE OF THE PAGE THAT ARE O'S. IT'S BETH'S WRITING, BUT MRS. BRADY COULDN'T MAKE OUT WHAT IT WAS. AND I HAVE A VIVID MEMORY OF MRS. BRADY SAYING, "WHAT DOES THIS MEAN? WHAT DOES THIS MEAN?" IT WAS NOT TABBED IN THAT WAY WHEN WE PRODUCED IT NOVEMBER 15TH. I DON'T DISPUTE THAT, BUT IT WAS PRODUCTION ON NOVEMBER -- IT WAS PRODUCED IN THE PRODUCTION WE DID ON NOVEMBER 15TH, WHERE MR. DURANT -- AT MR. DURANT'S REQUEST. HE CHOSE MCGEE/CADD TO DO THE RUNNING OFF. WE DELIVERED ALL THE NOTEBOOKS TO MCGEE/CADD. ALL OUR NOTEBOOKS TO MCGEE/CADD THEY WERE RUN OFF. WE WENT BACK AND PICKED OURS UP AND FRANK AND THEM WHEN AND PICKED THEIRS UP.

JUDGE HOWE: WHAT DOES THAT MEAN?

MS. COOK: OVERHEAD.

MR. DURANT: YOUR HONOR, THERE WAS A

GENERAL OBJECTION OF ALL OF THOSE THAT INCLUDED JUST A CREDIT CARD AND NO PAYMENT. SO HE MIGHT HAVE -- ARTHUR VEREEN, INDIVIDUALLY, HAS A WHOLE BUNCH OF CREDIT CARD CHARGES. WHEN I SAY, "CHARGES" MONTHLY STATEMENTS AND THEN SOMEONE TO WRITE O ON IT AND THEY WERE TABBING THEM ALL UP. SO, THERE'S NO INVOICE AND THERE'S NO CHECK. I DON'T KNOW WHAT SHE HAS GOTTEN OR WHETHER THEY HAVE ADDED IT LATER. IF MS. COOK SAYS THAT THEY HAVEN'T, THEN I BELIEVE HER. SHE IS AN OFFICER OF THE COURT, BUT I DON'T KNOW IF SHE CAN SAY THAT TODAY BECAUSE THEY HAVE ADDED STUFF IN THERE AND THAT'S WHAT IS DANGEROUS BECAUSE WE RELIED ON 12/1 WITH HER EXPERT TO KNOW THAT THIS IS WHAT WE HAVE TO DEAL WITH AND I DON'T KNOW IF THIS IS DIFFERENT OR NOT.

MS. COOK: YOUR HONOR, I CAN ASSURE YOU AND I KNOW FRANK -- I WOULD BE DOING EXACTLY WHAT FRANK IS DOING. BUT I WOULD ATTEST TO THE COURT I MADE IT VERY CLEAR AND I KNOW BETH DID, ANYTHING THAT

WE ADDED AFTER -- IN THESE NOTEBOOKS AFTER THE CUTOFF DAY, IT'S IN BLUE OR YELLOW. THIS INFORMATION WAS PRODUCED WITH THE NOVEMBER PRODUCTION. IT WAS NOT TABBED IN THAT WAY AND THEN WHEN WE WERE IN MRS. BRADY'S OFFICE IN DECEMBER, WE WENT OVER IT AND --

MR. DURANT: IF IT IS, IT IS, YOUR HONOR, BECAUSE IT LOOKS DIFFERENT. IT'S ENTIRELY DIFFERENT. I CAN'T LOOK AT A PAGE AND KNOW IF IT MATCHES.

JUDGE HOWE: YOU DIDN'T SEE IT IN THIS FORMAT, BUT THE DOCUMENTS WERE WITH THIS?

MR. DURANT: CORRECT.

JUDGE HOWE: I'M GOING TO ALLOW IT.

MS. COOK: THANK YOU, YOUR HONOR. I'VE GIVEN MR. DURANT A COPY OF IT NOW.

AWV, NOTEBOOK
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "83".

JUDGE HOWE: MRS. BRADY, IF YOU NEED TO LOOK OTHER THEIR SHOULDER.

Q MRS. SISSON, I THINK WHEN WE STARTED WE WERE

ACTUALLY LOOKING AT EXHIBIT "82", WHICH IS YOUR SUMMARY SHEETS THAT CORRELATE TO MRS. BRADY'S REPORT. WE WERE LOOKING AT TAB 14 OF HER REPORT THAT DEALT WITH TWO CHECKS WRITTEN BY A&E TO CAROLINA FIRST?

A CORRECT.

Q AND IF I UNDERSTAND YOU CORRECTLY, YOU VERIFIED THAT THE A&E CHECK FOR $3,893.35 WAS WRITTEN OUT OF A&E AND THAT WAS A PERSONAL EXPENSE OF MR. VEREEN AND AGREE THAT MR. VEREEN AGREES THAT HE OWES THAT TO A&E?

A THAT'S CORRECT.

Q WITH REGARD TO THE CHECK WRITTEN TO CAROLINA FIRST IN THE AMOUNT OF $17,426.80, DID YOU FIND THAT CHECK?

A I DID. I FOUND THAT CHECK IN A&E'S RECORDS AND THE -- IT'S THE YELLOW COPY OF THE CHECK WHICH IS THE DUPLICATE COPY OF THE CHECK THAT CARRIE KEEPS IN HER FILES. IT'S A CASHIER CHECK FOR JACK FROST, MAKE CHECK PAYMENT TO ROCKFORD MANUFACTURING.

Q SO THAT THE COURT CAN SEE AND MR. DURANT CAN SEE THE COPY OF THE CHECK TOO, WHAT EXHIBIT IS IT CONTAINED IN?

A IT'S CONTAINED IN EXHIBIT "83" TAB 109.

Q AND WAS THAT CHECK IN THE BOOKS AND RECORDS OF A&E?

A IT WAS.

Q AND THE TOP OF THAT CHECK, DOES IT INDICATE -- WHAT DOES IT SAY ON THE CHECK THAT THE INDICATION IS WRITTEN FOR?

A IT SAYS, "CASHIER CHECK FOR JACK FROST. MAKE CHECK PAYABLE TO ROCKFORD MANUFACTURING" AND THEN FROM THERE, I WENT TO THE JOB FILE AND FOUND A COPY OF THE OFFICIAL CHECK. THE OFFICIAL CASHIER'S CHECK AS WELL AS THE DELIVERY INVOICE FOR THE METAL BUILDING.

Q WHERE IS THAT CONTAINED?

A IN THE RECORDS OF A&E.

MR. DURANT: ARE YOU TALKING ABOUT CHECK 2387 FOR $23,089.75?

MS. COOK: NO, SIR.

A IT'S CHECK 1304. IT'S DATED ...

JUDGE HOWE: IT'S UNDER TAB 109.

MR. DURANT: I DON'T SEE AN INVOICE HERE IN THE ONE THAT I HAVE.

A I JUST WENT AND PULLED THE INVOICE FROM A&E'S JOB FILE. SO IT'S NOT BEHIND THAT TAB.

Q HAS THAT INVOICE BEEN PRODUCED TO THE PLAINTIFF?

A IT WASN'T PRODUCED IN THESE NOTEBOOKS, BUT IT

WAS PRODUCED AS PART OF A&E'S RECORDS OF MARCH 2009.

MR. DURANT: YOUR HONOR, THAT DOES NOT COMPLY WITH THE COURT.

MS. COOK: I AGREE, YOUR HONOR. I'M NOT DISCOUNTING THAT.

Q HAS IT BEEN PROVIDED IN EITHER OF THE BLUE OR YELLOW SHEETS?

A NO.

Q SO WHAT'S BEEN PRODUCED ON THE CUTOFF -- BY THE CUTOFF DATE AND WHAT'S BEEN PRODUCED TO DATE IS A COPY OF THE CERTIFIED CHECK FROM --

A IT'S A COPY OF THE A&E CHECK.

Q TO CAROLINA FIRST WITH THE TOP OF THE CHECK INDICATING THAT IT IS TO BE MADE PAYABLE TO ROCKFORD MANUFACTURING?

A YES.

MR. DURANT: YOUR HONOR, WE OBJECT TO THIS CHECK BECAUSE SHE DIDN'T GET AN INVOICE FOR THIS. ALL THIS IS, IS A COPY OF THE CHECK AND THAT DOES NOT COMPLY WITH YOUR ORDER.

MS. COOK: YOUR HONOR, YOUR ORDER SAYS THAT IF WE ARE GOING TO PROVIDE INVOICES -- IT DOES NOT SAY THAT YOU WON'T

CONSIDER IT. IT SAYS THAT WE WILL PROVIDE WHATEVER BACKUP DOCUMENTATION THAT WE HAVE THAT THE COURT IS GOING TO CONSIDER BY DECEMBER 1ST. WE DID NOT HAVE --

JUDGE HOWE: IF YOU DON'T HAVE IT, YOU CAN'T PROVIDE IT.

MS. COOK: THAT'S RIGHT. WE DIDN'T HAVE IT AND WE DIDN'T PROVIDE IT. AND WE ARE NOT TRYING TO PUT IT IN NOW, BUT WE HAD THE CHECK. WE CAN PUT THE CHECK IN, YOUR HONOR. YOUR HONOR CAN DISCOUNT IT. YOUR ORDER DOES NOT SAY THAT YOU WILL EXCLUDE THAT FROM YOUR CONSIDERATION. I FULLY EXPECT, YOUR HONOR, TO WEIGH THAT BECAUSE IT'S A CHECK AND IT DOESN'T HAVE AN ACCOMPANIED INVOICE AND YOUR HONOR CAN DO WITH IT WHAT YOU WOULD LIKE.

MR. DURANT: YOUR HONOR, THE BACKUP THAT'S THE FIRST OF THE BACKUP, THIS CHECK WAS MADE PAYABLE TO CAROLINA FIRST BANK. IT WASN'T MADE PAYABLE TO ROCKFORD ...

JUDGE HOWE: I SEE THAT. YOU CAN CROSS-EXAMINE ON THAT.

Q WAS THERE A JOB, MRS. SISSON, DONE BY A&E THAT WENT BY THE NAME OF JACK FROST?
A YES, THERE WAS.
Q EXPLAIN TO THE COURT WHAT THAT JOB WAS?
A IT WAS A METAL BUILDING WE BUILT FOR A CHRISTIAN PUBLICATION PRODUCTION OUT IN CONWAY.
Q AND I CALLED THEM "BUTLER BUILDINGS." IT WAS BUTLER BUILDER?
A WELL, IT WAS A ROCKFORD MANUFACTURING BUILDING.
Q WHAT WAS THE SCOPE OF A&E'S WORK ON THAT JOB? WHAT DID YOU HAVE TO DO?
A FIRST, WE ASSISTED THE OWNERS, WHO ARE FRIENDS OF MINE. WE ASSISTED THE OWNERS IN DEVELOPING A CONCEPT FOR THE BUILDING; HOW BIG THEY NEEDED IT TO BE, WHY THEY WANTED TO SET THE BUILDING UP AS FAR AS OFFICE SPACE VERSES WAREHOUSE SPACE, WHETHER THEY WANTED ROLL-UP DOORS OR BARN DOORS. THEN WE CLEARED THE PROPERTY, GRATED THE PROPERTY, PUT THE FOUNDATION IN. WE ORDERED A METAL BUILDING. WE HAD IT ERECTED ONSITE AND THEN WE UP-FITTED THE INTERIOR SPACE FOR THEIR NEEDS.
Q DID YOU PARTICIPATE IN THAT JOB?
A YES.
Q AND DO YOU RECALL WHO A&E ORDERED THAT METAL

BUILDING FROM?

A WE ORDER A LOT OF OUR METAL BUILDINGS FROM ROCKFORD MANUFACTURING.

Q AND YOU KNOW WHAT THIS $17,426.80 CHECK WAS WRITTEN TO CAROLINA FIRST FOR?

A IT WAS FOR A CASHIER CHECK FOR THE JACK FROST METAL BUILDING.

Q AND WAS THAT AN EXPENSE OF A&E?

A YES, IT WAS.

Q PER SUSAN BRADY'S REPORT, IT IS YOUR UNDERSTANDING UNDER TAB 14 OF HER REPORT THAT SHE IS SEEKING OR THE PLAINTIFFS ARE SEEKING TO HAVE YOUR FATHER OR ONE OF HIS ENTITIES PAY TO A&E $17,426.80?

A YES, SHE IS.

Q AND WHY DOES YOUR FATHER DISPUTE THAT?

A BECAUSE THAT WAS A LEGITIMATE A&E EXPENSE PAID BY A&E ON AN A&E JOB.

Q LET'S GO TO EXHIBIT "15".

A EXHIBIT "15" IS WHAT IS CALLED THE PUTT-PUTT JOB. SUSAN PROVIDED THE JOB LEDGER FOR 2004, RUNOFF OF THE A&E ACCOUNTING SOFTWARE.

Q AND ACCORDING TO THAT JOB LEDGER FOR THE PUTT-PUTT -- WELL, WHAT WAS THE PUTT-PUTT JOB? WAS THE PUTT-PUTT JOB AN A&E JOB?

A THE PUTT-PUTT JOB WAS A PARK PLACE PROPERTIES JOB. THE PUTT-PUTT AND THE SURROUNDING AREA WAS PURCHASED BY PARK PLACE PROPERTIES AND THE PUTT-PUTT WAS REMODELED TO MAKE IT MORE CONDENSED AND ALLOW FOR THE 23 HOMES TO BE BUILT ADJACENT TO IT. SO THE PUTT-PUTT JOB IS THE REMODEL OF THE PUTT-PUTT AND THE POINTE MARSH JOB IS THE DEVELOPMENT OF THE HOMES.

Q DID A&E SERVE AS A -- AND PROVIDE LABOR AND MATERIALS FOR THE PUTT-PUTT REMODEL?

A YES.

Q AND WAS A&E PAID FOR THE WORK IT DID ON THE PUTT-PUTT JOB OWNED BY PARK PLACE PROPERTIES?

A IT WAS PAID IN THE FORM OF REIMBURSEMENTS BY MY DAD, WAYNE VEREEN, OR HIS OTHER RELATED COMPANIES.

MR. DURANT: SAME OBJECTIONS. SHE CAN'T TESTIFY AS TO WHAT THESE OTHER ENTITIES DID OR DIDN'T DO.

Q MRS. SISSON, HAVE YOU GONE BACK AND FOUND THE DOCUMENTATION TO SHOW WHAT AMOUNTS WERE PAID BY YOUR FATHER OR ARTHUR VEREEN CONSTRUCTION, OR PARK PLACE PROPERTIES, OR PARKWAY OFFICES ON A&E JOBS?

A YES, I HAVE.

Q AND HAS THAT INFORMATION BEEN PROVIDED TO THE PLAINTIFFS AND THEIR EXPERT?

A YES, IT HAS.

MR. DURANT: YOUR HONOR, I STILL OBJECT BECAUSE SHE IS TALKING ABOUT WHAT PARK PLACE PROPERTY DID OR WHAT HER DADDY DID AND WE DON'T HAVE ANY INVOICES FROM A&E TO ANY OF THESE ENTITIES FOR THESE AMOUNTS. THERE'S NO INVOICES AT ALL. I ASSUME, SHE IS TALKING ABOUT THEY MADE DEPOSITS.

JUDGE HOWE: SUSTAINED. MR. VEREEN CAN TESTIFY TO THAT BECAUSE THOSE ARE HIS ENTITIES. I UNDERSTAND MRS. SISSON DIDN'T WORK FOR THOSE ENTITIES.

Q MRS. SISSON, LET ME ASK YOU THIS QUESTION: THE JOB LEDGER ON THE PUTT-PUTT JOB THAT MRS. BRADY HAS INCLUDED BEHIND HER REPORT IN 2004 AT TAB 15. WHAT DOES IT SHOW BEING THE TOTAL COST OF THAT JOB THAT SHOULD OR WAS OWED TO A&E? FOR THAT JOB FOR THE PUTT-PUTT JOB.

A $1,211.84.

Q AND IS THAT THE AMOUNT THAT MRS. BRADY IN HER REPORT IS SEEKING TO HAVE YOUR FATHER OR ONE OF HIS ENTITIES PAY BACK TO A&E?

A YES, IT IS.

Q WHEN A&E DID A JOB FOR YOUR FATHER SUCH AS THIS PUTT-PUTT JOB FOR PARK PLACE PROPERTIES, DID IT ISSUE PAY APPLICATION OR BILLS FOR THE WORK THAT IT WAS DOING FOR YOUR FATHER'S COMPANIES?

A NO.

Q HOW WOULD YOUR FATHER OR THOSE COMPANIES KNOW HOW MUCH IT OWED A&E...

MR. DURANT: OBJECTION. SHE CAN'T ANSWER WHAT HER FATHER WOULD KNOW OR NOT.

JUDGE HOWE: SUSTAINED.

Q DOES THE JOB LEDGER SHOW WHAT IS OWED ON A PARTICULAR JOB AS A DATE THE JOB LEDGER IS RUN?

A YES, IT DOES.

Q AND DID YOU HAVE ACCESS TO THOSE JOB LEDGERS?

A YES, I DID.

Q DID YOUR FATHER HAVE ACCESS TO THOSE JOB LEDGERS?

A YES, HE DID.

Q DID A&E DO ANY JOBS FOR YOU ON PROPERTIES THAT YOU OWNED?

A YES, THEY DID.

Q WHAT JOBS DID A&E DO FOR YOU?

A IN 2006, I ENCLOSED A SCREENED PORCH ON THE BACK

OF MY HOUSE FOR A PLAY ROOM AND A&E PURCHASED THE FLOORING, THE HARDWOOD FLOORING, FOR ME IN 2006.

Q AND DID A&E SEND YOU A BILL FOR THAT?

A NO.

Q DID A&E SEND YOU A INVOICE FOR THAT?

A NO.

Q DID YOU PAY A&E FOR THAT?

A I DID.

Q HOW DID YOU KNOW HOW MUCH TO PAY A&E FOR YOUR JOB?

A I ASKED CARRIE FOR THE BILL.

Q AND WHAT WAS THE BILL? DID SHE GIVE YOU THE JOB LEDGER? DID SHE GIVE YOU AN ACTUAL BILL?

A I DON'T THINK AT THAT TIME SHE HAD SET UP A JOB LEDGER FOR ME. I'M NOT A 100% CERTAIN ABOUT THAT, BUT I BELIEVE SHE JUST WENT TO THE FILE AND PULLED THE PAYABLE OUT OF THE FILE AND HANDED IT TO ME AND I WROTE A CHECK.

Q SO YOU DIDN'T NECESSARILY GET A BILL FROM A&E, YOU GOT THE INVOICE AND YOU PAID IT TO A&E?

A CORRECT.

Q DID A&E DO ANOTHER JOB FOR YOU?

A THEY DID.

Q WHAT JOB WAS THAT?

A IN LATE 2007, I PURCHASED MY GRANDPARENTS HOME IN DOWNTOWN MYRTLE BEACH AND DECIDED TO REMODEL IT AND MOVE MY FAMILY THERE. A&E ORDERED SOME OF THE MATERIALS FOR ME OR I USED A&E'S ACCOUNT TO CHARGE SOME OF THE MATERIALS AND THINGS LIKE THAT DELIVERED TO THE HOUSE FOR THE REMODEL, AND PERIODICALLY, I WOULD ASK CARRIE FOR A PRINTOUT OF THE JOB LEDGER. SHE WOULD PRINT IT OUT AND I WOULD WRITE A CHECK AND THAT HAPPENED, I BELIEVE, ON THREE SEPARATE OCCASIONS.

Q SO A&E DIDN'T EVER SEND YOU A BILL ON THAT JOB?

A NO.

Q AND YOU LEARNED HOW MUCH YOU OWED A&E BY REVIEWING THE JOB LEDGER THAT A&E MAINTAINED ON THAT JOB?

A YES.

Q WERE THERE ANY JOBS A&E DID ON -- EXCLUDING YOUR FATHER, BUT ANY OF YOUR OTHER FAMILY MEMBERS WHO WEREN'T SENT A FORMAL BILL BY A&E, IF YOU KNOW?

A I BELIEVE ANY OTHER FAMILY-RELATED JOBS OR A&E JOBS, I BELIEVE THAT THEY WERE SENT BILLS.

Q DID YOUR FATHER UTILIZE A&E TO PERFORM ANY JOBS FOR HIM?

A HE DID.

Q LET'S GO TO TAB 16. WHAT WAS YOUR UNDERSTANDING

OF MRS. BRADY'S ITEM 16 ENTITLED, "POINTE MARSH?"

A THAT IS THE JOB LEDGER FOR 2004 FOR THE POINTE MARSH JOB.

Q THE POINTE MARSH JOB WAS PARK PLACE PROPERTIES JOB WHICH UTILIZED THE SERVICES OF A&E?

A THAT'S CORRECT.

Q AND WHAT SUPPORT DID MRS. BRADY HAVE FOR THE AMOUNT SHE SAYS IS OWED BY YOUR FATHER OR ONE OF HIS ENTITIES ON THE POINTE MARSH JOB?

A THE JOB LEDGER WHICH SHOWS A TOTAL DUE AS OF DECEMBER 31ST, 2004 OF $4,300.85.

Q AND DOES YOUR FATHER AGREE THAT HE OWES THAT AMOUNT TO A&E?

A WE DO.

Q AND PARKWAY OFFICES, TAB 17 OF MRS. BRADY, WHAT DO YOU UNDERSTAND THAT BACKUP TO BE THAT MRS. BRADY UTILIZED TO COME UP WITH HER AMOUNTS?

A I BELIEVE MRS. BRADY PROVIDED THE TOP SHEET WHICH HAS A LIST OF CHECKS. AND THEN SHE PROVIDED A JOB LEDGER FOR THE PARKWAY OFFICES JOB.

Q CAN YOU EXPLAIN TO THE COURT IF THERE WAS A PARKWAY OFFICES JOB AND WHAT IT WAS?

A PARKWAY OFFICES OWNS THE BUILDING A&E IS LOCATED

IN. AT ONE POINT, WE WERE LOCATED AT 511 ROBERT GRISSOM PARKWAY, AND WERE THERE FOR APPROXIMATELY A YEAR AND A HALF AND DECIDED TO MOVE NEXT DOOR TO THE SMALLER SPACE BECAUSE WE DIDN'T NEED SUCH A LARGE SPACE AT THAT TIME AND SO WE MOVED TO THE SMALLER SPACE ...

Q AND THE SMALLER -- BOTH THE LARGER SPACE AND THE SMALLER SPACE WERE BOTH OWNED BY PARKWAY OFFICES WHO WAS THE LANDLORD FOR THOSE BUILDINGS?

A WELL, LINDA VEREEN ACTUALLY OWNS 511 ROBERT GRISSOM PARKWAY. THE PARKWAY OFFICES OWNS 505 ROBERT GRISSOM PARKWAY, BUT PARKWAY OFFICES IS LINDA VEREEN, IF THAT MAKES ANY SENSE. ANYWAY, IN MID 2006, WE DECIDED TO MOVE NEXT DOOR TO THE SMALLER SPACE AT 505. PRIOR TO MOVING OVER THERE, IT NEEDED TO BE COMPLETE UP-FITTING. I BELIEVE MY DAD HAD STARTED IT PREVIOUSLY AND HAD DONE SOME OF THE WORK, BUT IT NEEDED TO BE FINISHED. SO THE PARKWAY OFFICES -- WHAT YOU WOULD FIND ON THE PARKWAY OFFICES JOB LEDGER ARE EXPENSES RELATED TO THAT UP-FIT. BUT ALSO ON THE PARKWAY OFFICES JOB LEDGER ARE ITEMS WHERE CARRIE WOULD INPUT, SHOP ITEMS. IF THE GUYS WERE WORKING AT THE SHOP, THEY WOULD INDICATE ON THEIR TIME CARD "SHOP" AND THE NUMBER OF HOURS

AND CARRIE WOULD PUT THAT TIME ON THE PARKWAY OFFICES JOB LEDGER.

Q LET ME STOP YOU JUST A MINUTE. I UNDERSTAND THE PART ABOUT THE PORTION OF THE JOB LEDGER THAT WOULD RELATE TO THE ACTUAL UP-FIT OF 505 ROBERT GRISSOM PARKWAY THAT'S ON THESE JOB LEDGERS, WHICH WERE PRODUCED AS BACKUP DOCUMENTATION BY MRS. BRADY BEHIND TAB 17, CORRECT?

A YES.

Q ON THOSE SAME JOB LEDGERS WHEN THE EMPLOYEES, THE CONSTRUCTION WORKERS, WOULD COME BACK TO THE SITE AND DO WORK AND ON THEIR -- AND PHYSICALLY, DO THEY HAVE A TICKET -- DO THEY HAVE A CARD WHAT DO THEY DO TO REGISTER THEIR TIME?

A A LITTLE MANILLA TIMECARD.

Q AND IF THEY WERE WORKING AT THE SHOP, WHAT TYPES OF THINGS WOULD THE CONSTRUCTION WORKERS BE DOING AT THE SHOP?

A THEY COULD BE DOING A VARIETY OF THINGS. THEY COULD BE DOING SOMETHING FOR A JOB SUCH AS BUILDING SOMETHING FOR A JOB, OR ASSEMBLING SOMETHING FOR A JOB, OR THEY COULD JUST BE STRAIGHTENING THE MATERIALS THAT WE HAVE USED AT A JOB, OR CLEANING UP THE WAREHOUSE IF IT NEEDED TO BE PUT BACK IN ORDER, OR REPAIRING A TRUCK OR

SOME EQUIPMENT. I MEAN, THERE COULD BE A VARIETY OF THINGS TO DO THERE. BUT INSTEAD OF PUTTING ON THEIR TIMECARD THAT THEY WERE DOING THAT PARTICULAR WORK, THEY JUST PUT "SHOP" BECAUSE THEY WERE AT THE SHOP.

Q OKAY. AND ON THE BACKUP THAT MRS. BRADY PUT WHERE YOU CAN SEE ON THE FIRST -- THE JOB I.D. 32001 THAT'S THE NUMBER, LIKE LAWYERS HAVE FILE NUMBERS, CONTRACTORS HAVE JOB NUMBERS SO THAT THE JOB NUMBER ASSIGNED TO SHOP, CORRECT?

A THAT'S MY UNDERSTANDING. MRS. BRADY HAS HANDWRITTEN PARKWAY OFFICES AT THE TOP OF THAT. I DON'T KNOW THE JOB NUMBERS OFF THE TOP OF MY HEAD, BUT I'M ASSUMING THAT SHE HAS VERIFIED THAT.

Q AND THEN THE FIRST IS A CATEGORY OF CHARGES AND IT'S PAYABLE TO A NUMBER OF GENTLEMEN. WERE THOSE CONSTRUCTION WORKERS THAT WORKED FOR A&E?

A YES.

Q AND IS THAT PART OF -- YOU TESTIFIED EARLIER TODAY THAT IN PREPARING SOME DOCUMENTATION TO HELP RICHARD CRUMPLER DO THE A&E TAX RETURNS, THERE WERE APPROXIMATELY SOMEWHERE BETWEEN 250 AND $300,000 PER YEAR OF UNASSIGNED JOB COSTS. DID I UNDERSTAND THAT CORRECTLY?

A THAT'S CORRECT.
Q WOULD PART OF THOSE JOB COSTS THAT WEREN'T ASSIGNED TO A PARTICULAR JOB HAVE INCLUDED SOME OF THE TIME THAT THE WORKER SPENT AT THE SHOP, BUT PREFORMING WORK FOR THE JACK FROST JOB OR THE WILLOUGHBY JOB, SOMETHING OF THAT NATURE?
A IT MAY HAVE WITHOUT GOING BACK AND LOOKING AT THAT HUGE GENERAL LEDGER THAT I WAS WORKING FROM, I WOULDN'T KNOW, SPECIFICALLY WHETHER IT WAS MISSING FROM THESE. BUT EVERY JOB LEDGER -- I USED THE JOB LEDGERS THAT CARRIE HAD PRODUCED TO RICHARD -- WELL, I GUESS SHE HAD ORIGINALLY PRODUCED THEM TO SUSAN AND THEN THEY WERE RETURNED BACK TO US AND THEY WERE GIVEN TO RICHARD. I USED THE ONES THE CPA HAD BECAUSE THEY WERE PRINTED IN 2004. SO IF THEY DIDN'T SHOW UP ON THE JOB LEDGERS THAT HAD BEEN PRINTED IN 2004, THEN I IDENTIFIED THEM ON THE GENERAL LEDGER.
Q AND ON THESE AMOUNTS THAT MRS. BRADY IS SAYING ARE OWED BY YOUR FATHER OR VEREEN SOURCES BACK TO A&E, $28,058.13 AND THE $13,123.21, DID YOU GO BACK AND DETERMINE IF ANY OF THOSE AMOUNTS ARE OWED AS PERSONAL EXPENSES BY YOUR FATHER?
A YES. DAD AND I LOOKED OVER THE JOB LEDGER FOR

PARKWAY OFFICES ACTUALLY IN ITS ENTIRETY. WE ALSO LOOKED AT IT PER YEAR BASED OFF OF SUSAN'S NOTEBOOKS TO DETERMINE WHEN IT APPEARED THAT WE STARTED DOING THAT UP-FIT BASED ON LABOR AND BASED ON MATERIALS BEING CHARGED AND SORT OF ESTIMATED A YEAR AND A HALF, I BELIEVE TIMEFRAME, AND CAPTURED THOSE AMOUNTS BEEN DIRECTLY RELATED TO THE UP-FIT OF THE OFFICE SPACE.

Q AND THE UP-FIT OF THE OFFICE SPACE SHOULD BE A PERSONAL EXPENSE BORN MY YOUR FATHER OR SOME OF THE COMPANIES THAT OWN THE OFFICE SPACE, NOT AN A&E EXPENSE, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND WHAT DID YOU DETERMINE WAS OWED TO A&E FOR THE OFFICE UP-FIT?

A $2,233.75.

Q THE REMAINING AMOUNT THAT THE PLAINTIFF ALLEGES IS DUE TO A&E, WHAT ARE THOSE AMOUNTS FOR?

A THOSE ARE AMOUNTS FOR ITEMS THAT CARRIE CHARGED TO PARKWAY OFFICES THAT COULD HAVE BEEN MATERIALS THAT WERE DELIVERED TO THE SHOP RATHER THAN DELIVERED TO A PARTICULAR JOB. SO, IT COULD BE TAKEN EARLIER THE NEXT MORNING. IT COULD BE A NUMBER OF THINGS.

Q WERE THOSE EXPENSES RELATING DIRECTLY TO MATERIALS OR LABOR BEEN PROVIDED AT THE SHOP, PHYSICALLY, BUT RELATED TO THE A&E JOBS?
A YES.
Q LET'S GO TO TAB 18. ACCORDING TO MRS. BRADY'S 2004 REPORT, SHE, ON BEHALF OF THE PLAINTIFF'S RECORD THAT $106,571.73 IS OWED BY YOUR FATHER OR VEREEN SOURCES TO A&E, DID YOU INVESTIGATE THIS -- FIRST OF ALL, WHAT, IF ANY, BACKUP DID MRS. BRADY PRESENT FOR TAB 18, THE 106,000 CHARGE?
A SHE PRESENTED A 2004 JOB LEDGER FOR THE PLANTATION LAKES JOB.
Q WHAT WAS THE PLANTATION LAKES JOB?
A IT WAS A HOUSE THAT WAS BUILT ON LOT 19 IN THE PLANTATION LAKES OUT IN CAROLINA FOREST.
Q WAS THAT AN A&E JOB?
A YES, IT WAS.
Q WHO OWED THE LOT THAT THE PLANTATION LAKES HOUSE WAS BUILT ON?
A MY DAD DID.
Q DID YOUR DAD HIRE A&E TO BUILD THE HOUSE?
A A&E APPLIED FOR THE PERMIT. A&E APPLIED FOR THE ARCHITECTURAL REVIEW BOARD APPROVAL AT PLANATION LAKES AND A&E BUILT THE HOUSE.

Q NOW, WHEN THE HOUSES BEING BUILT ON THE LOT OWNED BY YOUR FATHER, BUT A&E WAS BUILDING IT, IT WAS AN A&E JOB. WAS THAT HOUSE BEING BUILT FOR SPECULATIVE SALE OR WAS IT ALREADY SOLD TO AN INDIVIDUAL?

MR. DURANT: YOUR HONOR, I OBJECT TO THIS WITNESS. SHE COULDN'T POSSIBLY KNOW WHY HER FATHER BUILT IT UNLESS HE WERE TO JUST TELL HER.

JUDGE HOWE: SUSTAINED.

Q SOMETIME DURING THE CONSTRUCTION OF THE A&E -- OF THE HOUSE AT PLANTATION LAKES, WAS IT SOLD TO A COUPLE?

A YES, IT WAS.

Q AND WAS THE HOUSE ALREADY FINISHED WHEN THE CONTRACT WAS ENTERED INTO AS FAR AS YOU KNOW?

A YES. I BELIEVE IT WAS.

Q AND ACCORDING TO THE JOB LEDGER THAT MRS. BRADY PROVIDED, WHAT DOES IT SHOW THE TOTAL -- THE TOTAL OWED ON THE JOB AS BEING?

A $106,571.73.

Q WAS A&E, AS FAR AS YOU KNOW, EVER PAID FOR THE WORK IT DID ON THE PLANTATION LAKES JOB?

A YES. I BELIEVE IT WAS.

Q IF THAT WAS PAID TO A&E, DO YOU KNOW WHO PAID

THE $106,000 AND CHANGE TO A&E?

A I BELIEVE THERE WAS $102,000 SOME ODD CHANGE CHECK THAT RESULTED FROM THE CLOSINGS WITH THE WHITLEY'S ON THIS HOUSE THAT WAS DEPOSITED INTO A&E.

Q WERE THE WHITLEYS THE COUPLE THAT BOUGHT THE HOME?

A THEY WERE.

Q AND DID YOU VERIFY THAT $102,000 SOME ODD CHECK WAS DEPOSITED INTO THE ACCOUNT?

A I DID.

Q THAT WOULD LEAVE A BALANCE OF $4,000 AND CHANGE, IS THAT CORRECT?

A YES.

Q DOES YOUR FATHER AGREE THAT IF THERE IS A DIFFERENCE BETWEEN THE CHECK DEPOSITED IN A&E FOR THE WHITLEY'S --

MR. DURANT: YOUR HONOR, I OBJECT TO WHAT HER FATHER AGREES TO. THERE IS ALREADY TESTIMONY AS TO WHAT THEY DID WITH THIS PROPERTY. THIS PROPERTY WAS TRANSFERRED TO A&E WITHOUT THE KNOWLEDGE OF THE PLAINTIFF AND A&E SOLD IT TO THESE PEOPLE AND WE HAD A CHECK WHICH WAS BOOKED AS A LOAN FROM MR. VEREEN.

WE ADMIT THAT WE GOT THE $102,000 CHECK, BUT NOT ACCORDING TO THE WAY SHE IS TESTIFYING.

JUDGE HOWE: OKAY. SUSTAINED. YOU CAN DO THAT ON CROSS EXAM, I GUESS, OF MR. VEREEN.

MR. DURANT: MR. VEREEN CAN TESTIFY AS TO WHAT HE DID AND WHY HE DID IT, BUT NOT HIS DAUGHTER.

MS. COOK: WELL, I WAS JUST TRYING TO SEE IF WE COULDN'T GO AHEAD AND STIPULATE IF THERE WAS A DIFFERENCE BETWEEN 106 AND THE 102 WE WOULD PAID IT, BUT THAT'S OKAY, WE'LL DO IT THE HARD WAY.

MR. DURANT: YOUR HONOR, IN THE ACCOUNTING WHEN WE HAD THIS, THERE WAS NO PAYMENT BECAUSE HE BOOKED IT AS A LOAN. WE BOOKED IT BECAUSE WE FOUND OUT IT WAS NOT PAID. NOW, THEY'RE TREATING IT DIFFERENTLY. IT'S OKAY, BUT SHE DIDN'T LOOK AT THE RECORDS AND SEE THAT THERE WAS A BILL BECAUSE THERE WASN'T A BILL THAT'S PART OF THE PROBLEM AND THERE IS NO OVERHEAD AND THERE IS NO

PROFIT ON THE JOB ITSELF. WITH THAT BEING SAID, WE ADMIT THAT, THAT $102,000 WAS RECEIVED AND WE HAVE GIVEN THEM CREDIT FOR IT.

MS. COOK: YOUR HONOR, I DON'T THINK IT IS INCUMBENT TO DO THAT. THERE IS A FORMAL SOMETHING CALLED A BILL. IF YOU CAN ASCERTAIN FROM A JOB LEDGER HOW -- WHICH IS A BILL, HOW MUCH IS OWED ON THE JOB THAT CONSTITUTES A BILL AND MRS. BRADY HAS IT IN HER BACKUP IN HER NOTEBOOK.

MR. DURANT: YOUR HONOR, THIS COMPANY DOES WORK TO MAKE MONEY. WE DON'T FINANCE OUR SHAREHOLDERS BUSINESS WHEN HE HAS A CONSTRUCTION LOAN AND DOESN'T USE IT TO PAY US FOR MATERIALS AND SUPPLIES. WE DIDN'T MAKE ANY MONEY. THAT'S PART OF THE COMPLAINT HERE.

JUDGE HOWE: APPARENTLY. HE LOST ABOUT 4,500.

MR. DURANT: HE LOST A LOT MORE THAN THAT BECAUSE THERE IS MORE MONEY THAT WENT LATER ON, BUT THERE IS LABOR, THERE'S WORKERS' COMPENSATION, THERE'S

LIABILITY INSURANCE. THIS ARE OUT-OF-POCKET EXPENSES THAT ARE ACCOUNTED FOR BY MRS. BRADY IN HER ACCOUNTING WHICH WE NEVER COLLECTED BECAUSE THEY WERE NEVER BILLED.

MS. COOK: YOUR HONOR, I THINK THE EVIDENCE IS GOING TO SHOW THAT ALL THE LABOR AND MATERIALS, ALL THE WORKERS' COMPENSATION, INSURANCE PREMIUMS, ALL THE FICA MATCH, THAT WAS ALL PAID. YOUR HONOR, THE RECORDS WILL SHOW THAT THERE WERE NUMEROUS LOSSES ON JOBS THAT WERE GOTTEN FOR A&E BY MR. SMITH. SO I AGREE PEOPLE ARE IN BUSINESS TO MAKE A PROFIT, BUT IT DOESN'T ALWAYS WORK OUT THAT WAY, YOUR HONOR, AS UNFORTUNATELY WE ALL KNOW.

Q THE PERRY JOB, TAB 19, CAN YOU TELL THE COURT IF THERE WAS A JOB KNOWN AS THE PERRY JOB AND IT WAS AN A&E JOB KNOWN AS THE PERRY JOB?

A PERRY REFERS TO MY AUNT GAIL PERRY. SHE LIVES IN LONG BAY ESTATES AND HER JOB WAS KIND OF ONGOING. IT STARED OUT AS A ROOF REPAIR, AND THEN WE DID SOME SHEET ROCK REPAIR. THEN WE REPLACED SOME WINDOWS. WE DID SOME PAINTING.

THERE'S SOME JUST -- IT PROBABLY LASTED THE COURSE OF A YEAR WHEN WE WOULD GO BACK AND DO DIFFERENT THINGS FOR HER AT HER HOUSE.

Q MRS. SISSON, MRS. BRADY HAS THIS ONE PARTICULAR JOB. SHE'S GOT THE JOB LEDGER BEHIND IT SHOWING WHAT IS OWED OF $5,067.01 IN 2004, IS THAT CORRECT?

A CORRECT.

Q IF WE GO TO 2005, 2006, WOULD THERE BE OTHER CHARGES INCURRED FOR WORK FOR YOUR AUNT?

A YES. IT CONTINUES THROUGH 2007.

Q SO, TO GET THE TOTAL PICTURE OF THE KIND OF ONGOING JOB FOR MRS. PERRY, YOU WOULD HAVE TO ADD UP THE JOB LEDGERS FOR EACH YEAR TO GET A TOTAL AMOUNT, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND HAVE YOU DONE THAT?

A YES.

Q AND HAVE YOU VERIFIED IF YOUR AUNT MADE PAYMENTS ON THOSE JOBS?

A YES, I HAVE.

Q AND LET ME HAND YOU WHAT I'M MARKING AS EXHIBIT "84" AND ASK YOU TO TAKE A LOOK AT THAT? WHAT IS EXHIBIT "84", MRS. SISSON?

A IT IS A -- WELL, FIRST THING IS A CHECK DATED

7/13/06 IN THE AMOUNT OF $42,000 FROM GAIL PERRY TO A&E CONSTRUCTION. THE 2ND PAGE IS A DEPOSIT SLIP. IT SHOWS THAT AMOUNT WAS DEPOSITED. IT APPEARS THAT AUNT GAIL, WROTE THE WRONG DATE ON HER CHECK BECAUSE IT WAS DEPOSITED JULY 16TH, 2007. THE 3RD PAGE IS AN INVOICE FROM A&E TO GAIL PERRY FOR THE AMOUNT OF $17,770 WHICH RELATED TO THE ROOF REPAIRS, SHEET ROCK REPAIRS, AND SOME MISCELLANEOUS ITEMS THAT I WAS TESTIFYING TO EARLIER. PAGE 4, IT IS A DEPOSIT SLIP FROM -- DEPOSIT SLIP FOR A&E DATED 11/21/07 AND IT SHOWS THE FIRST PAYMENT BY AUNT GAIL FOR 17,000 ON THE PREVIOUS INVOICE, AND THEN THE LAST PAGE IS A SECOND DEPOSIT SLIP THAT SHOWS A PAYMENT OF $770.00 FOR PAYMENT ON THAT INVOICE. AND THEN IN-BETWEEN THERE IS AN A&E CHECK WRITTEN TO ARTHUR W. VEREEN FOR EXPENSES THAT HE PAID IN THE REPAIR OF THE ROOF.

Q ALRIGHT. DO YOU KNOW IF YOUR AUNT IN 2004, OR 2005, 2006, OR 2007 PAID SUFFICIENT FUNDS TO COVER THE COST FOR HER ONGOING JOB AT HER HOUSE WITH A&E?

A I BELIEVE SHE DID.

Q IS THERE SOMETHING YOU CAN LOOK AT AND SHOW THE COURT TO SHOW THOSE PAYMENTS?

MR. DURANT: YOUR HONOR, WE HAVE AGREED ON THOSE IN OUR RECORDS.

MS. COOK: I'M NOT AWARE OF THAT SO, YOU KNOW --

MR. DURANT: IT'S IN THE 2007 BOOK FOR THE CREDIT OF $17,077 GAIL PERRY JOB AT THE TOP.

MS. COOK: OKAY. I WOULD STILL LIKE TO CONTINUE.

JUDGE HOWE: Y'ALL HAVE AGREED TO MRS. PERRY'S HOME?

MR. DURANT: YES, MA'AM. IT'S ACTUALLY RECORDED ON THE BOOKS IN 2007, WHEN THE PAYMENT WAS MADE. IT WOULDN'T BE IN 2004 BECAUSE IT WASN'T PAID TILL 2007.

CHECKS, DEPOSITS, AND
INVOICES FOR THE PERRY HOUSE
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "84".

MS. COOK: I AGREE. I UNDERSTAND THAT, YOUR HONOR.

Q MRS. SISSON, IS THERE SOMETHING THAT YOU WOULD GO TO SHOW THE COURT THOSE PAYMENTS?

A IN SUSAN'S 2007 NOTEBOOK BEHIND THE PERRY TAB,

SHE INCLUDES NOT ONLY THE 2007 JOB LEDGER, BUT A CUMULATIVE JOB LEDGER AND IN THAT SHE SHOWS THAT THE EXPENSES PAID OUT ON THAT JOB WERE $16,963.47.

Q DOES IT SHOW THAT ANYTHING IS STILL OWED ACCORDING TO MRS. BRADY FROM YOUR AUNT TO A&E?

A NOT ACCORDING TO THE JOB LEDGER IT DOES NOT.

Q AND NOT ACCORDING TO THE JOB LEDGER. AND IN MRS. BRADY'S -- AT THE END OF MRS. BRADY'S 2007 REPORT, DOES SHE GO BACK AT THE END OF IT AND MAKE SOME CORRECTIONS OR CHANGES OR CREDITS FOR THINGS THAT SHE SUBSEQUENTLY FOUND HAD BEEN PAID AND FOR WHICH A&E WAS NO LONGER CLAIMING THAT THEY WERE DUE MONEY?

A SHE SHOWS PAYMENT, BUT THEN SHE ALSO CHARGES AGAINST DAD THE MISCELLANEOUS WORKERS' COMP OVERHEAD AND PROFIT.

Q COULD YOU EXPLAIN THAT IN A LITTLE BIT MORE DEPTH TO THE COURT, GIVE AN EXAMPLE?

A AT THE END OF THE '07 NOTEBOOKS, THE THINGS THAT ARE CALLED ADD-ONS EARLIER, THE ADDITIONAL ITEMS. SUSAN IDENTIFIED SOME OF THESE JOBS, WHAT SHE CALLS THE "PERSONAL JOBS" OR FAMILY JOBS. SHE TAKES EACH OF THOSE JOBS AND IN HER CALCULATION, SHE ADDS FIGURES FOR WORKERS' COMP,

FIGURES FOR OVERHEAD AND FIGURES FOR PROFIT AND SHE CHARGES THOSE ITEMS AS EXPENSES OWED BY MY FATHER BACK TO A&E.

JUDGE HOWE: WAS THERE NO PROFIT ADDED INTO THIS JOB?

MS. COOK: ON THE JOB LEDGER? ON THE JOB LEDGER AS SHE HAS IT REFLECTED IN EACH OF THE ACTUAL YEARS?

JUDGE HOWE: A&E DID NOT MAKE ANY PROFIT ON THIS JOB, IS THAT CORRECT?

A YES, MA'AM. WELL, $800.00 I BELIEVE IT WAS.

JUDGE HOWE: $800,00?

A YES, MA'AM.

JUDGE HOWE: AND A&E'S SUBCONTRACTOR AND A&E'S LABOR WAS USED ON THIS JOB?

A YES, MA'AM.

JUDGE HOWE: WHEN WAS THIS JOB DONE, WHAT YEAR?

A I THINK IT WAS OVER A SERIES OF YEARS.

JUDGE HOWE: DID IT START IN 2004?

A IT MUST HAVE BEEN BECAUSE THAT'S INCLUDED IN HER NOTEBOOK, THAT IT STARTED IN 2004 AND MUST HAVE FINISHED UP IN 2007. PROBABLY SEPTEMBER WHEN THE INVOICE WAS SENT.

JUDGE HOWE: SHE DIDN'T MAKE THE PAYMENT

TILL 2007?

A YES, MA'AM.

Q AS PART OF THAT -- HAD ARTHUR VEREEN CONSTRUCTION COMPANY BACK IN '03 ALSO DONE SOME WORK ON YOUR AUNT'S HOME?

A AGAIN, I BELIEVE THIS WAS IN THAT TIME PERIOD. IT WAS MAY 2004. IT WAS PRIOR TO WHEN -- IT WAS IN A TIME PERIOD WHEN ARTHUR VEREEN CONSTRUCTION COMPANY WAS STILL PERFORMING OR PAYING FOR SOME OF THE A&E WORK.

Q OKAY. NOW, LET'S TALK A MINUTE ABOUT TAB 21 IN MRS. BRADY REPORT, WHICH IS ENTITLED, "THE SEVEN OAKS JOB." THIS IS IN 2004.

A SEVEN OAKS IS A CONDOMINIUM COMPLEX UP IN CHERRY GROVE THAT MY DAD AND SOME OF HIS OTHER PARTNERS DEVELOPED AND HE WAS FINISHING UP AT THE END OF 2003, THE VERY BEGINNING OF 2004. AND SO THIS JOB LEDGER THAT SUSAN HAS PROVIDED BEHIND TAB 21 RELATES TO THAT JOB.

Q WAS SEVEN OAKS AN A&E JOB?

A IT WAS NOT.

Q WHOSE JOB WAS SEVEN OAKS?

A IT WAS MY DAD'S JOB.

Q AND WAS IT YOUR DAD'S JOB -- HE WAS WINDING UP SIMILAR TO SOME OF THE -- I BELIEVE IT WAS THE

-- MAYBE THE PREZE HOME THAT MR. SMITH TALKED ABOUT YESTERDAY THAT HE WAS DOING IN '03 BEFORE HE CAME ON WITH A&E IN 2004?

A YES. HE WAS WINDING THAT JOB UP.

Q WERE THERE EXPENSES FOR THE SEVEN OAKS JOB PAID BY A&E?

A YES, THERE WERE.

Q AND CAN YOU TELL ME HOW MUCH FROM YOUR INVESTIGATION THAT WAS?

A WELL, THE EXPENSES PAID OUT WERE $17,385.27, BUT THERE WAS A CREDITED AMOUNT OF 499.96 AND THAT'S THE PART WE DISPUTED. SUSAN HAD NOT CAPTURED THAT CREDIT AMOUNT IN HER TABLES.

Q SO, YOU AGREE THAT THERE ARE A&E EXPENSES THAT WERE PAID FOR ARTHUR VEREEN CONSTRUCTIONS JOB OF SEVEN OAKS IN THE AMOUNT OF $16,855.31?

A $885.31, YES.

Q SORRY. AND THE PART THAT YOU DISPUTE -- THE PART THAT ARTHUR VEREEN CONSTRUCTION DISPUTES IS A CREDIT THAT WAS GIVEN SOMEWHERE BY A SUPPLIER THAT MRS. BRADY JUST DIDN'T PICK UP?

A YES. I BELIEVE IT WAS STOCK BUILDINGS SUPPLY.

MR. DURANT: YOUR HONOR, PLAINTIFF AGREES TO THAT CORRECTION.

MS. COOK: THANK YOU.

Q LET'S SKIP TO TAB 23, WHICH IS THE MAULDIN JOB. WAS THE MAULDIN JOB AN A&E JOB?

A YES, IT WAS.

Q WOULD YOU JUST DESCRIBE -- WERE THERE -- DESCRIBE THIS JOB TO THE COURT?

A THERE WERE SEVERAL BRIAN MAULDIN JOBS AND I'M NOT SURE CARRIE KEPT A GREAT RECORD OF KEEPING THEM SEPARATE, BUT THERE WAS -- IN 2004 THERE WAS A BRIAN MAULDIN FENCE JOB, AND THEN I BELIEVE IT WAS 2006, THERE WAS A BRIAN MAULDIN MARBLE SLAB JOB, AND THEN IN 2007 THERE WAS A CARLA MAULDIN BONUS ROOM JOB. SO I THINK SHE SORT OF INTERMITTENTLY PUT -- SHE MIGHT NOT HAVE APPLIED THEM EXACTLY IN THE RIGHT PLACES.

Q HAVE YOU GONE BACK AND LOOKED AT THOSE VARIOUS MAULDIN JOBS, THE THREE JOBS THAT YOU JUST ANNUNCIATED TO THE COURT?

A YES.

Q AND HAVE YOU GONE BACK AND LOOKED AT THE PHYSICAL FILE FOR THOSE THREE JOBS, AS WELL AS THE LEDGERS THAT WERE ON THE COMPUTER SYSTEM FOR THOSE THREE JOBS?

A YES.

Q HAVE YOU GONE BACK AND LOOKED AT THE A&E CHECKING ACCOUNT REGISTERS OR MONTHLY STATEMENTS

TO SEE WHAT CHECKS WERE WRITTEN AND WHAT CHECKS CLEARED THE BANK AND DEPOSITS WERE MADE?

A YES.

Q IN LOOKING AT TAB 23 THAT MRS. BRADY HAS ON THE 2004 LIST, IT SHOWS THAT PLAINTIFFS TAKE THE POSITION THAT $7,571.46 IS OWED BY YOUR FATHER OR SOME OF YOUR FATHER'S ENTITIES ON THAT JOB. CAN YOU TELL FROM THE BACKUP THAT MRS. BRADY PROVIDED WHAT JOB THIS IS TALKING ABOUT?

A THE JOB REGISTER WHICH IS A LITTLE BIT DIFFERENT FROM THE JOB LEDGER, BUT IT HAS BRIAN MAUDLIN MATERIALS AND THESE SHOW AS MATERIALS THAT WERE CHARGED TO THAT JOB IN 2004.

Q IS THAT THE FENCE JOB?

A I BELIEVE SO.

Q AND WAS THAT AN A&E JOB?

A YES.

Q DID A&E GET PAID FOR THAT JOB?

A YES. BUT I THINK IT WAS LATER THAT THEY GOT PAID.

Q DOES MRS. BRADY IN THE END OF 2007 SHOW ANYWHERE IN HER ADJUSTMENTS IN THE LATE YEAR, GIVE OR RECOGNIZE THAT A&E WAS PAID FOR THIS $7,571.46?

A I DON'T BELIEVE SO. I DON'T REMEMBER HER MAKING THAT ADJUSTMENT FOR ANY PAYMENTS ON THIS JOB.

Q CAN YOU SHOW THE COURT ANYTHING THAT SHOWS THAT PAYMENT WAS MADE TO A&E?

A THIS JOB SHOWS UP IN 2004 AND 2005, BUT IT DOESN'T SHOW UP IN 2006 OR 2007.

Q OKAY.

A AND THERE ARE NO PAYMENTS REFLECTED ON WHAT SUSAN HAS SHOWN AS THE JOB LEDGER, BUT I KNOW THAT PAYMENTS WERE MADE. I JUST DON'T KNOW RIGHT NOW WHERE TO PUT MY HANDS ON THEM.

MR. DURANT: YOUR HONOR, I CAN'T OBJECT UNLESS SHE SHOWS SOMEWHERE THERE WAS PAYMENT.

MS. COOK: I WAS JUST FIXING TO SAY.

Q IF THERE IS NOTHING TO SHOW OR TO VERIFY THAT THOSE PAYMENTS WERE MADE TO A&E, WOULD THOSE PAYMENTS BE DUE TO A&E BY SOMEBODY? WHETHER IT'S MR. MAUDLIN?

A YES.

Q THAT WOULD BE ACCOUNTS RECEIVABLES OWED TO A&E?

A YES.

Q DID YOU THINK OF SOMETHING?

A WELL, ONE OF THE THINGS, AND THAT'S WHAT I WAS SAYING EARLIER IS THAT THERE WERE THREE BRIAN MAUDLIN JOBS. ONE OF THEM I BELIEVE THAT CARRIE -- I DON'T KNOW FOR CERTAIN, BUT I KNOW THERE

WAS BRIAN MAUDLIN MARBLE SLAB AND I THINK AT SOME POINT, WE WERE DOING CARLA MAUDLIN'S JOB THAT SHE MAY HAVE USED THIS OLD...

MR. DURANT: YOUR HONOR, I OBJECT TO HER TESTIFYING AS TO WHAT THE BOOKKEEPER MAY HAVE DONE.

JUDGE HOWE: BUT THERE WAS A PAYMENT MADE BY GAIL PERRY ON THE CARLA MAUDLIN JOB, WHICH IS THE FIRST TWO PAGES OF EXHIBIT "84".

Q AND WE WILL GET FURTHER INTO THE MARBLE SLAB AND MAYBE THAT -- THIS IS A LOT OF DOCUMENTATION AND MAYBE WE'LL SEE, BUT IF THAT IS AN ACCOUNTS RECEIVABLE THAT RIGHT NOW WE CAN'T SHOW THE COURT PAYMENT HAS BEEN MADE, BUT IF -- IS THAT CORRECT?

A YES.

Q ACCORDING TO MRS. BRADY'S REPORT IN 2004 THAT GOES OVER FROM HER SUMMARY SHEET FOR 2004, ALL THE ITEMIZED -- OR WHATEVER WE HAVE DISPUTES OVER THE ITEMIZED AMOUNTS, DOES -- AT THE END OF THAT REPORT DOES MRS. BRADY PICK UP ANY PAYMENTS TO CREDIT BACK TOWARD YOUR FATHER OR ANY OF HIS ENTITIES THAT MAY HAVE BEEN MADE IN 2004 FOR A&E EXPENSES?

A SHE DOES NOT.
Q AS WE GO FURTHER IN THE YEARS THOUGH 2005, FOR INSTANCE, WHEN SHE GETS TO THE END OF THAT INDIVIDUAL YEARS REPORT, DOES SHE PICK UP ANY PAYMENTS MADE BY YOUR FATHER OR ANY OF HIS ENTITIES OF BEHALF OF A&E?
A SHE PICKS UP SOME OF THEM.
Q TO YOUR KNOWLEDGE, WERE THERE PAYMENTS MADE BY ANY OF THE VEREEN SOURCES OR YOUR FATHER IN 2004 FOR A&E EXPENSES?
A YES.
Q HAVE YOU GATHERED INFORMATION TO INTRODUCE TO THE COURT TO SHOW THE COURT BY ENTITIES; THAT BEING YOUR FATHER, PARK PLACE PROPERTIES, PARKWAY OFFICES PAYMENTS MADE BY WHAT I AM GENERICALLY CALLING THE VEREEN SOURCES ON BEHALF OF A&E?
A YES.
Q AND IS EXHIBIT "78" THAT HAS BEEN INTRODUCED THE DOCUMENT THAT YOU HAVE COMPILED THAT HAS BEEN INTRODUCED IN COURT TO SHOW THE PAYMENTS MADE BY ARTHUR VEREEN CONSTRUCTION COMPANY FOR A&E EXPENSES?
A YES, IT IS.
Q AND YOU HAVE, LIKEWISE, DONE THE SAME THING IN

WHAT WE HAVE PRE-MARKED AS DEFENDANT'S EXHIBIT "77" OUTLINING THE PAYMENTS MADE BY YOUR FATHER INDIVIDUALLY FOR A&E EXPENSES, IS THAT CORRECT?

A YES, I HAVE.

MR. DURANT: YOUR HONOR, IS SHE TALKING ABOUT CHECKS MADE FROM THESE ENTITIES THAT WERE DEPOSITED INTO THE ACCOUNT? IS THAT WHAT YOU'RE TALKING ABOUT?

MS. COOK: I'M TALKING ABOUT PAYMENTS MADE FROM -- ON BEHALF -- BY MR. VEREEN ON BEHALF OF A&E.

MR. DURANT: YOU MEAN TO A&E?

MS. COOK: ON BEHALF OF A&E.

MR. DURANT: I DON'T UNDERSTAND WHAT YOU'RE SAYING.

MS. COOK: YOU HAVE THE BOOK.

MR. DURANT: I THOUGHT YOU WERE TALKING ABOUT DEPOSITS THAT WERE MADE, A CHECK FROM ARTHUR VEREEN, INDIVIDUALLY, TO A&E. THAT'S NOT WHAT YOU'RE TALKING ABOUT?

MS. COOK: INCLUDED IN THIS EXHIBIT ARE BOTH CHECKS MADE PAYABLE DIRECTLY -- WAIT A MINUTE. LET ME BE SURE.

Q MRS. SISSON, WHAT IS INCLUDED THAT YOU HAVE COMPILED SHOWING PAYMENTS MADE FOR A&E EXPENSES BY YOUR FATHER?

A I HAVE COMPILED FOUR DIFFERENT NOTEBOOKS; ONE RELATES TO PAYMENTS MADE BY HIM OR DEPOSITS MADE BY HIM TO A&E FOR ARTHUR W. VEREEN, ARTHUR VEREEN CONSTRUCTION COMPANY, PARKWAY OFFICES, AND PARK PLACE PROPERTIES.

MR. DURANT: YOUR HONOR, WE OBJECT TO HER -- I DON'T HAVE A PROBLEM IF HE WROTE A CHECK PAYABLE TO ARTHUR VEREEN AND DEPOSITED IT INTO THE ACCOUNT, BUT SHE'S GOING INTO THE CREDIT CARDS AND VERY THINGS -- SHE'S NOT COMPETENT TO TESTIFY OR INTRODUCE THAT INTO EVIDENCE. THEY HAVE TO PROVE THAT AND THAT IS VERY MUCH SO CHALLENGED.

MS. COOK: YOUR HONOR.

MR. DURANT: THIS WITNESS HAS NO KNOWLEDGE OF WHAT HE DID OR DIDN'T DO WHEN HE PAID AN INVOICE BY CHECK IN 2005 TO SOMEBODY. SHE HAS NO KNOWLEDGE OF THAT.

MS. COOK: SHE IS SAYING THAT SHE HAS COMPILED THE DOCUMENTATION AND IT'S IN

THIS NOTEBOOK. I AGREE THAT MR. VEREEN WILL HAVE TO SAY WHAT THESE ARE FOR, BUT SHE HAS GONE BACK AND COMPILED THE INFORMATION THAT SHOWS WHAT EACH OF THESE FOUR ENTITIES OR INDIVIDUALS PAID ON BEHALF OF A&E.

MR. DURANT: YOUR HONOR, THAT'S NOT AUTHENTICATION OF DOCUMENT OR AN EXHIBIT. SHE IS JUST SAYING, "I WENT IN AND PUT ALL THIS STUFF TOGETHER AND DADDY IS GOING TO COME IN AND SAY THAT THEY WERE APPROPRIATE EXPENSES." I DON'T HAVE A PROBLEM WITH THEM AS AN EXHIBIT, BUT IT CERTAINLY DOESN'T NEED TO GO INTO EVIDENCE.

JUDGE HOWE: IT DOESN'T AUTHENTICATE IT?

MR. DURANT: NO. SURELY IT DIDN'T.

JUDGE HOWE: WELL, HOW IS SHE GOING TO AUTHENTICATE IT?

MS. COOK: WELL, HER FATHER IS GOING TO AUTHENTICATE IT.

JUDGE HOWE: I THINK HE'LL HAVE TO INTRODUCE IT.

MS. COOK: CAN SHE UTILIZE IT --

Q DO YOU KNOW FROM MRS. BRADY'S REPORTS WHY SHE

DOES NOT SHOW ANY CREDITS IN 2004, WHAT I'M CALLING CREDITS, IN 2004 FOR PAYMENTS MADE OR ADVANCES MADE BY ANY OF THE VEREEN SOURCES. SHE DOES IN LATER YEARS PICK UP SOME OF THOSE CREDITS, IS THAT CORRECT?

A SHE DOES.

Q DOES SHE PICK UP FROM YOUR RESEARCH ALL OF THOSE CREDITS?

A SHE DOES NOT.

Q IF WE LOOK AT EXHIBIT "82" INSTEAD OF GOING THROUGH EACH OF MRS. BRADY'S NOTEBOOKS EACH YEAR, IS IT FAIR TO SAY THAT IN 2005, IF YOU LOOK AT YOUR EXHIBIT "82" THAT WAS PREPARED, IT SHOWS FROM MRS. BRADY'S AMOUNTS, AMOUNTS THAT YOUR FATHER OR HIS ENTITIES AGREE ARE OWED TO A&E UNDER THE AGREED COLUMN?

A YES, IT DOES.

Q SO, FOR 2005, YOUR FATHER DOES ADMIT THAT VEREEN OWES; THE POTENTIAL INSURANCE, TAB 2, GREEN TURTLE, TAB 3, JOHN HANCOCK INSURANCE, TAB 4, A PORTION OF THE SHELL BILL, THE 29TH PLACE, TAB 7, SURFSIDE CLEANERS, THE BANKERS INSURANCE ON 11, THE PRIVATE LIFE INSURANCE, ON 12, AND PORTION OF THE EXPENSE TO SIGN WORKS DEALING WITH A SIGN THAT WAS FOR THE PUTT-PUTT OR PARK

PLACE PROPERTIES, OR POINTE MARSH. DO YOU KNOW WHAT THE PORTION THAT HE DISPUTES THAT THE OWES THE $1,627.50 IS FOR?

A YES.

Q IF WE LOOK BEHIND TAB 14 OF MRS. BRADY'S 2005 NOTEBOOK.

A I BELIEVE SHE JUST HAD THE ONE PIECE OF PAPER WHICH HAD THE CHECKS LISTED ON IT.

Q SHE DIDN'T ACTUALLY HAVE THE CHECKS OR THE CHECK STUB THAT MIGHT HAVE INFORMATION ON IT?

A NO. SHE SHOWED CHECK NUMBER, DATE, THE FACT THAT IT WAS PAID TO SIGN WORKS AND THE AMOUNT.

Q AND DID YOU GO BACK AND INVESTIGATE AND DETERMINE WHAT THOSE TWO CHECKS WERE ACTUALLY WRITTEN FOR?

A YES.

Q THE FIRST CHECK, CHECK 2766, WHAT INFORMATION DID YOU FIND ON THAT?

A THAT WAS A CHECK WRITTEN FOR THE SIGN AT WILLOUGHBY PLACE.

Q WAS WILLOUGHBY PLACE AN A&E JOB?

A IT WAS.

MR. DURANT: YOUR HONOR, WHERE IS THAT INFORMATION?

JUDGE HOWE: WHERE IS IT?

A IT'S TAB 14 IN HER 2005 NOTEBOOK.

MR. DURANT: I'M REFERRING TO WHAT YOU LOOKED UP TO SHOW WHAT IT WAS FOR?

A I LOOKED IT UP IN THE A&E RECORDS.

MR. DURANT: I HATE TO INTERRUPT YOU, BUT IS THAT SOMETHING THAT IS IN THE BOOK YOU GAVE ME?

Q HOLD ON JUST A MINUTE. WOULD THAT BE IN ONE OF THE NOTEBOOKS THAT YOU HAVE COMPILED?

A I SHOW THAT I RAN THE CASH DISBURSEMENT JOURNAL FOR SIGN WORKS AND INCLUDED IT IN THE -- WHAT HAS BEEN MARKED AS EXHIBIT "83" AND THAT THE CASH DISBURSEMENT JOURNALS SHOWS IT AS THE WILLOUGHBY PLACE SIGN FOR SIGN WORKS. AND THEN I WENT TO THE JOB FILE OR THE PAYABLE FILE AND PULLED THE ACTUAL INVOICE FOR IT AND VERIFIED THAT IT WAS FOR THE WILLOUGHBY PLACE SIGN.

Q BUT YOU DIDN'T PROVIDE THE INVOICES?

A NO. I HAVEN'T PROVIDED THE INVOICES. IT WOULD BE PART OF THE A&E RECORDS, BUT NO, I HAVEN'T PROVIDED IT IN ANY OF THE NOTEBOOKS.

Q OPEN IT BACK UP TO WHERE IT WAS.

A IT'S TAB 127.

Q IN DEFENDANT'S EXHIBIT "83"?

A YES.

Q AND WHAT IS BEHIND TAB 127 IS A LEDGER RUN FROM THE COMPUTER PEACHTREE SYSTEM FOR THE PROVIDER OF SERVICES OR LABOR. YOU CAN RUN THEM THAT WAY AS WELL?

A YES.

Q WHAT DOES IT SHOW THAT JOB LEDGER BEHIND TAB -- OR THAT CASH DISBURSEMENT SCHEDULE SHOW BEHIND TAB 127?

A IT'S A CASH DISBURSEMENT JOURNAL WHICH SHOWS THAT FOR THAT VENDER, AT LEAST, FOR SIGN WORKS, THERE WERE FOUR CHECKS WRITTEN IN 2004 AND 2005. AND ONE OF THEM WAS FOR THE PLANTATION LAKES SIGN. ONE OF THEM, WHICH WAS INCLUDED IN SUSAN'S REPORT WAS FOR THE WILLOUGHBY SIGN.

Q AND THAT WAS CHECK NUMBER 2766?

A YES.

Q AND THAT WAS FOR $1,627.50?

A YES.

Q AND WILLOUGHBY WAS AN A&E JOB?

A YES, IT WAS.

Q AND CAN YOU TELL FROM THAT CASH DISBURSEMENT LEDGER WHAT CHECK -- THE CHECK FOR $3,500 FOR CHECK NUMBER 2768?

A YOU CAN'T BECAUSE THE CASH DISBURSEMENT JOURNAL IS INCORRECT AND SO AFTER I PRINTED THE JOURNAL,

AND PUT THE ACTUAL CHECKS AND THE INVOICES TO VERIFY WHAT CARRIE HAD ENTERED AND IT SHOWED THAT THE CHECK 2768 WAS ACTUALLY A SIGN FOR THE PUTT-PUTT.

Q AND DO YOU AGREE THAT THE AMOUNT FOR THE SIGNS FOR THE PUTT-PUTT SHOULD BE -- THAT IS AN AMOUNT THAT IS DUE AND OWING TO A&E?

A YES.

MR. DURANT: YOUR HONOR, WE AGREE WITH THE 51.50 COMING OFF. WE WEREN'T PROVIDED WITH A INVOICE AND WE DIDN'T HAVE THIS. IT CLEARLY STATES IT'S WILLOUGHBY PLACE. BLACK PEARL IS ALREADY CHARGED TO IT.

MS. COOK: SO YOU AGREE.

Q OKAY. NOW, TAB 15 IN 2005 HAS TO DO WITH AN EXPENSE FOR COASTAL PAVING. DO YOU KNOW WHAT THAT -- WELL, FIRST OF ALL, WHAT DID MRS. BRADY HAVE AS A BACKUP TO SHOW THE COASTAL PAVING EXPENSE THAT THE PLAINTIFFS SEEK TO HAVE REIMBURSED BY THE VEREEN SOURCES?

A SHE JUST HAD THE ONE SHEET THAT HAD THE CHECK NUMBER LISTED, THE DATE, THE VENDER BEING COASTAL PAVING, AND THE AMOUNT THE $7,000.

Q DO YOU KNOW WHERE SHE GOT THESE SHEETS? DO YOU

HAVE ANY IDEA WHAT SHE DID TO GET THESE NUMBERS THAT SHE PUT ON THE SHEETS IF SHE DOESN'T HAVE BACKUP?

A DURING OUR MEETING AT HER OFFICE IF WE ASKED, "WHERE IS THE BACKUP FOR THIS?" SHE WOULD SAY, "ELLIS, GAVE ME THAT INFORMATION."

Q OKAY. AFTER YOU GO BEHIND TAB 15, DID YOU GO AND VERIFY WHAT THE CHARGE FOR $7,000 WAS?

A I DID.

Q WHAT DID YOU DETERMINE THE $7,000 CHARGE WAS FOR?

A THERE WAS AN INVOICE FROM COASTAL PAVING IN THE AMOUNT OF $14,000 FOR RESURFACING THE PARKING LOT AT OUR OFFICES.

Q OKAY. SO, IN 2005, COASTAL PAVING RESURFACED THE PARKING LOT AT THE SPACE BEING RENTED BY A&E FOR IT'S OFFICE SPACE?

A YES.

Q AND HALF OF THAT AMOUNT HAS BEEN CHARGED TO -- WELL, DID YOU GO BACK AND DETERMINE -- YOU SAID THAT INVOICE WAS FOR $14,000, CORRECT?

A CORRECT.

Q DID YOU DETERMINE IF COASTAL PAVING HAD BEEN PAID FOR THE TOTAL INVOICE THAT IT CHARGED?

A THEY WERE.

Q DO YOU KNOW IF THE COASTAL PAVING INVOICE WAS TO A&E OR IF IT WAS TO -- WHO WAS IT TO?

A IT WAS SUBMITTED TO ARTHUR VEREEN.

Q AND OF THE $14,000 CHARGE, DO YOU KNOW HOW THAT WAS PAID?

A I KNOW $7,000 OF IT WAS PAID BY A&E WITH THIS CHECK 2584 AND THE OTHER $7,000 WAS PAID BY MY DAD, BUT I'M NOT SURE BY WHICH ENTITY.

Q OKAY. AND SO THIS CHARGE REFLECTED IN MRS. BRADY REPORT IS HALF OF THAT PAVING CHARGE?

A YES.

Q AND YOU DID VERIFY THAT $7,000 WAS PAID BY A&E?

A YES.

Q LET'S GO NEXT TO THE MBNA TAB 16. WHAT IS MBNA? IS THAT A CREDIT CARD?

A IT A CREDIT CARD FOR ARTHUR VEREEN CONSTRUCTION COMPANY.

Q AND MRS. BRADY HAS AN AMOUNT OF $12,953.32 FOR THAT TAB. DO YOU KNOW WHERE MRS. BRADY GOT THAT INFORMATION?

A I DON'T.

Q WHAT DOES SHE HAVE AS FAR AS BACKUP OR PROOF OF THAT CHARGE IN HER REPORT?

A I DIDN'T HAVE ANYTHING ON THE PAGE THAT SHOWED ANY CHECKS OR ANYTHING OF THAT SORT.

Q DID YOU DO ANYTHING TO ASCERTAIN OR INVESTIGATE THAT ACCOUNT RECEIVABLE THAT A&E, PLAINTIFF, WAS TRYING TO CHARGE IT TO THE VEREEN SOURCES?

A YES, I DID. I WENT TO THE A&E PAYABLE RECORDS AND PULLED THE 5 CHECKS LISTED AND PULLED THE CHECKING ACCOUNT STATEMENT FOR THE MAY, 2005 TIME PERIOD IN ORDER TO VERIFY THE DRAFT.

Q DID YOU VERIFY THAT A&E DID PAY BY THOSE PARTICULAR CHECKS AND THE ONE DRAFTED THAT TOTAL AMOUNT OF 12,000 AND CHANGE?

A YES.

Q DID YOU DO ANYTHING TO DETERMINE WHAT PORTION OF THAT AMOUNT IS CONCEDED TO BE OWED BACK TO A&E?

A YES.

Q WHAT DID YOU DO TO DETERMINE THAT?

A I WENT AND PULLED COPIES OF THE CHECK AND ON SEVERAL OF THEM, THE CHECK STUBS INDICATE WHAT THEY ARE FOR AND THOSE WERE THE ONES THAT WE CHALLENGED.

Q AND ON THE CHECK STUBS, WHAT IS THERE ON THE CHECK STUB FOR THE MBNA -- LET'S SEE.

MR. DURANT: I WANT TO SEE WHAT SHE IS LOOKING AT AS FAR AS DETERMINING WHAT IT WAS.

A IT LOOKS LIKE IN EXHIBIT "83" BEHIND TAB 126,

THERE ARE 9 PAGES THAT WERE PROVIDED INCLUDING COPIES OF TWO PAY STUBS AND AN INVOICE.

MR. DURANT: YOUR HONOR, WHAT'S SHOWN HERE IS THERE'S ONE CREDIT CARD BILL WHERE SHE HAS PUT **O, BESIDE FOUR THINGS, AND THERE LOOKS LIKE THERE'S SOME HANDWRITTEN NOTE THAT SOMEBODY WROTE TO MBNA AND IT SAYS, "PERMITS FOR WILLOUGHBY", BUT THERE IS NO INVOICE FOR IT AND THERE IS NO EVIDENCE OF THE CREDIT CARD CHARGE FOR IT. IT'S JUST HANDWRITTEN AND IT LOOKS LIKE BY MR. VEREEN AND THERE IS NO OTHER BACKUP FOR IT OTHER THAN THIS. THAT DOESN'T COMPLY WITH YOUR REQUIREMENTS, YOUR HONOR, IF YOU WOULD LIKE TO LOOK AT IT.**

MS. COOK: I THINK SHE IS LOOKING AT IT. YOUR HONOR, I WANT TO PULL OUT THAT ORDER AND REFER TO IT FOR JUST...

MR. DURANT: SOME OF IT IS CREDIT CARDS. SOME OF IT IS GASOLINE CHARGES, BUT THERE'S NO INVOICES. YOUR HONOR, THIS IS A CREDIT CARD THAT DOES NOT BELONG TO THE COMPANY AND THERE WAS CERTAINLY A PAYMENT MADE TO IT WITHOUT ANY

DOCUMENTATION OR BACKUP AND THAT'S NOT DOCUMENTATION, IT'S A CREDIT CARD. AND A CHECK WITHOUT AN INVOICE.

JUDGE HOWE: APPARENTLY, ONE DOES BELONG TO THE COMPANY, ONE BELONGS TO A&E CONSTRUCTORS AND CONSULTANTS INC., I THINK. AND I'M NOT SURE WHO THIS OTHER ONE BELONGED TO.

MS. COOK: YOUR HONOR, THE A&E CONSTRUCTORS, THAT IS A COPY OF THE CHECKING ACCOUNT STATEMENT AND IF YOU LOOK FROM MRS. BRADY'S, ONE OF THE CHARGES THAT MRS. BRADY HAS LISTED BEHIND HER TAB 16. IT SHOWS A DRAFT BEING DRAFTED FROM THE CHECKING ACCOUNT ...

JUDGE HOWE: OH, THE PAYMENT.

MS. COOK: YES, MA'AM. THAT'S WHAT THAT IS. THAT'S ACTUALLY THE CHECKING ACCOUNT AND IT SHOWS DRAFTING MADE TO PAY THAT MBNA CREDIT CARD ACCOUNT.

JUDGE HOWE: WHOSE CREDIT CARD ACCOUNT IS THIS?

Q MRS. SISSON, DO YOU KNOW WHOSE NAME IS ON THE CREDIT CARD? WHAT ENTITY OR INDIVIDUAL'S NAME

IS ON THE CREDIT CARD?

A I DO NOT KNOW THE NAME ON THE CREDIT CARD, BUT IT'S A CREDIT CARD USED BY MY DAD.

Q SO, YOU DON'T KNOW IF IT'S YOUR DAD'S PERSONAL CREDIT CARD OR IF IT'S ARTHUR VEREEN CONSTRUCTION OR SOME OTHER ENTITIES NAME?

A I DON'T. I PROBABLY DID AT ONE TIME.

Q HOW DID YOU GO ABOUT MAKING A DETERMINATION THAT YOU AGREED $7,203.19 WERE PERSONAL EXPENSES THAT WERE OWED TO A&E?

A BECAUSE I COULD NOT FIND ANYTHING TO REFLECT WHAT THE CHECKS WERE WRITTEN FOR.

Q SO, IF IN DOUBT -- AND YOU COULDN'T FIND ANYTHING TO PROVE DEFINITIVELY THAT IT WAS RELATED TO ANYTHING WITH A&E? YOU DETERMINED AND YOUR FATHER DETERMINED THAT IT WAS A PERSONAL EXPENSE?

A THAT'S CORRECT.

Q WHAT DID YOU DO TO DETERMINE THAT THE $5,750.13 WAS AN A&E EXPENSE?

A WE LOOKED AT THE CREDIT CARD STATEMENT AND THE THREE CHECK STUBS THAT WERE INCLUDED IN A&E'S RECORDS.

Q AND IS THERE A CHECK STUB THAT YOU LOOKED AT FOR NUMBER 2703?

A YES.

Q AND DOES THAT -- AND THAT'S BEHIND TAB?

A TAB 126.

Q AND WHAT DOES THAT CHECK STUB REFLECT?

A IT SHOWS THAT CHECK 2703 WAS WRITTEN TO MBNA FOR PAYMENT OF HONEY BAKED HAMS AT CHRISTMAS, BBQ AT CHRISTMAS, AND FOR MATERIALS FOR THE WILLOUGHBY PLACE CHARGED TO LOWE'S AND THAT'S IN MY DAD'S HANDWRITING.

Q AND IS THERE A CHECK STUB FOR CHECK 2704?

A THERE'S NOT.

Q IS THERE A CHECK STUB FOR 3157?

A THERE IS NOT.

Q DO YOU KNOW IF IN RESEARCHING YOU FOUND THAT, THAT -- DO YOU SHOW A CHECK FROM A&E 3157? I KNOW MRS. BRADY DOESN'T HAVE THE ACTUAL CHECK BEHIND HER NOTEBOOK.

MR. DURANT: YOUR HONOR, 3157 IS A CHECK FROM ARTHUR VEREEN CONSTRUCTION COMPANY. IT'S NOT A CHECK MADE TO ANYTHING ...

MS. COOK: I AGREE, YOUR HONOR, AND THAT'S WHY I'M ASKING THE QUESTION BECAUSE IF YOU LOOK AT MRS. BRADY'S REPORT, SHE HAS LISTED AS PART OF THE $12,953.32 BEING OWED BY MY CLIENT TO

A&E, A CHECK NUMBER 3157 FOR $1,000. AND I HAVE THAT. THAT CHECK IS AN ARTHUR VEREEN CONSTRUCTION COMPANY CHECK THAT PAID THAT INVOICE, NOT AN A&E CHECK. SO IF THE PLAINTIFF WOULD CONCEDE THAT, THAT'S NOT AN AMOUNT THAT WAS PAID OUT OF A&E, WE WOULD MOVE ON, BUT MRS. BRADY HAS CONCLUDED THAT CHECK AS BEING AN A&E CHECK.

MR. DURANT: PLEASE GIVE US ONE SECOND, YOUR HONOR. THIS IS A PEACHTREE PRINT. I DON'T KNOW WHY IT IS THERE. THAT WAS AN ERROR. WE REMOVED THAT. THAT'S A $1,000.

MS. COOK: THANK YOU.

Q MOVING TO TAB 17 IN MRS. BRADY'S 2005 REPORT ON THE PUTT-PUTT, MRS. BRADY HAS OR THE PLAINTIFF MAINTAINS THAT $91,305.94 IS OWED BY ARTHUR VEREEN AND IT'S FOR WAYNE VEREEN AND VEREEN SOURCES. WE AGREED THAT $88,339.54 IS OWED, CORRECT?

A $88,339.54.

Q $88,339.54. WHAT WE DON'T AGREE WITH IS $2,965.44, IS THAT CORRECT?

A THAT'S CORRECT.

Q WHAT'S THE BASIS FOR NOT AGREEING WITH THAT AMOUNT?

A ONE OF THE LARGER ITEMS IS THE FACT THAT CARRIE MIS-CODED AN ENTRY FOR A SUBCONTRACTOR, JEFF'S HEATING AND COOLING, CHANGE ON A FIVE TON UNIT FOR THE MARBLE SLAB. SHE HAS JUST MIS-CODED ONE OF THE SUBCONTRACTOR ENTRIES AND PUT IT ON THIS JOB WHEN IT ACTUALLY SHOULD BE ON THE MARBLE SLAB JOB.

Q IS THAT WHAT THE $2,965.40 IS MADE UP OF?

A THAT ACTUAL ENTRY IS $2,110.00. THE REMAINING IS FOR ALL OF THESE JOB LEDGERS WE WENT THROUGH, DAD AND I WENT THROUGH THEM TO LOOK AND IDENTIFY IF THERE WAS ANYTHING THAT SHOULDN'T HAVE BEEN CHARGED ON THESE JOB LEDGERS. ONE OF THE THINGS THAT WE NOTICED THAT CARRIE WOULD DO, AND MOST LIKELY, BECAUSE THE GUYS WOULD INDICATE THAT ON THEIR RECEIPTS, IS IF THEY PICKED UP A SHOVEL OR A HOSE OR A BROOM OR A HAMMER OR THINGS THAT WOULD BE TOOLS OF THE COMPANY, AND THEY JUST PUT THAT THEY USED THEM AT THE PUTT-PUTT OR THEY USED THEM AT JACK FROST OR WHATEVER JOB THEY -- SHE WOULD PUT THEM ON THAT JOB LEDGER AND THOSE SHOULD NOT BE ON THE JOB LEDGER. THOSE SHOULD COME BACK TO A GENERAL COMPANY ACCOUNT.

Q BECAUSE THEY WERE TOOLS OR SUPPLIES THAT WEREN'T ATTRIBUTABLE TO A SPECIFIC JOB. THEY WERE ASSISTS, TOOLS OF THE TRADE OF THE COMPANY, IS THAT CORRECT?

A THAT'S CORRECT.

Q SO, THE DIFFERENCE BETWEEN THE $2,100.00 THAT WE DON'T AGREE TO, WHICH IT SHOULD BE FOR THE MARBLE SLAB AND THE HEATING AND COOLING UNIT? THE BALANCE OF THAT $800.00 AND CHANGE WOULD BE FOR TOOLS THAT HAD BEEN INCLUDED IN THIS JOB LEDGER THAT ARE ACTUAL EXPENSES OF A&E, BUT ARE FOR TOOLS?

A THAT'S CORRECT.

Q MRS. SISSON, HOW DO YOU DETERMINE THAT? THAT $2,100 AMOUNT WAS CODED INCORRECTLY TO THE PUTT-PUTT JOB?

A WELL, WE FIRST REVIEWED THE JOB LEDGER AND CARRIE HAD ENTERED IT ON THERE AS JEFF'S HEATING AND COOLING, CHANGE ON FIVE TON UNIT, MARBLE SLAB.

Q SO, SHE ACTUALLY HAS MARBLE SLAB ON THE JOB LEDGER?

A YES.

Q SHE JUST INPUTTED IT IN THE WRONG PLACE?

A RIGHT.

Q SO, THAT SHOWS UP ON THE JOB LEDGER FOR THE PUTT-PUTT, IT DOESN'T SHOW UP ON THE JOB LEDGER FOR MARBLE SLAB? WAS MARBLE SLAB EVER BILLED FOR THAT?

A YES. MARBLE SLAB WAS A CONTRACT JOB.

Q AND SO THE EXPENSE WAS PAID BY A&E FOR THE MARBLE SLAB JOB, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND THE MARBLE SLAB JOB WAS A FIXED CONTRACT PRICE? AND MARBLE SLAB PAID THAT ENTIRE CONTRACT PRICE, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND 18, PARKWAY OFFICES, WE AGREE THAT, THAT'S TOTALLY A PERSONAL EXPENSE?

A YES. THIS IS, I BELIEVE, THAT TWO YEAR TIME PERIOD WHERE WE CHARGED AMOUNTS JUST TPO TO BE OVERLY INCLUSIVE OF THE AMOUNTS THAT WE WOULD HAVE USED TO UP-FIT THE SPACE.

Q SO, THIS IS WHERE YOU HAVE ACKNOWLEDGED THAT THE COST TO UP-FIT THE SPACE WAS $23,344.00 AND YOU AGREED THAT THE VEREEN SOURCES OWE THAT TO A&E?

A THIS SEEMED TO BE THE ONLY REASONABLE WAY THAT DAD AND I COULD COME TO ANY TYPE OF AGREEMENT ON THE PARKWAY OFFICES JOB LEDGER. WE KNOW IT DIDN'T TAKE TWO YEARS TO UP-FIT THE SPACE. WE

KNOW IT DIDN'T TAKE THIS AMOUNT OF MONEY, BUT IT SEEMED THE MOST LOGICAL LOOKING AT THE ENTRIES FOR THE TIME PERIOD SPENT TO UP-FIT THE JOB. AND THE REMAINING ITEMS, LIKE I SAID, ARE ENTRIES BY CARRIE THAT SAY "SHOP".

Q SO, IN LOOKING AT THE WHOLE JOB LEDGER FOR PARKWAY OFFICES, HOW DID YOU -- DID YOU KNOW THE PERIOD OF TIME BASICALLY THAT IT TOOK TO DO THE UP-FIT?

A SURE. IT WOULD'VE BEEN PROBABLY IN THE YEAR BEFORE WE MOVED THERE, BUT WE DIDN'T DO IT ALL IN ONE WEEK OR ALL IN ONE MONTH. WE DID IT WHEN WE HAD DOWN TIME FOR THE GUYS. WE WOULD SEND THEM OVER THERE TO BUILD A WALL OR WE WOULD SEND THEM OVER THERE TO PUT SHEETROCK UP OR THAT KIND OF THING.

Q AND IN LOOKING AT THE JOB LEDGER, DID YOU LOOK AT THE ENTRIES MADE AND SEE WHEN THE MATERIALS WERE BEING DELIVERED TO THE JOB THAT YOU KNEW THAT YOU WERE USING ON THE UP-FIT?

A YES. THAT'S WHAT WE TRIED TO DO.

Q AND YOU USED THAT TIME FRAME TO ALSO ALLOCATE THE EMPLOYEES PAYROLL RECORDS FOR THAT SAME PERIOD OF TIME FOR THE UP-FIT JOB?

A THAT'S CORRECT.

Q AND THAT AMOUNTED TO THE $23,000 THAT YOU AGREED?
A FOR 2005.
Q TAB 19, THE PLANTATION LAKES JOB, AGAIN, THIS IS JUST A CONTINUATION OF THE BUILDING THAT HOUSE AT PLANTATION LAKES THAT WAS BOUGHT BY THE WILLOUGHBYS, IS THAT CORRECT?
A WHITLEYS.
Q WHITLEYS. WHEN THE WHITLEYS BOUGHT THE HOUSE, DID YOU THEREAFTER DO ANYMORE WORK ON THE HOUSE OR MAKE ANY ADDITIONS OR CHANGES TO THE HOUSE?
A THEY DID. I BELIEVE THEY LIVED IN IT FOR JUST A LITTLE BIT. THERE WERE A FEW THINGS THEY JUST DIDN'T LIKE, AND A FEW THINGS THEY JUST WANTED TO UPGRADE. SO, WE WENT AND WORKED ON THAT WITH THEM, HELPED THEM MAKE A FEW CHANGES.
Q SO, A&E HAD, HAD THE PLANTATION LAKES JOB TO DO THE ADDITIONAL CONSTRUCTION OF THE HOUSE AND THEN IT CONTINUED, AND DID YOU KEEP THAT SAME JOB NUMBER AND JOB -- DID YOU START ANOTHER NUMBER UNDER WHITLEY?
A NO. IT WOULD BE THE SAME PLANTATION LAKES JOB NUMBER.
Q YOU JUST KEPT THAT SAME PLANTATION LAKES JOB NUMBER?

A THAT'S CORRECT.
Q SO, THAT WAS A -- IT WAS ON THAT SAME HOUSE, BUT IT WAS FOR THE WHITLEYS?
A THAT'S CORRECT.
Q UNDER TAB 19 FOR 2005, MRS. BRADY HAS INCLUDED WHAT WAS HER BACKUP TO SHOW THAT, THAT IS OWED TO A&E?
A A JOB LEDGER FOR THE TIME PERIOD JANUARY 1ST, DECEMBER 31ST, 2005 FOR THE PLANTATION LAKES JOB.
Q AND WAS THAT THE POINT IN TIME WHEN THE WORK FOR THE WHITLEYS WAS GOING ON?
A ACCORDING TO THE JOB LEDGER, YES, IT LOOKS LIKE THAT IS WHAT WAS HAPPENING. I KNOW WE ADDED A FIREPLACE AND I BELIEVE WE CHANGED OUT SOME LIGHTING AND CEILING FANS. WE DID SOME SCREEN PORCH WORK AND THOSE THINGS ARE LISTED ON THERE. SO, I DO BELIEVE THAT IS THE ADDITIONAL WORK THAT WE DID FOR THE WHITLEYS AT PLANTATION LAKES.
Q DID THE WHITLEYS PAY FOR THAT WORK?
A THEY DID.
Q IS THAT REFLECTED IN 2005 IN MRS. BRADY'S LEDGERS OR DID SHE REFLECT THAT LATER IN 2007?
A NO. I DON'T REMEMBER THERE BEING ANY CREDITS

ISSUED BY MRS. BRADY FOR THE PLANTATION LAKES JOB.

MR. DURANT: YOUR HONOR, IS SHE TESTIFYING THAT THERE'S CREDIT SOMEWHERE IN THE RECORDS FOR THAT?

A I'M TESTIFYING THEY ARE NOT.

MS. COOK: THAT MRS. BRADY HAS NOT GIVEN ANY CREDITS FOR PAYMENT?

MR. DURANT: IS SHE TESTIFYING THAT WERE ARE CHECKS DEPOSITED FROM THE WHITLEYS FOR A&E?

MS. COOK: I HAVE NOT ASK THAT YET.

MR. DURANT: YOUR HONOR, BEFORE WE GET THERE, THE $1,000 THAT WE TALKED ABOUT. IT WAS TRULY A CHECK PAID OUT OF THE A&E ACCOUNT AND IT DOES SAY ARTHUR VEREEN CONSTRUCTION COMPANY ON IT, BUT IT WAS DEBITED FROM THE A&E ACCOUNT.

MS. COOK: ARE YOU TAKING BACK THAT --

MR. DURANT: YES, I AM.

MS. COOK: CAN WE DO THIS -- I KNOW WE HAVE BEEN TRYING TO WORK TOGETHER AND I UNDERSTAND THAT, BUT ...

MR. DURANT: THIS IS KIND OF UNUSUAL BECAUSE IT SAYS ARTHUR VEREEN CONSTRUCTION COMPANY, BUT IT'S DEBITED FROM THE A&E ACCOUNT.

JUDGE HOWE: HOW DID THAT HAPPEN?

MR. DURANT: I DON'T KNOW.

MS. COOK: COULD WE DO THAT ON REGULAR DIRECT -- OR REGULAR CROSS?

JUDGE HOWE: PUT A STICKY ON THAT AND WE WILL GO OVER THAT.

Q HOW DID YOU DETERMINE THAT THE $22,537.63 REFLECTED ON MRS. BRADY'S 2005 REPORT FOR PLANTATION LAKES WAS NOT A PERSONAL EXPENSE?

A BECAUSE THAT WAS AN A&E JOB.

Q AND ARE THERE -- THE PERRY ITEM 20, WE TALKED ABOUT THAT EARLIER AND I BELIEVE IF YOU GO -- AM I CORRECT THAT THIS IS ONE THAT IF YOU GO TO THE END OF 2007, MRS. BRADY GIVES CREDIT FOR THAT?

A YES. I BELIEVE 2005 WAS THE SHEETROCK REPAIRS.

JUDGE HOWE: CAN WE GO BACK TO 19. DID YOU SAY THE WHITLEYS DID PAY FOR THAT?

A THEY DID.

JUDGE HOWE: THANK YOU.

Q SO, WHILE MRS. BRADY HAS FOR THE YEAR 2005 THE AMOUNT $545.00 FOR MRS. PERRY'S JOB, SHE LATER REFLECTS THAT MRS. PERRY DID PAY THAT IN 2007, IS THAT CORRECT?

A THAT'S CORRECT.

Q SO, IN OTHER WORDS, SHE INCLUDES IT HERE, BUT

SHE TAKES IT OUT IN 2007, IS THAT FAIR TO SAY?

A AND THEN SHE ADDS IN THE WORKERS' COMPENSATION, OVERHEAD AND PROFIT.

Q WHILE SHE MAY TAKE IT OUT, IF I AM UNDERSTANDING YOU CORRECTLY, THE REGULAR DIRECT COST OF THE JOB SHE DOES LEAVE IN AN AMOUNT THAT HAS BEEN CALCULATED AT SOME RATE SHE TALKED ABOUT FOR PROFIT AND OVERHEAD AND WORKERS' COMP TYPE -- WHAT WE WOULD CALL PROFIT AND OVERHEAD ON THE JOB, CORRECT?

A CORRECT.

Q SHE LEAVES THAT CHARGE IN AND THE PLAINTIFF MAINTAINS THAT, THAT IS DUE TO A&E, CORRECT?

A THAT'S CORRECT.

Q BUT THE ACTUAL DIRECT COST OF THE JOB, SHE DOES TAKE BACK OUT AT THE END OF 2007?

A CORRECT.

Q DOES SHE DO THAT IN A NUMBER OF PLACES MAINLY HAVING TO DO WITH VEREEN FAMILY JOBS?

A YES.

Q AND DID SHE DO THAT AS REGARDS TO MR. SMITH OWING ANYTHING TO A&E FOR SMITH FAMILY JOBS?

A NO.

Q DID SHE INCLUDE ANY EXPENSES OWED TO A&E BY MR. SMITH FOR ANY SMITH FAMILY JOB EXPENSES?

MR. DURANT: YOUR HONOR, THERE HASN'T BEEN ANY TESTIMONY THAT THERE WAS ANY LABOR OR ANY THINGS CHARGED BY MR. SMITH TO A&E OTHER THAN WE HAD THE CARPET THAT WE TALKED ABOUT. THERE WAS NO LABOR OR JOB EXPENSES CHARGED.

MS. COOK: I AIN'T THERE YET.

JUDGE HOWE: THERE IS NOT ANY RIGHT NOW.

Q DID SHE INCLUDE IN HER REPORT OR HER NUMBERS ANY EXPENSES DIRECT COST FOR ANY SMITH FAMILY JOBS?

A NO.

Q TAB 21 FOR THE LITCHFIELD MEDICAL, THAT IS NOT THE SAME AS THE DR. LALE JOB? THIS LITCHFIELD MEDICAL IS A DIFFERENT JOB, RIGHT?

A THAT'S RIGHT.

Q THIS IS A JOB OF YOUR FATHERS? HE AGREES THAT THIS IS OWED TO A&E, IS THAT CORRECT?

A THAT'S CORRECT.

Q THE SEVEN OAKS JOB, SAME THING, HE AGREES THAT, THAT IS OWED?

A THAT'S CORRECT.

Q JUST BECAUSE WE ARE GOING TO RUN INTO IT DOWN THE ROAD, ITEM 23 OR TAB 23 IN MRS. BRADY'S REPORT, THE MURRELL'S INLET $10,000 AMOUNT. WHAT IS THE MURRELL'S INLET JOB SHE IS REFERRING

TO THERE AT TAB 23?

A THAT IS THE PERSONAL HOME OF MY MOTHER AND FATHER IN MURRELL'S INLET.

Q AND YOUR FATHER AGREES THAT HE OWES THAT AMOUNT TO A&E?

A YES.

Q NOW TAB 24, POINTE MARSH. I THINK WE WENT OVER THIS A LITTLE BIT THIS MORNING, BUT AGAIN, WOULD YOU TELL THE COURT WHO THE OWNER OF THE POINTE MARSH JOB WAS? WHAT, IF ANYTHING, A&E DID ON THE POINTE MARSH JOB?

A THE POINTE MARSH JOB IS OWNED BY PARK PLACE PROPERTIES, WHO WAS THE OWNER AND THE DEVELOPER. A&E DID A PORTION OF THE WORK ON THAT PROJECT.

Q AND WERE THERE MULTIPLE OTHER SUBCONTRACTORS THAT DID WORK ON THAT JOB?

A YES.

Q WITH REGARD TO TAB 24, IDENTIFIED AS POINTE MARSH UNDER MRS. BRADY'S REPORT FOR 2005, WHAT DOES SHE SHOW AS BACKUP TO JUSTIFYING THAT THE CHARGE OF THAT ACCOUNT RECEIVABLE TO YOUR FATHER OR HIS ENTITIES?

A SHE'S GOT A JOB LEDGER FOR THE YEAR 2005, PAGES 1 THROUGH 32 PRINTED ON AUGUST 6TH OF 2009. AND SHE HAS ACTUALLY GOT TWO OF THEM. ONE IS

PRINTED IN JULY OF '09 AND ONE IS PRINTED IN AUGUST '09.

Q OKAY. DO THEY REFLECT, AS FAR AS YOU KNOW, ANY DIFFERENT INFORMATION? DO YOU KNOW WHY SHE HAS INCLUDED TWO?

A IT APPEARS TO BE A $4,000 OR $5,000 DIFFERENCE. I'M NOT REALLY SURE WHY.

Q AND IS -- DOES MRS. BRADY INCLUDE THE HIGHER AMOUNT OR THE LOWER AMOUNT? DO YOU KNOW?

A I WOULD NEED A CALCULATION BECAUSE SHE INCLUDES IT WITHOUT THE CREDITS. THIS IS WHERE SHE INCLUDES THE PAYMENTS. AND THEN SHE GIVES CREDIT FOR PAYMENTS LATER.

Q LET'S TAKE A LITTLE TIME. THIS IS A BIG ITEM. EXPLAIN AS BEST YOU CAN TO THE COURT WHAT YOU SEE ON THESE TWO REPORTS, THESE TWO JOB LEDGERS.

(DISCUSSION HELD OFF THE RECORD.)

Q MRS. SISSON, WE ARE LOOKING AT IN THE 2005 NOTEBOOK OF MRS. BRADY, TAB 24 FOR POINTE MARSH?

A THAT'S CORRECT.

Q YOU HAD SAID THAT SHE HAS TWO DIFFERENT JOB LEDGERS BEHIND THAT TAB FOR THE POINTE MARSH JOB, CORRECT?

A CORRECT.

Q WHAT IS THE DIFFERENCE? WHY DOES SHE HAVE --

THERE ARE DIFFERENT AMOUNTS -- THERE ARE DIFFERENT ENDING AMOUNTS ON THE TWO DIFFERENT JOB LEDGERS, CORRECT?

A THAT'S CORRECT.

Q DID YOU DETERMINE WHAT THE DIFFERENCE BETWEEN THE TWO JOB LEDGERS IS?

A IT LOOKS LIKE I -- ON THE JULY '09 JOB LEDGER THAT SHE INCLUDED A FEW OF THE BALANCE FORWARD AMOUNTS. NOT ALL OF THEM, BUT A FEW OF THEM AND THAT'S WHY THE NUMBER IS A LITTLE BIT HIGHER, BUT IT DOES LOOK LIKE ON HER REPORT THAT SHE USED THE CORRECT ONE ON THE AUGUST '09.

Q AND THE AUGUST '09 JOB LEDGER IS THE FIRST JOB LEDGER SHE HAS BEHIND THAT TAB, CORRECT?

A THAT'S CORRECT.

Q SO, THE FIRST LEDGER SHE HAS BEHIND THAT TAB IS SEGREGATED ONLY TO THE TIME PERIOD FOR THAT YEAR OF THAT JOB IN 2005?

A CORRECT.

Q AND THAT'S THE NEW ONE SHE USED IN HER REPORT AS OPPOSED TO THE SECOND JOB LEDGER BEHIND THAT TAB, WHICH IS A BALANCE CARRIED FORWARD JOB LEDGER THAT WOULD INCLUDE BALANCE FORWARDS FROM THE PREVIOUS YEAR 2004, IS THAT CORRECT?

A THAT'S CORRECT.

Q SO, FOR OUR PURPOSES AND FOR MRS. BRADY'S PURPOSES IN HER EXPERT REPORT, REALLY THE SECOND REPORT -- JOB LEDGER BEHIND HER TAB IS -- WHATEVER THAT WORD IS.

A USUALLY ON THE RECURRING YEARS SHE WOULD WRITE "CUMULATIVE." THIS ONE JUST DIDN'T HAVE CUMULATIVE WRITTEN ON IT.

Q SHE DIDN'T USE THE -- SHE IS NOT DOUBLE DIPPING? SHE'S NOT ADDING 2004 BACK INTO 2005?

A NO.

Q SHE HAS JUST USED THE 2005 NUMBERS?

A CORRECT.

Q WITHIN THAT 2005 JOB LEDGER FOR THE YEAR 2005 ON PAGE 31, IS THERE ANYTHING WITH REGARD TO THE PERMIT THAT YOU HAVE NOTED IN THIS REPORT IN THIS JOB LEDGER...

MR. DURANT: EXCUSE ME. DID WE FINISH WITH 24?

MS. COOK: WE ARE STILL ON IT, FRANK.

A THERE HAD BEEN SOME DISCUSSION IN HER 2005 NOTEBOOK IN THE -- IT WASN'T REALLY BEHIND A TAB, BUT IT WAS HER TABLES AT THE BEGINNING OF HER REPORT REGARDING A CITY OF NORTH MYRTLE BEACH PERMIT FOR $9,045.00.

Q WHAT DID YOU JUST LOOK AT, BETH, WHEN YOU

FLIPPED BACK? DID YOU LOOK AT HER TABLE FOR THE BEGINNING OF 2004 OR 2005?

A HER TABLE AT THE BEGINNING OF 2005.

Q THE LEDGER TYPE SUMMARY TABLE?

A RIGHT. AND SHE HAS IT LISTED AS LIKE TAB 27, BUT I DIDN'T GET A TAB 27, AND DON'T HAVE A COVER SHEET FOR TAB 27. SHE HAD LISTED ON THERE A CITY OF NORTH MYRTLE BEACH PERMIT FOR PARK PLACE $9,045.00. SHE DID GO BACK AND CREDIT THAT, I THINK, IN 2007 TO SHOW THAT IT HAD BEEN A DUPLICATE ENTRY.

Q SO, SHE HAD INCLUDED THAT UNDER TAB 24 -- THAT $9,045.00 SHE HAD INCLUDED THAT BEHIND TAB 24 FOR 2005? SHE HAD INCLUDED THAT SAME CHARGE AGAIN BEHIND TAB 27 FOR 2005?

A YES. IT SHOWS UP ON THE JOB LEDGER. SO, THAT WAS ALREADY CHARGED BACK. IT SHOWED UP AGAIN IN 27.

Q WHEN SHE MADE HER CORRECTIONS BEFORE SHE TESTIFIED IN COURT IN JUNE, HAD SHE GONE BACK IN THAT FINAL REPORT AND TAKEN OUT THAT DOUBLE ENTRY, THAT DUPLICATE ENTRY?

A YES.

Q AND WAS THAT PART OF THE DISCUSSION YOU HAD, HAD WITH HER WHEN WE WERE AT THE MEETINGS IN HER

OFFICE? DID YOU POINT THAT OUT?

A YES.

Q OKAY. FROM THAT POINTE MARSH JOB, IT IS AGREED THAT $767,598.05 IS OWNED BY VEREEN OR VEREEN SOURCES BACK TO A&E?

A THAT'S CORRECT.

Q ON THE NEXT TAB, MAUDLIN 25, IS THAT THE SAME MAUDLIN THAT IN 2004 WAS THE FENCE JOB, CORRECT?

A CORRECT.

Q IS THIS A CONTINUATION OF THE FENCE JOB OR IS THIS THE SECOND MAUDLIN JOB?

A THIS IS A CONTINUATION OF THE FENCE JOB.

Q AND AS MRS. BRADY'S BACKUP, WHAT DID SHE HAVE BEHIND TAB 25?

A IT'S A SINGLE JOB LEDGER SHEET FOR 2005 AND SHE HAS INDICATED THAT IT IS FOR THE MAUDLIN JOB.

Q THE MAUDLIN JOB WENT OVER FROM 2004 TO 2005. THE AMOUNT SHE HAD IN 2005 IS SEPARATE AND DISTINCT FROM THIS AMOUNT THAT SHE HAS FOR 2004? SHE DOESN'T DO CUMULATIVE, SHE HAS SEGREGATED IT PER YEAR, IS THAT CORRECT?

A THAT'S CORRECT.

Q DID YOU INVESTIGATE THAT AND DETERMINE THAT SHE HAD, IN FACT, DONE THAT AND THAT WAS CORRECT?

A THAT'S CORRECT. I DID.

Q NOW, WAS THIS FENCE JOB AN A&E JOB?
A IT WAS.
Q WAS IT A FIXED CONTRACT PRICE JOB?
A I DON'T KNOW THAT.
Q OKAY. DID YOU DETERMINE IF MAUDLIN PAID FOR THE FENCE JOB?
A YES.
Q DID YOU FIND EVIDENCE OF THOSE PAYMENTS?
A YES.
Q DID MRS. BRADY GIVE CREDIT ANYWHERE IN HER REPORT FOR THOSE PAYMENTS OF THE MAUDLIN FENCE JOB?
A NO. IT DIDN'T SEE THEM.
Q NEXT BEHIND TAB 26, MRS. BRADY HAS THAT LISTED AS GMAC AND SAM'S. AND YOU HAVE THE GMAC PAYMENT. WHAT IS THAT?
A THE FIRST ONE, THE 135.00 PAYMENT, THE DRAFT ON THE TRAILBLAZER, THAT IS A PERSONAL EXPENSE. THAT IS MY DAD'S YOUNGEST DAUGHTER.
Q HE AGREES THAT HE OWES THAT BACK TO THE COMPANY?
A YES. THE SECOND, THE FEBRUARY 4TH, 2005 WE DETERMINED -- I WENT TO THE PAYABLE REPORTS AND PULLED THAT AND THAT'S ACTUALLY FOR SAM'S. I'M NOT SURE WHY THAT IS LISTED AS GMAC, BUT IT'S FOR THE SAM'S CARD.

Q SHE ACTUALLY HAS ON HER REPORT "SAM'S", BUT JUST ON THIS SHEET THAT SHE'S GOT BEHIND HERE SHE'S PUT IT AS GMAC PAYMENT, CORRECT? NO. I'M SORRY THAT'S YOUR REPORT, NOT HER REPORT.

A SHE GOT THIS AS JUST GENERALLY LISTED AS "OTHER RECEIVABLES. WAYNE'S PERSONAL EXPENSES." AND THEN SHE GOT THESE THREE AMOUNTS. SO, I'M NOT SURE WHY SHE LISTED IT AS A GMAC PAYMENT, BUT IT'S A SAM'S PAYMENT. IT'S A PAYMENT TO SAM'S CLUB. AND THEN THE THREE PAYMENT IS A GMAC PAYMENT AND I BELIEVE WE DETERMINED THAT WAS A PAYMENT FOR MY MOTHER'S CAR.

Q AND YOU AGREE WITH ALL OF THOSE AMOUNTS EXCEPT FOR $115.92 AS AN A&E CHARGE. WHAT IS THAT $115.90 THAT YOU -- THAT IS AN A&E CHARGE?

A WHEN I PULLED THE RECEIPT, WE LOOKED AT THE RECEIPT AND THERE WERE GAS CHARGES. SINCE THAT'S DAD'S CARD, HE CHARGED HIS GAS.

Q TYPICALLY, DID HE...

MR. DURANT: YOUR HONOR, WAS THAT A CHARGE CARD ON CREDIT THAT YOU GAVE US?

MS. COOK: I DON'T KNOW, FRANK.

MR. DURANT: I DON'T SEE WHAT SHE'S TALKING ABOUT.

A I BELIEVE Y'ALL HAVE ALL THE SAM'S BILLS. YOU

HAVE CHARGES FOR US -- SUSAN HAS GOT COPIES OF ALL OF THEM.

MS. COOK: SHE WASN'T LOOKING AT ANYTHING. SHE WAS TESTIFYING.

MR. DURANT: I UNDERSTAND THE FACT THAT SHE HAS THE CREDIT CARD DOESN'T MEAN THAT IT'S AUTHORIZED UNDER THE COURT'S ORDER. THERE WOULD HAVE TO BE AN INVOICE FOR IT AND PAYMENT. NOT JUST A CREDIT CARD BILL.

MS. COOK: YOUR HONOR, LET'S ADDRESS THAT ORDER. THE ORDER SAYS -- IT DOESN'T SAY THAT THE COURT CAN'T CONSIDER WHAT EVIDENCE WE HAVE. WHAT THE COURT'S ORDER SAYS ...

JUDGE HOWE: I THOUGHT THESE WERE PERSONAL EXPENSES ANYWAY?

MS. COOK: THE ONES WE AGREED TO THAT SHE -- WE WERE GOING THROUGH THE RECORD AND IT WAS $115 AND SOMETHING CENTS THAT THEY DID NOT AGREE TO SAYING THAT IT WAS GAS CHARGES OF A&E'S -- FOR THE USE OF A&E'S VEHICLES. MR. DURANT HAS BROUGHT THIS UP A COUPLE OF TIMES. FIRST OF ALL, PARAGRAPH 2 OF YOUR ORDER SAYS, "TO

SIMPLIFY THE PRESENTATION OF EVIDENCE IN THIS ACCOUNT ACTION OF THE PLAINTIFF, IT'S ORDERED THAT COPIES OF BUSINESS RECORDS, ACCOUNTING RECORDS, TAX RECORDS, CHECKS AND DEPOSITS, BANKING RECORDS, BILLS AND INVOICES, AND THE LIKE, FOR THE NAMED PARTIES, SHALL BE ADMITTED INTO EVIDENCE WITHOUT AUTHENTICATION AND AS COPIES PROVIDED. HOWEVER, THAT THE SAME ARE BUSINESS RECORDS OF PARTIES AND HAVE BEEN PRESENTED TO THE OPPOSING PARTY IN THE DISCOVERY PORTION OF THE CASE."

MR. DURANT: YOUR HONOR, THE ONLY REASON THAT I --

MS. COOK: CAN I PLEASE FINISH. THANK YOU. "IT IS THE ATTENTION OF THIS ORDER THAT THE PLAINTIFF AND ITS EXPERTS WILL NOT HAVE TO AUTHENTICATE THE COPIES OR PROVE COPIES OF --" LET ME READ THE WHOLE THING. YOUR HONOR, THIS ORDER WAS ACTUALLY DRAFTED BY MR. DURANT FOR YOUR SIGNATURE. "THESE RECORDS ARE THE BASIS OF PLAINTIFF'S EXPERT OPINIONS AND WERE GATHERED DURING THE DISCOVERY PORTION ON

THIS CASE AND FROM RECORDS OF THE COMPANY MAINTAINED IN THE DEFENDANT'S OFFICE. IT IS THE INTENTION OF THIS ORDER THAT THE PLAINTIFF AND ITS EXPERTS WILL NOT HAVE TO AUTHENTICATE THE COPIES OR PROVE RECORDS OF THE DEFENDANT'S AS ORDINARY BUSINESS RECORDS OF THE NAMED PARTIES AS LONG AS THE DOCUMENTARY EVIDENCE WAS EARLIER DISCLOSED TO THE OTHER PARTY OR IN THE POSITION OF THE DEFENDANT. FURTHERMORE, THAT COPIES OF THE ORIGINALS SHALL BE ADMITTED WITHOUT PRODUCING THE ORIGINAL. I RESERVE THE DECISION ON THE ISSUE OF BUSINESS RECORDS TO BE ADMITTED BY THE DEFENDANTS TO SUPPORT CLAIMS FOR REIMBURSEMENT OR CLIENTS FOR PAYMENTS MADE ON BEHALF OF A&E FOR WHICH THEY ARE ENTITLED TO CREDIT. SINCE THE DOCUMENTS HAVE NOT BEEN PRODUCED AND INSPECTED BY THE PLAINTIFFS, I RESERVE THE RIGHT TO MAKE A SIMILAR RULING AFTER DISCOVERY HAS BEEN PROVIDED BY THE PLAINTIFF." YOUR HONOR, RIGHT THERE YOU ARE RESERVING THAT RIGHT. IN FOUR, YOU SAY, "THE

PLAINTIFF SHALL --" EXCUSE ME. THAT'S NOT RELEVANT. IN 9, YOUR HONOR, YOU SAY, "DEFENDANTS SHALL GATHER AND DELIVER TO THE PLAINTIFF'S ATTORNEYS ALL ACCOUNTING INFORMATION TO SUPPORT ITS CLAIMS FOR SETTLE OR REIMBURSEMENT BY DECEMBER 1, 2010. AND THE PLAINTIFF'S PLAN TO RE-DEPOSE PEOPLE. THE DEFENDANT SHALL PRESENT EVIDENCE OF THE ACTUAL INVOICE OR BILL FOR SERVICES OR LABOR RENDERED, AND THE CANCELED CHECK FOR PAYMENT MADE PURSUANT TO SUCH INVOICE. THE PLAINTIFF CAN SCHEDULE THE DEPOSITION --" BLAB, BLAB, BLAB... NOT THAT YOU SAID BLAB, BLAB, BLAB, YOUR HONOR. "IT IS ORDERED THAT SUCH ACCOUNTING RECORDS AND INFORMATION HAVE -- IF THE INFORMATION IS NOT DELIVERED TO THE PLAINTIFF WITHIN SUCH DEADLINE, IT IS ORDERED THAT SUCH ACCOUNTING RECORDS AND INFORMATION SHALL NOT BE PRESENTED IN TRIAL OF THE CASE BY THE DEFENDANT." WITH REGARD TO YOUR ORDER, YOUR HONOR, YOU SAID THAT IF WE DIDN'T PRESENT THE ACCOUNTING RECORDS, THE

RECORDS THAT WE WANTED TO USE TO SUPPORT OUR CASE. ANYTHING THAT WE DIDN'T PRODUCE BY DECEMBER 1ST, THAT YOU WERE NOT GOING TO ALLOW IT IN.

JUDGE HOWE: THAT'S CORRECT.

MS. COOK: YOU HAVE MAINTAINED THAT POSITION AND WE HAVE PROFFERED THE DOCUMENTS THAT WE HAVEN'T TURNED OVER BY THAT DAY IN YELLOW AND BLUE. BUT YOUR HONOR, ALSO SAID IN HER ORDER IN PARAGRAPH 2, "THAT I RESERVE THE DECISION ON THE ISSUE OF BUSINESS RECORDS TO BE SUBMITTED BY THE DEFENDANTS TO SUPPORT ITS CLAIMS FOR REIMBURSEMENT OR CLAIMS FOR PAYMENT MADE ON BEHALF OF A&E FOR WHICH THEY ARE ENTITLED TO CREDIT SINCE THESE DOCUMENTS HAVE NOT BEEN PRODUCED AND INSPECTED BY THE PLAINTIFFS." YOUR HONOR, I READ THAT TO MEAN THAT IF WE DID NOT PRODUCE THE ACTUAL RECORDS YOU WEREN'T GOING TO LET THEM IN AS EVIDENCE AND SO THAT'S WHY WE HAVE BLUE AND YELLOW. BUT I ALSO READ THAT, YOUR HONOR, TO MEAN THAT IF WE HAVEN'T PRODUCED A DOCUMENT, WE CAN'T

PUT IT IN, BUT IT DOESN'T MEAN THAT YOU WERE NOT GOING TO RULE AND YOU WERE RESERVING THE RIGHT TO RULE AT TRIAL WITH REGARD TO OTHER EVIDENCE SUCH AS TESTIMONY THAT MAY COME IN. I UNDERSTAND YOUR COURT'S RULING AND WE ARE ABIDING BY THE COURT'S RULING WITH REGARD TO DOCUMENTARY EVIDENCE, BUT MRS. SISSON'S TESTIMONY IS OTHER EVIDENCE THAT I BELIEVE, YOUR HONOR, RESERVED THE RIGHT TO RULE ON. TO THE EXTENT THAT MR. DURANT KEEPS SAYING WE INTRODUCED A CHECK, OR WE INTRODUCED, OR WE INTRODUCED A LEDGER, OR WE INTRODUCED CREDIT CARD BILL. AND WE PRODUCED THAT BEFORE DECEMBER 1ST, SO THAT DOCUMENT IS NOT PRECLUDED FROM COMING INTO EVIDENCE. IF IT'S A BUSINESS RECORD OF ANY OF THE NAMED DEFENDANTS AND IT DOESN'T HAVE TO BE AUTHENTICATED. BUT BECAUSE WE INTRODUCED A CHECK WITH A CORRESPONDING BILL OR A CORRESPONDING INVOICE OR IN THE CASE OF A CREDIT CARD STATEMENT, BUT NOT THE BACKUP INDIVIDUAL CHARGES DOESN'T MEAN THAT THE COURT IS NOT GOING

TO CONSIDER IT. IT'S THE WEIGHT, YOUR HONOR, WHAT YOU GIVE TO THAT EVIDENCE. SO MR. DURANT HAS SAID A NUMBER OF TIMES AND I DON'T KNOW WHETHER THEY ARE OBJECTIONS OR NOT, OR EXACTLY WHAT THEY ARE, BUT HE SAID A NUMBER OF TIMES YOUR ORDER SAYS, "IF YOU DON'T HAVE A CHECK AND YOU DON'T HAVE THE BILL THAT YOU MUST PRODUCE THE CHECK AND THE BILL." WELL, WE CAN'T PRODUCE WHAT WE DIDN'T HAVE AT THE TIME. AND IF WE DIDN'T HAVE IT AT THE TIME, IT DOESN'T MEAN WHAT WE HAD AT THE TIME CAN'T BE CONSIDERED BY THE COURT IF IT HAD BEEN PROVIDED TO THEM. SO, I UNDERSTAND THE COURT'S RULING AND IF THE COURT'S RULING IS SOMETHING DIFFERENT, I WILL ABIDE BY WHATEVER THE COURT TELLS ME. I WOULD APPRECIATE IT IF MR. DURANT DIDN'T KEEP STANDING UP AND OBJECTING OR WHATEVER. I UNDERSTAND THAT HE GETS TO CROSS EXAMINE MY CLIENT AND IF IT WILL WEIGH ON THE CREDIBILITY OF THE TESTIMONY AND/OR THE DOCUMENTS THAT WE HAVE IN EVIDENCE, BUT THERE'S NOTHING IN YOUR

ORDER THAT PRECLUDES US FROM PUTTING IN A CHECK EVEN IF WE DON'T HAVE BACKUP INFORMATION. YOUR ORDER, AS I RECALL IT DID NOT SAY, IF YOU DIDN'T HAVE BACKUP DOCUMENTATION THEN I AM JUST GOING TO IGNORE IT. AM I WRONG IN HOW I CONSTRUED YOUR ORDER?

JUDGE HOWE: NO.

MR. DURANT: YOUR HONOR, THE OBJECTION WAS IF IT'S A SAM'S CLUB BILL THAT HAS GAS ON IT, THIS WITNESS CAN'T TESTIFY AS TO WHETHER THIS WAS BUSINESS GAS OR NOT. SHE CAN'T. WE ARE WASTING EVERYBODY'S TIME HERE BECAUSE SHE DOESN'T KNOW. IT'S MR. VEREEN'S CREDIT CARD AND I GUESS HE CAN ATTEMPT TO GO OVER THERE AND SAY, "I CHARGED IT AND WE DON'T KNOW WHO PAID IT, OR IN THIS CASE, THIS COMPANY PAID FOR IT." WHERE IS THE SUPPORT FOR IT? THAT'S MR. VEREEN'S CASE TO PROVE TO YOU TO YOUR SATISFACTION ACCORDING TO YOUR RULES. I THINK THAT'S WHERE I AM. I'M NOT TRYING TO MODIFY YOUR CASE, BUT THIS WITNESS CAN'T TESTIFY AS TO WHAT HE CHARGED ON

THE CREDIT CARD AND WHAT IT IS.

MS. COOK: YOUR HONOR, I DON'T BELIEVE SHE WAS.

MR. DURANT: THAT'S EXACTLY WHAT SHE IS DOING. IT'S A $115.00 GAS CHARGE FROM A CREDIT CARD THAT'S NOT A&E. AND I DON'T THINK SHE CAN TESTIFY TO WHAT IT IS. THAT'S MY OBJECTION. I'VE HAD A STANDING OBJECTION, BUT WE KEEP GOING BACK TO THE SAME THING.

JUDGE HOWE: SHE HAS NO PERSONAL KNOWLEDGE?

MR. DURANT: CORRECT.

MS. COOK: YOUR HONOR, WHAT I ASK HER WAS WITH REGARD TO THAT PARTICULAR THING, THAT THE DEFENDANT HAS AGREED OR CONCEDED THE AMOUNT OF $1,638.60 WHAT WAS REFLECTED AS DISPUTED AND SHE SAID IT WAS IN CHARGE FOR GAS. THAT'S ALL SHE SAID.

MR. DURANT: THAT'S FINE, YOUR HONOR.

JUDGE HOWE: OKAY.

Q ON TAB 27 FOR 2005, DOES IT INCLUDE SEVERAL CATEGORIES OF EXPENSES?

A YES.

Q THE AWV, THAT'S YOUR DAD'S TRUCK CHARGE. HAD THERE ORIGINALLY BEEN AN AMOUNT THERE THAT MRS. BRADY IN AND EARLIER -- EXCUSE ME.

A IN HER TABLE FOR HER 2005 NOTEBOOK, SHE HAD INCLUDED UNDER THE FIRST ITEM NUMBER 27, AS BEING WAYNE'S TRUCK CHARGED TO CONSTRUCTION COST IN THE AMOUNT OF $8,838.76 AND WHEN WE ASK HER WHAT THAT WAS SHE SAID SHE DIDN'T KNOW, SHE WAS LOOKING INTO IT. AND THEN SHE LATER IN HER 2007 NOTEBOOK TOOK THAT FIGURE OUT.

Q OKAY. SO, IN HER SUMMARY TABLE DATED 6/10/11, SHE CHARGED, OR IN HER EARLIER SUMMARY TABLE, SHE CHARGES AS BEING OWED BY YOUR FATHER $8,838.76?

A YES.

Q AND THEN SUBSEQUENTLY, SHE HAS TAKEN THAT CHARGE OUT?

A YES.

Q WITH REGARD TO THE NEXT CHARGES FOR TAXES, DO THE DEFENDANTS CONCEDE THAT THEY OWE THAT TO A&E?

A THEY DO.

Q IS THIS WHERE SHE ALSO HAD THE CITY OF NORTH MYRTLE BEACH PERMIT FOR PARK PLACE FOR THE SECOND TIME?

A YES.
Q SHE HAD INCLUDED IT IN THE JOB LEDGER AND IN HERE AND THEN SUBSEQUENTLY, SHE TOOK THAT OUT?
A THAT'S RIGHT. THAT'S WHAT WE TALKED ABOUT EARLIER.
Q THEN THE LAST CHARGES ARE FOR A LULL AND SKID. FIRST OF ALL, WHAT'S A LULL?
A A FORKLIFT.
Q WHAT'S A SKID?
A BOBCAT.
Q DID A&E OWN A LULL OR SKID?
A YES.
Q AND WAS THAT OWNED BY A&E OR WAS THAT OWNED BY ANOTHER ONE OF YOUR FATHER'S ENTITIES?
A THE ORIGINAL BOBCAT THAT A&E USED WAS OWNED BY, IT WAS EITHER ARTHUR W. VEREEN OR ARTHUR VEREEN CONSTRUCTION COMPANY. I DON'T REMEMBER WHICH RIGHT NOW AND I BELIEVE ...

MR. DURANT: YOUR HONOR, I OBJECT UNLESS SHE HAS PERSONAL KNOWLEDGE OF WHO OWES SOMETHING. I DON'T KNOW HOW SHE CAN TESTIFY AS TO THAT ISSUE.

Q DID THERE COME A POINT IN TIME, TO YOUR KNOWLEDGE, THAT A&E PURCHASED A LULL OR A SKID?
A YES.

Q DID THEY PURCHASE BOTH?
A YES.
Q AND WHEN A&E PURCHASED THE LULL AND THE SKID, DID THEY FINANCE THAT PURCHASE?
A YES, THEY DID.
Q DO YOU KNOW WHO THAT WAS FINANCED THROUGH?
A IT SEEMS TO ME THE NAME OF THE LULL WAS SANTA BARBARA, AND THE BOBCAT WAS I-CAT.
Q WHAT BACKUP DOCUMENTATION DOES MRS. BRADY HAVE TO SUBSTANTIATE THE PLAINTIFF MAINTAINING THE VEREEN SOURCES OWED $20,900 FOR A LULL TO A&E?
A I DON'T BELIEVE WE WERE PROVIDING ANY SORT OF WRITTEN CALCULATION FOR THOSE AMOUNTS. WHEN WE MET WITH MRS. BRADY AND OTHER PARTIES AT MRS. BRADY'S OFFICE, SHE SAID THAT MR. SMITH HAD GIVEN HER THOSE NUMBERS TO USE.
Q SO THERE WAS -- DID A&E EVER PAID OF A LULL AND SKID THAT YOUR FATHER OWED OR ANY OF HIS SOURCES, HIS ENTITIES?
A NO.
Q A&E PAID THE FINANCE PAYMENTS ON THE LULL AND SKID THAT IT DID OWN?
A YES.
Q WAS THERE A POINT IN TIME WHEN A&E USED EITHER A LULL OR A SKID OR BOTH THAT WAS NOT OWED BY A&E

PRIOR TO IT BUYING ITS OWN?

A AND I'M SURE THEY DID. I MEAN, A&E HAD TO RENT OTHER EQUIPMENT AT VARIOUS JOBS.

Q NOW, IS IT YOUR UNDERSTANDING THAT THE SOLE SOURCE OF MRS. BRADY INCLUDING THOSE AMOUNTS OF CLOSE TO $30,000 IS BECAUSE MR. SMITH TOLD HER TO?

A SHE GAVE US NO OTHER BACKUP.

Q OKAY. ARE YOU AWARE OF ANY CLAIMS MR. SMITH HAS MADE AS TO WHY A&E SHOULD BE OWED MONEY FOR A LULL AND A SKID IN 2005?

A HIS CLAIM WAS THAT THE LULL AND SKID WERE USED AT THE POINTE MARSH PROJECT IN CHERRY GROVE.

Q THE POINTE MARSH PROJECT WAS YOUR FATHERS' -- WAS A PARK PLACE PROPERTIES PROJECT, IT WASN'T AN A&E JOB?

A THAT'S CORRECT.

MR. DURANT: SHE SAID IT WAS NOT AN A&E PERMITTED JOB?

MS. COOK: I DIDN'T ASK THAT QUESTION, FRANK.

JUDGE HOWE: SHE SAID THAT IT WAS NOT AN A&E JOB.

Q PARK PLACE PROPERTIES IN BUILDING THE POINTE MARSH PROJECT, DID IT HIRE ITS OWN

SUPERINTENDENT?

A YES.

Q FOR THE WHOLE JOB?

A YES.

Q WAS THE SUPERINTENDENT PAID BY A&E?

A I KNOW THAT ...

MR. DURANT: OBJECT TO THE FORM. SHE NEEDS TO ASK THE QUESTION -- SHE IS TALKING ABOUT PARK PLACE PROPERTIES. SHE HAS TO ESTABLISH THAT SHE KNOWS WHAT THE SITUATION IS AS TO WHO PARK PLACE PROPERTIES PAID AND WHY.

JUDGE HOWE: I THINK SHE NEEDS TO ASK, DOES SHE KNOW WHO PAID?

Q ARE YOU FAMILIAR WITH THE PARK PLACE PROPERTIES PROJECTS?

A YES.

Q DID YOU PERFORM ANY SERVICES FOR PARK PLACE PROPERTIES IN CONNECTION WITH THOSE JOBS?

A YES.

Q DID YOU, LIKEWISE, PERFORM ANY SERVICES FOR A&E ON ANY WORK IT MAY HAVE DONE ON ANY PARK PLACE PROPERTIES JOBS?

A YES.

Q WERE YOU FAMILIAR WITH THE SOURCE OF ANY LULL

AND/OR SKID THAT WAS USED ON THE POINTE MARSH PROJECT?

A YES.

Q AND WHERE DID THE LULL AND/OR SKID THAT WAS USED ON THE POINTE MARSH PROJECT COME FROM?

A HERTZ EQUIPMENT RENTAL.

Q THOSE TWO PIECES OF EQUIPMENT WERE RENTED?

A YES.

Q AND WERE THEY RENTED BY PARK PLACE PROPERTIES OR WERE THEY RENTED BY A&E?

MR. DURANT: YOUR HONOR, I OBJECT TO THE FORM OF THE QUESTION. I THINK SHE NEEDS TO ASK, "DO YOU KNOW WHO RENTED IT AND WHO PAID FOR IT?"

Q DO YOU KNOW WHO -- WHAT ENTITY RENTED?

A I HAVE SEEN THE INVOICES. I DON'T REMEMBER OFF THE TOP OF MY HEAD WHAT THE INVOICES SAY AS FAR AS THE OWNER. I KNOW PARK PLACE PROPERTIES PAID FOR THOSE INVOICES.

Q HOW DO YOU KNOW THAT PARK PLACE PROPERTIES PAID FOR THE INVOICES FOR THE LULL AND THE SKID THAT WERE USED ON THE POINTE MARSH PROJECT?

A BECAUSE I VERIFIED USING THE INVOICE AND THE CHECKS.

Q WERE THE LULL AND THE SKID THAT WERE USED --

WERE THE LULL AND THE SKID THAT WERE OWNED BY A&E USED AT OTHER PROJECTS DURING THE SAME TIME THAT POINTE MARSH WAS BEING CONSTRUCTED?

A YES.

Q THERE WERE OTHER -- THERE WERE A&E JOBS THAT WERE ONGOING AT THE SAME TIME THAT THEY WERE UTILIZING THAT A&E EQUIPMENT?

A YES.

Q NOW, AT THE END OF MRS. BRADY'S 2005 REPORT, HOW MUCH DOES SHE INDICATE THAT THE PLAINTIFFS MAINTAIN VEREEN SOURCES, THAT THE DEFENDANTS OWE TO A&E?

A AT THE END OF HER REPORT IS WHERE SHE -- THE PAYMENTS MADE BY PARK PLACE PROPERTIES THAT ARE REFLECTED ON THE JOB LEDGER FOR POINTE MARSH AT TAB 24, SHE DIDN'T INCLUDE THE PAYMENTS THERE. SHE INCLUDED PAYMENTS HERE. SO, AT THE VERY END IS WHERE SHE GIVES CREDITS OF $365,000 FOR PAYMENTS RECEIVED BY A&E FROM PARK PLACE.

Q OKAY.

A ON HER REPORT SHE DOESN'T ACTUALLY GIVE A TOTAL, BUT SHE TOTALS UP THE AMOUNT OWED BY WAYNE VEREEN OR RELATED ENTITIES OF $1,110,167.77 AND THEN SHE SHOWS A CREDIT, BUT SHE DOESN'T ACTUALLY...

Q ITEMIZE THE CREDIT?
A YES. TOTALED IT TOGETHER.
Q THE CREDIT THAT SHE SHOWS FOR THAT YEAR REFLECTS WHAT AGAIN?
A IT'S $40,000 FOR THE PUTT-PUTT JOB. WHICH I THINK I JUST MISSPOKE. IT'S $40,000 FOR THE PUTT-PUTT JOB WHICH SHOULD BE UNDER TAB 17 AND IT IS. THEN IT'S 325,000 ON THE POINTE MARSH JOB, WHICH WOULD BE AT TAB 24.
Q AND SO SHE PICKS UP THOSE AMOUNTS PAID TO A&E OF A TOTAL OF 365?
A THAT'S RIGHT.
Q PLUS THE 40?
A 365 TOTAL.
Q OKAY. DOES SHE THEN SUBTRACT OR GIVE CREDIT AGAINST $110,167 AND -- AGAINST THE TOTAL THAT THEY SAY, THE PLAINTIFFS MAINTAIN ARE OWED BY THE VEREEN DEFENDANTS?
A YES. SHE GIVES CREDIT, BUT I DON'T HAVE A TOTAL.
Q SHE SAYS FOR 2005, A MILLION AND SOMETHING IS OWED. HOW MUCH DOES -- DO THE DEFENDANTS CONCEDE FOR THAT YEAR TAKING INTO CONSIDERATION THOSE CREDITS THAT SHE GAVE IS OWED?
A ONCE YOU TAKE INTO CONSIDERATION THE CREDITS, WE

AGREE THAT'S $590,343.55.

Q AND BASED ON YOUR EXHIBIT "82" ONCE YOU TAKE THAT INTO CONSIDERATION, THE PLAINTIFFS MAINTAIN THE DEFENDANTS OWE HOW MUCH FOR THAT YEAR?

A THIS 704,194.26 AND THAT DOES INCLUDE SOME OF THOSE CHANGES THAT SHE MADE AT THE END OF 2007. IT INCORPORATES THOSE CHANGES.

Q OKAY. NOW, DID YOU GO THROUGH THE RECORDS OF THE DEFENDANTS AND COMPILE DOCUMENTS VERIFYING PAYMENTS OTHER THAN THE $465,000 IN 2005 THAT MRS. BRADY HAS PICKED UP FOR THAT YEAR?

A YES.

Q AND ARE THOSE CONTAINED IN ANY NOTEBOOK THAT YOU HAVE COMPILED?

A THOSE WOULD BE CONTAINED IN ANY PAYMENTS MADE ON BEHALF OF A&E OR ANY PAYMENTS MADE TO A&E THAT MRS. BRADY DIDN'T PICK UP WOULD BE CONTAINED IN THOSE FOUR NOTEBOOKS THAT I COMPILED FOR EACH INDIVIDUAL DEFENDANT.

Q WE WILL ADDRESS THOSE TOMORROW.

MS. COOK: YOUR HONOR, WE HAVE NOW FINISHED 2005. I RESPECTFULLY REQUEST THAT THIS MIGHT BE A GOOD PLACE TO STOP FOR THIS EVENING.

(OFF THE RECORD TILL 10/13/11.)

MS. COOK: YOUR HONOR, I AM GOING TO TRYING TO STAY SEATED A LITTLE MORE. I'LL SEE HOW LONG THAT LASTS.

MR. DURANT: IS THAT A PROMISE OR A REPRESENTATION?

MS. COOK: IT'S A GOAL.

Q MRS. SISSON, WHEN WE FINISHED YESTERDAY WE HAD JUST FINISHED GOING OVER THE FIGURES THAT MRS. BRADY HAD DONE FOR 2004 AND 2005. I WANT TO PICK UP WITH 2006. SO, DO YOU HAVE BEFORE YOU MRS. BRADY'S REPORT FOR THE YEAR 2006 ON A&E?

A I DO, BUT I DON'T HAVE THE EXHIBIT "82".

Q EXHIBIT "82" THAT WAS INTRODUCED YESTERDAY WAS SET UP AND IS VEREEN -- MR. VEREEN'S ANALYSIS AND RESPONSE BACK TO MRS. BRADY'S NUMBERS, IS THAT CORRECT?

A THAT'S CORRECT.

Q LET'S START WITH 2006 AND GO OVER SOME OF THOSE NUMBERS AND IN 2006 IN THAT MIDDLE COLUMN, THOSE ARE AMOUNTS THAT HAVE BEEN AGREED TO. AND AGAIN, THE INSURANCE NUMBERS, THE SURFSIDE CLEANERS, SOME OF THOSE NUMBERS IN WHOLE HAVE BEEN AGREED TO, CORRECT?

A CORRECT.

Q AS BEING PERSONAL EXPENSES OWED BY WAYNE VEREEN

BACK TO A&E, CORRECT?

A THAT'S CORRECT.

Q SO LET'S CONCENTRATE THEN ON -- LET'S GO TO 8, WHICH IS THE SUNCOM ENTERING AND THAT WOULD BE LISTED ON MRS. BRADY'S LEDGER SHEET UNDER 8, AND THEN THE BACKUP FOR 8, THE SUNCOM CHARGES WOULD BE BEHIND MRS. BRADY'S TAB 8, IS THAT CORRECT?

A THAT'S CORRECT.

Q WHAT KIND OF BACKUP DID MRS. BRADY HAVE TO SUBSTANTIATE THE CHARGE FOR THE SUNCOM BILLS?

A FOR 2006 IN THIS NOTEBOOK, SHE DOES HAVE THE SUNCOM BILLS AS THE BACKUP.

Q AND THOSE WERE SUNCOM BILLS FOR PHONES THAT WERE USED BY -- OR DO YOU KNOW WHOM THE BILLS REFLECT THE SUNCOM CHARGES WERE INCURRED FOR?

A YES. IF YOU LOOK AT THE BILLS YOU CAN TELL THERE ARE TWO DIFFERENT NUMBERS.

Q AND DO YOU KNOW WHO THOSE NUMBERS BELONG TO?

A YES. ONE BELONGS TO MY FATHER, WAYNE VEREEN, AND THE OTHER BELONGS TO A SUBCONTRACTOR OF OURS, ROY BLANTON.

Q SIMILARLY DID A&E PAY THE SUNCOM -- NOT SUNCOM, BUT A TELEPHONE BILL OR TELEPHONE BILLS FOR MR. SMITH FOR TWO PHONE LINES?

A YES.

Q WHAT IS THE REASON THAT IT IS NOT AGREED THAT THE SUNCOM BILL IS OWED BACK TO A&E BY YOUR FATHER OR ANY OF HIS COMPANIES ...

MR. DURANT: YOUR HONOR, SAME OBJECTION WE HAD BEFORE. THIS WITNESS IS NOT ...

MS. COOK: THAT'S FINE. I WITHDRAW IT.

JUDGE HOWE: THANK YOU.

Q FOR THE PUTT-PUTT, WHICH IS ITEM 10 ON MRS. BRADY'S LEDGER AND THEN THE BACKUP IS BEHIND TAB 10 IN MRS. BRADY'S 2006 NOTEBOOK, WHAT DOES SHE HAVE AS BACKUP?

A SHE'S GOT THE 2006 PARK PLACE PROPERTIES PUTT-PUTT JOB LEDGER.

Q AND ON THAT JOB LEDGER, ON THE FIRST PAGE, IS THERE AN ENTRY ON MARCH 12TH FOR AN AMOUNT OF $104.63?

A YES. THAT'S THE ONLY ENTRY THAT WHEN DAD AND I REVIEWED THE JOB LEDGER THAT WE TOOK THIS OUT, AS IT WAS AN ALUMINUM STEP-LADDER, MINI TWIST AND CLAMP. SO THOSE WOULD BE TOOLS THAT COULD HAVE COME BACK TO THE COMPANY. THEY ARE NOT TOOLS THAT WOULD HAVE BEEN LEFT AT THE PUTT-PUTT JOB.

Q THAT IS THE AMOUNT THAT ON EXHIBIT "82" YOU DISPUTE IS OWED TO A&E?

A THAT'S CORRECT.

Q IF WE COULD THEN -- LET'S LOOK AT LINE ITEM 11 THAT'S ON HER LEDGER AND THE BACKUP THAT'S BEHIND TAB 11 FOR PARKWAY OFFICES. WHAT BACKUP DOES SHE PROVIDE FOR PARKWAY OFFICES?

A SHE PROVIDES A 2006 -- I SAY 2006. IT'S FOR THE TIME PERIOD JANUARY 1ST THROUGH DECEMBER 1ST, 2006, BUT IT'S ACTUALLY PRINTED IN 2009 PARKWAY OFFICES JOB LEDGER.

Q THIS IS THE SAME. IT'S JUST FOR THE NEXT YEARS, AS WE HAVE GONE OVER IN 2005 WHERE ACTUAL EXPENSES DEALING WITH THE UP-FIT OF THE NEW SPACE HAD BEEN POSTED AS WELL AS ANY TIME OR MATERIALS THAT WERE ACTUALLY DELIVERED TO THE SHOP LOCATION AT PARKWAY ...

MR. DURANT: YOUR HONOR, I OBJECT TO HER TESTIFYING.

MS. COOK: I'M JUST TRYING TO SPEED IT ALONG, BUT THAT'S FINE. OKAY.

MR. DURANT: SHE CAN ASK THIS WITNESS IF SHE KNOWS ABOUT THIS CHARGES, BUT I DON'T KNOW THAT SHE MANAGES THESE CHARGES. SHE CAN SAY WHAT SHE KNOWS. I THINK THIS IS THE JOB LEDGER. SHE CAN ASK HER IF SHE KNOWS ANYTHING MORE THAN

THE JOB LEDGER AND THAT'S ALL.

Q MRS. SISSON, WHAT DO YOU KNOW ABOUT THE JOB LEDGER FOR THE PARKWAY OFFICES/A&E JOB? WHAT CATEGORY AMOUNTS WERE POSTED TO THAT JOB LEDGER?

A IN LOOKING OVER THIS JOB LEDGER, AS I TESTIFIED YESTERDAY, IF YOU LOOK AT THE CUMULATIVE JOB LEDGER FOR PARKWAY OFFICES, I DON'T KNOW THE EXACT TOTAL, BUT IT'S AN EXORBITANT AMOUNT OF MONEY THAT WOULD HAVE BEEN -- COULD NOT POSSIBLY REFLECT THE AMOUNT OF WORK THAT WAS DONE FOR THE UP-FIT FOR THAT SPACE. WHEN WE WENT BACK AND LOOKED AT TIMECARDS AND LOOKED AT THE MATERIALS THAT WERE DELIVERED, ANY TIME THERE WAS A MATERIAL DELIVERED TO THE SHOP OR ANY TIME THAT SOMEONE LISTED ON THEIR TIMECARD THEY WERE WORKING AT THE SHOP, CARRIE POSTED IT TO THIS PARKWAY OFFICES JOB. SO WHAT WE DID IS WENT BACK AND TRIED TO BE OVERLY INCLUSIVE TO INCLUDE A LARGE AMOUNT OF TIME WHEN WE BELIEVE THAT WORK WAS DONE AT THE PARKWAY OFFICES JOB AND TOOK THAT AMOUNT OUT AND AGREED THAT, THAT AMOUNT SHOULD BE OWED BY PARKWAY OFFICES BACK TO A&E CONSTRUCTION. AND THE REMAINING TIME IS AMOUNTS THAT SHOULD BE ATTRIBUTED TO OTHER JOBS, A&E JOBS, BECAUSE THE GUYS WERE WORKING AT THE SHOP

FOR A&E JOBS. SO THAT'S WHAT WE TRIED TO DO SPECIFICALLY FOR 2006. WE MOVED IN THE BUILDING IN JUNE 2006. SO, ANYTHING BETWEEN JANUARY AND JUNE ...

MR. DURANT: YOUR HONOR, I WOULD ASK THIS WITNESS TO CONFINE HER TESTIMONY AS TO WHAT SHE KNOWS NOT WHAT HER DADDY KNOWS. THAT'S THE PROBLEM WITH HER TESTIFYING ABOUT THIS PARTICULAR EXPENSE. IT'S NOT WHAT HER DADDY SAID, IT'S WHAT SHE KNOWS OF HER OWN PERSONAL KNOWLEDGE THAT WOULD INDICATE THE JOB LEDGER WAS INCORRECT AND THAT'S WHAT SHE IS TESTIFYING TO. SHE CAN'T SAY WHAT SHE AND HER DADDY TRIED TO DO.

JUDGE HOWE: I HAVEN'T HEARD HER SAY ANYTHING ABOUT HER DADDY.

MR. DURANT: SHE SAID SHE MET WITH HER DADDY AND THAT'S WHAT WE DECIDED. I BELIEVE THAT WAS HER TESTIMONY.

A WE INITIALLY REVIEWED THE JOB LEDGER TOGETHER. I WENT BACK AND PULLED TIMECARDS TO VERIFY THAT THE GUYS HAD WRITTEN "SHOP" ON THEIR TIMECARDS AND CARRIE HAD ATTRIBUTED IT TO THIS JOB LEDGER. WE MOVED IN THE BUILDING JUNE OF 2006 SO ...

Q WERE YOU THERE AND WORKING? SO, DID YOU MOVE INTO THE NEW SPACE?

A YES.

Q YOU HAVE ACTUAL KNOWLEDGE OF THAT?

A I DO. SO, ANY ITEMS AFTER JUNE OF 2006, WE TOOK THEM OUT OF THIS EXPENSE AS BEING AN A&E EXPENSE. AS BEING MATERIAL OR LABOR SPENT ON A&E'S BEHALF ON A&E'S JOBS. IN ADDITION TO THIS, THERE IS -- I DON'T KNOW WHY CARRIE WOULD'VE DONE THIS, BUT ONE OF THE LAST ENTRIES IS RENT THAT WAS PAID TO PARKWAY OFFICES, SHE INCLUDED THAT AS AN EXPENSE OF PARKWAY OFFICES. SO RIGHT THERE BY DOING THAT, THOSE ARE AMOUNTS THAT WERE RECEIVED BY PARKWAY OFFICES, BUT ALSO CHARGED TO PARKWAY OFFICES, SO RENT WAS NOT ACTUALLY PAID.

Q MRS. BRADY'S REPORT FOR THE LINE ITEMS SHE UTILIZED AS BEING OWED BACK BY VEREEN SOURCES IN 2006 ON THE PARKWAY OFFICES JOB, DO YOU KNOW IF SHE INCLUDED IT AS PART OF THAT TOTAL, THE AMOUNT THAT CARRIE HAD POSTED AS BEING AN EXPENSE FOR RENT THAT WAS ACTUALLY PAID RATHER THAN AND EXPENSES?

A YES. SHE INCLUDES THAT AS AMOUNTS THAT ARE OWED BACK TO A&E BY PARKWAY OFFICES.

Q OKAY.

MR. DURANT: TO CORRECT THE RECORD, THE JOB LEDGER REPORTS THAT MRS. BRADY HAD IS WHAT CAME OFF THE COMPUTER. WE DIDN'T CREATE THIS.

MS. COOK: YOUR HONOR, I UNDERSTAND THAT.

MR. THOMAS: SHE'S SAYING THE COMPUTER.

MS. COOK: I'M SAYING THE LEDGER IS WRONG.

Q IF YOU GO BACK TO FIND EITHER THINGS THAT AREN'T OR WEREN'T ENTERED CORRECTLY ON THE A&E LEDGER AND TRIED TO ALLOCATE THEM WHERE THEY SHOULD HAVE BEEN ENTERED, NOT JUST HAVING TO DO WITH THIS JOB THROUGH YOUR EFFORTS IN COMPILING THIS INFORMATION ...

MR. THOMAS: YOUR HONOR, AS WE HAD UNDERSTOOD IT, SHE'S REALLOCATED WHAT THE BOOKKEEPERS HAD DONE, BUT IT SOUNDS TO ME LIKE AN ACCOUNTANT TASK. I THOUGHT SHE WAS GOING TO TESTIFY ABOUT WHAT SHE KNEW AND WHAT SHE HAD... THAT'S CERTAINLY NOT THAT.

JUDGE HOWE: THAT'S WHAT SHE IS SUPPOSED TO BE DOING.

Q DID YOU DO THAT?

A I'M KIND OF CONFUSED ABOUT WHAT THE QUESTION IS. WHAT I WAS TRYING TO ...

MR. THOMAS: DID YOU REALLOCATE THE WORK THAT THE BOOKKEEPERS HAD DONE IN COMING UP WITH YOUR NUMBERS?

A NO. I HAVE NOT REALLOCATED ANYTHING. I SIMPLY STATED THAT THIS $2,850.00, IN ADDITION TO OTHER EXPENSES THAT ARE ON THIS PARKWAY OFFICES JOB LEDGER, WE BELIEVE ARE NOT DUE BACK TO A&E.

MR. THOMAS: YOU SAID SHE MIS-CLASSIFIED IT. DID I UNDERSTAND YOU?

YES. CARRIE HAS -- THERE WAS A CHECK WRITTEN ON -- IF YOU LOOK AT THE LAST PAGE OF THE JOB LEDGER, THERE WAS A CHECK WRITTEN ON MARCH 8TH, 2006 TO PARKWAY OFFICES FOR RENT. CARRIE APPLIED THAT AS AN EXPENSE FOR PARKWAY OFFICES AND SUSAN CHARGED ALL OF THOSE AMOUNTS, INCLUDING RENT, BACK TO PARKWAY OFFICES IN HER REPORT. **MR. THOMAS:** SO YOU'RE CORRECTING HER WORK IN YOUR TESTIMONY?

MS. COOK: SHE IS OFFERING THE TESTIMONY FOR WHATEVER WORTH THE JUDGE WANTS TO

PUT INTO IT. SHE CAN ACCEPT THE LEDGER AS IT IS OR SHE CAN TAKE INTO CONSIDERATION THE TESTIMONY. IT DOESN'T TAKE AN ACCOUNTANT TO DETERMINE -- I CAN DETERMINE IF I HAVE WRITTEN THE WRONG AMOUNT IN MY CHECKBOOK LEDGER TO THE WRONG ACCOUNT AND NEED TO MOVE IT TO THE RIGHT ACCOUNT. I THINK WE ARE ALL IMPERFECT HUMAN BEINGS.

MR. DURANT: YOUR HONOR, BEFORE WE GO FORWARD. HAS SHE GOT SOMETHING THERE TO TELL US AS TO WHICH OF THESE INVOICES SHE SAID SHE AGREED WITH ARE THE 3,457.14?

MS. COOK: EXCUSE ME.

MR. DURANT: SHE IS AGREEING ON $3,457.14 OF THE 33,000, IS THAT CORRECT?

MS. COOK: THAT'S CORRECT.

MR. DURANT: DO YOU KNOW WHICH ONE'S SHE IS AGREEING WITH?

A THEY'RE ANY CHARGES BETWEEN JANUARY 1ST AND JUNE 1ST WHEN WE MOVED IN THE BUILDING.

Q AND THOSE ARE THE AMOUNTS FOR WHAT?

A JUST TO TRY TO THE BE OVERINCLUSIVE, WE ASSUMED

THAT THOSE WERE THE AMOUNTS THAT WERE USED TO UP-FIT THE SPACE.

MS. COOK: YOUR HONOR, I KNOW WE ARE TRYING TO -- I'M TRYING TO SPEED THINGS UP AND I KNOW THEY ARE TRYING TO PROTECT THE RECORD AND DO THEIR JOB, BUT IF THEY'RE GOING TO OBJECT, I ASK THAT THEY SAY THEIR OBJECTS AND GIVE THE BASIS OF THE OBJECTION AND SAVE THEIR CROSS -- LET ME RESPOND AND LET, YOUR HONOR, RULE AND SAVE THEIR CROSS-EXAMINATION OF MY CLIENTS AND MY WITNESS FOR CROSS-EXAMINATION. IS THAT ACCEPTABLE?

JUDGE HOWE: I THINK THEY ARE TRYING TO DO THAT, BUT ALSO THINK THEY ARE TRYING TO FIGURE OUT WHAT SHE HAS TESTIFIED TO. I THINK WE HAVE BEEN A LITTLE LESS TECHNICAL AND I THINK THEY ARE TRYING TO FIGURE OUT WHAT PAGES SHE IS ON BASICALLY. IS THAT CORRECT?

MR. DURANT: YOUR HONOR, IF SHE IS SOME KIND OF FACT WITNESS AND SAYS, "I AGREE WITH SUCH AMOUNT. WE WANT TO KNOW WHAT SHE AGREES WITH" AND IF SHE SAYS, "I DON'T AGREE" WE WILL KNOW THAT MUCH.

JUDGE HOWE: YOU CAN ASK ON CROSS-EXAMINATION.

MR. DURANT: CORRECT, BUT I DON'T KNOW WHAT SHE'S STATING THOUGH WHEN SHE SAYS ...

MS. COOK: WELL, YOUR HONOR.

MR. DURANT: I AGREE THAT DOESN'T TELL ME OR YOU ANYTHING.

JUDGE HOWE: I UNDERSTAND, BUT ON CROSS WE CAN GET TO IT.

MR. DURANT: CORRECT. THANK YOU.

MS. COOK: YOUR HONOR, THEY WANT HER TO EXPLAIN AND GO INTO WHAT SHE AGREES WITH, BUT WHAT THEY DON'T WANT TO LET HER EXPLAIN IS WHAT THEY DON'T AGREE WITH.

MR. THOMAS: I WAS SIMPLY TRYING TO GET WHERE SHE LEAVES OFF BEING A FACT WITNESS AND GOES INTO STATING HER OPINION.

JUDGE HOWE: I UNDERSTAND.

Q LET'S GO TO TAB 12 WITHIN MRS. SUSAN BRADY'S REPORT WITH THE BACKUP THAT IS BEHIND TAB 12 ON HER REPORT. NOW, LET'S MAKE SURE MR. DURANT IS WITH US.

AND IT'S ENTITLED ON MRS. BRADY'S REPORT, "PLANTATION LAKES" AND SHE HAS $3,465.59 ALLOCATED. WHAT BACKUP DOES SHE HAVE TO PROVE THAT EXPENSE? WHAT BACKUP DOES SHE HAVE IN HER REPORT VERIFYING THAT EXPENSE?

A SHE'S GOT A JOB LEDGER FOR THE YEAR 2006 AND THEN A CUMULATIVE JOB LEDGER AS WELL BEHIND THAT TAB 12.

Q DOES SHE USE THE -- WHICH OF THE TWO FIGURES DOES SHE USE IN OUR REPORT, THE CUMULATIVE JOB LEDGER NUMBER OR THE JOB LEDGER THAT REFLECTS SOLELY THE CHARGES THAT ARE ON THE JOB LEDGER FOR 2006?

A SHE USES THE FIGURE THAT IS JUST THE CHARGES AND CREDITS TO COME UP WITH A NET TOTAL FOR 2006.

Q AND THE PLANTATION LAKES JOB, THESE AMOUNTS WERE NOT AGREED TO AS BEING OWED, IS THAT YOUR UNDERSTANDING?

A RIGHT, BECAUSE IT WAS AN A&E JOB.

Q TO YOUR KNOWLEDGE, IN THIS A&E JOB, THIS WAS THE HOUSE THAT WAS BOUGHT BY THE WHITLEYS, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND THE WHITLEYS, DID THEY PAY THE BILL FROM A&E FOR THE WORK THAT WAS DONE BY A&E?

A AND THE EXPENSES ON PLANTATION LAKES JOBS WERE PAID OUT OF THE CLOSING AND THEN THE WHITLEYS DID REMIT ANOTHER CHECK LATER.

Q AND THAT WAS FOR THE ADDITIONS THAT WERE DONE?

A YES.

Q THE CHANGES DONE TO THEIR HOUSE?

A THAT'S CORRECT.

Q SO, WAS A&E PAID FOR THAT JOB?

A YES.

Q AND THE PERRY JOB, THAT WAS YOUR AUNT? WE WENT OVER THAT YESTERDAY FOR 2005, CORRECT?

A THAT'S THE GAIL PERRY JOB, THE CONTINUING WORK THAT WENT ON THERE.

Q AND WE INTRODUCED AS AN EXHIBIT AND "84" YESTERDAY, WHICH INCLUDED PAYMENTS FROM YOUR AUNT, IS THAT CORRECT?

A YES. IT INCLUDES THE INVOICE AND THEN TWO DEPOSIT SLIPS SHOWING PAYMENT BY GAIL PERRY.

Q THE PAYMENTS BY MRS. PERRY, DID THEY -- I UNDERSTAND THE WORK ON HER HOME WENT FROM 2004 THROUGH 2007. THE CHARGES WERE INCURRED IN SOME OF THOSE PRIOR YEARS, BUT PAYMENTS WERE MADE IN 2007, IS THAT CORRECT?

A THAT IS CORRECT.

Q DID MRS. PERRY PAY FOR ALL THE WORK DONE ON HER

HOME TO A&E?

A YES.

Q DID SHE PAY A&E?

A YES.

Q I AM GOING TO SKIP NOW DOWN TO POINTE MARSH, WHICH IS TAB 16 IN MRS. BRADY'S REPORT. AND MRS. BRADY, ON BEHALF OF THE PLAINTIFFS, HAS IN THIS REPORT THAT $179,745.00 IS OWED ON THE POINTE MARSH JOB BY THE VEREEN SOURCES BACK TO A&E. DID YOU VERIFY OR DID YOU REVIEW THE -- AM I RIGHT? WELL, LET ME ASK YOU THIS, WHAT BACKUP DOES MRS. BRADY HAVE IN HER REPORT FOR THAT AMOUNT?

A SHE'S GOT A 2006 JOB LEDGER REPORT PRINTED IN OCTOBER, 2009.

Q AND DOES SHE HAVE -- AND THERE IS AN AMOUNT ON YOUR EXHIBIT "82" OF $1,150.25 AS BEING DISPUTED. DO YOU KNOW WHAT THAT RELATES TO?

A THOSE AMOUNTS, AGAIN, RELATE TO TOOLS AND OTHER THINGS LIKE THAT, THAT WOULD'VE BEEN A&E EXPENSES THAT WERE PUT ON THIS JOB LEDGER.

Q AND THEY WERE ACTUALLY COSTS FOR A&E, THE COMPANY OVERALL?

A THAT'S CORRECT.

Q THE REMAINING AMOUNTS, THE VEREEN SOURCES AGREE

SHOULD BE REPAID TO A&E?

A CORRECT.

Q TAB 17 ON MRS. BRADY'S REPORT IS TABBED "WACHOVIA" AND IT'S IN THE AMOUNT $2,459.94. WHAT BACKUP DOES SHE HAVE FOR THAT CHARGE?

A SHE HAS A PRINTOUT. I DON'T KNOW IF IT'S A PRINTOUT FROM THE PEACHTREE SYSTEM. IT'S A PRINTOUT WHICH SHOWS THE CHECK NUMBER, THE CHECK DATE, WHAT THE DESCRIPTION IS AND OF THE CHECK, WHAT IT WOULD'VE BEEN LISTED ON THE DESCRIPTION OF THE CHECK, AND THEN, OF COURSE, WHO THE CHECK WAS PAYABLE TO, AND THE AMOUNT. SO THAT'S WHAT SHE'S PRESENTED AND SHE'S GOT CIRCLED FOR THE HOME DEPOT AND LOWE'S CHARGES THAT, THAT WAS BEFORE THE JOB CHARGES STARTED AND IN OUR DISCUSSIONS AT HER OFFICE, SHE SAID THAT MR. SMITH TOLD HER THAT, THAT WAS BEFORE THE JOB STARTED.

Q DID YOU DO WORK ON THE FOUNTAINS JOB?

A YES.

Q DO YOU KNOW WHEN THE FOUNTAINS JOB STARTED, APPROXIMATELY?

A IT STARTED IN '05.

Q AND THIS IS A CHECK WRITTEN ON JULY 25TH, 2006?

A WRITTEN ON -- YES, IT WAS. I WENT AND PULLED

THE ACTUAL BACKUP FOR IT. THE ACTUAL YELLOW COPY OF THE CHECK THAT CARRIE KEEPS IN THE PAYABLE FILES. THE CHECK WAS WRITTEN ON JULY 25TH, '06 AND IT WAS A HANDWRITTEN CHECK BY MY FATHER, BUT CARRIE MUST NOT HAVE ENTERED IT UNTIL AUGUST 4TH, 2006 WITH PEACHTREE, WHICH IS WHY IT'S GOT THE AUGUST 4TH DATE PRINTED OUT FROM THE PEACHTREE SYSTEM.

MR. DURANT: THAT WAS A CHECK TO WACHOVIA THOUGH. THAT'S CORRECT. WE GOT THAT.

Q IS THIS A COPY OF THE CHECK?

A YES, IT IS.

MS. COOK: YOUR HONOR, I WOULD LIKE TO MARK THIS AS EXHIBIT NUMBER ...

MR. DURANT: IT'S ALREADY IN EVIDENCE.

Q IS THE CHECK ACTUALLY BEHIND HER REPORT? YOU DIDN'T SAY IF IT WAS OR WASN'T?

A AND I HAVE MY NOTEBOOK. I DON'T KNOW WHAT REPORTS SHE ENTERED INTO EVIDENCE.

MS. COOK: I ASSUME SHE WAS LOOKING AT THE EXACT SAME NOTEBOOK AS ALL OF US.

Q YOU DON'T HAVE -- WAS IT ACTUALLY IN -- YOU'RE NOT LOOKING AT MRS. BRADY'S NOTEBOOK?

A NO. WE DIDN'T HAVE A WITNESS COPY OF MRS.

BRADY'S NOTEBOOK. SO I AM USING MY NOTEBOOK.

Q YOU DON'T HAVE EVERYTHING IN YOUR NOTEBOOK THAT MRS. BRADY HAD IN HER BACKUP?

A I HAVE MORE IN MY NOTEBOOK THAN MRS. BRADY HAD.

Q OKAY. IS THIS A COPY OF THE CHECK?

A YES, IT IS.

Q I WANT TO MARK THAT AS EXHIBIT NUMBER -- WELL, IT'S IN THE NOTEBOOK, OKAY. WHY WOULD YOUR FATHER HAVE BEEN WRITING WACHOVIA A CHECK ...

MR. DURANT: YOUR HONOR, SHE CAN'T TESTIFY AS TO WHY HER FATHER DID ANYTHING. THERE'S NO INVOICE FOR THESE EXPENSES.

JUDGE HOWE: SUSTAINED.

Q OKAY. FROM YOUR DISCUSSIONS WITH MRS. BRADY AT HER OFFICE, WHAT IS YOUR UNDERSTANDING OF WHY MRS. BRADY INCLUDED THAT AMOUNT ON THE REPORT -- ON HER REPORT AS BEING OWED BY YOUR FATHER'S SOURCES BACK TO A&E?

A SHE STATED THE SAME REASON SHE CIRCLED IT. THAT THESE EXPENSES WERE INCURRED PRIOR TO THE FOUNTAINS JOB STARTING. AND MR. SMITH HAD TOLD HER THAT.

Q AND THE FOUNTAINS JOB HAD ACTUALLY STARTED WHEN?

A 2005.

Q IF YOU WOULD GO TO LINE ITEM 18 ON MRS. BRADY'S REPORT AND TELL WHAT BACKUP IS THERE FOR THE GMAC CHARGE OF $2,796.64?

A I BELIEVE MRS. BRADY JUST PROVIDED PAGE 3 AND 4 OF THE ADJUSTING JOURNAL ENTRIES, WHICH I BELIEVE ARE PAGES FROM HER OVERALL REPORT. AND IT SHOWS SEVERAL LINE ITEMS ON PAGE 3.

Q AND THOSE ARE CHECKS WRITTEN TO GMAC IN WHAT AMOUNT?

A WRITTEN TO GMAC BY A&E.

Q IN WHAT AMOUNT?

A THE FIRST AMOUNT IS $7,450.32. THE SECOND AMOUNT ALSO ON PAGE 3 IS $399.52 AND THE THIRD CHECK IS ON PAGE 4 IN THE AMOUNT OF $1,997.60.

Q DO YOU KNOW WHAT THOSE PAYMENTS WERE FOR?

A I DO.

Q WHAT WERE THEY FOR?

A THEY WERE PAYMENTS MADE TO GMAC ON BEHALF OF THE 2004 CHEVROLET VAN OWNED BY -- TITLED IN EES CONSTRUCTION.

Q AND WAS THAT AN A&E EXPENSE?

A WE ...

MR. DURANT: YOUR HONOR, NOTE MY CONTINUING OBJECTION. I DON'T KNOW THAT SHE'S CAPABLE OF ANSWERING THAT.

Q WAS THAT A -- WHO DROVE THAT VAN?
A RANDY LONG.
Q AND AS FAR AS YOU KNOW, THE TITLE TO THAT VAN WAS IN WHOSE NAME?
A EES CONSTRUCTION.
Q AND FROM EXHIBIT "82" THAT AMOUNT IS DISPUTED?
A THAT'S CORRECT.
Q IF YOU GO TO LINE ITEM 20 IN MRS. BRADY'S REPORT?
A YES.
Q WHAT IS YOUR UNDERSTANDING OF THE $22,800.00 CHARGE THAT MRS. BRADY HAS INCLUDED IN HER REPORT AND LABELED "LULL"?
A SHE'S GOT IT TITLED "LULL RENTAL TO PARK PLACE, 12 MONTHS AT $1,900.00 MONTHLY." AND WHEN WE MET, SHE SAID THAT MR. SMITH GAVE HER THIS NUMBER TO INSERT INTO HER REPORT.
Q DID SHE HAVE ANY BACKUP FOR THAT?
A OTHER THAN MR. SMITH'S INSTRUCTIONS, NO.
Q WHAT ABOUT FOR THE SKID RENTAL, WHAT BACKUP DID SHE HAVE FOR THE SKID RENTAL THAT SHE'S ASSIGNED AT $15,000?
A IT WAS THE SAME. SHE HAD NO BACKUP OTHER THAN MR. SMITH'S INSTRUCTIONS TO INCLUDE THAT AMOUNT.
Q AND, IN FACT, I THINK WE TALKED ABOUT THIS SOME

YESTERDAY, BUT DO YOU HAVE KNOWLEDGE OF WHETHER OR NOT A LULL AND A SKID WERE USED ON THE POINTE MARSH PROJECT THAT WAS BUILT BY PARK PLACE PROPERTIES?

A YES. THEY USED A LULL AND A SKID.

Q DO YOU KNOW WHERE PARK PLACE PROPERTIES GOT THAT SKID AND LULL FROM?

A THEY RENTED IT FROM HERTZ EQUIPMENT RENTAL.

MR. THOMAS: I'M SORRY. WHAT WAS THE NAME OF THAT EQUIPMENT RENTAL COMPANY?

A HERTZ.

Q LET ME SHOW YOU WHAT I HAVE MARKED AS DEFENDANT'S "86" AND ASK IF YOU CAN'T IDENTIFY THIS? IT'S A SERIES OF CHECKS.

A I CAN. THESE ARE CHECKS AND INVOICES THAT I PULLED FROM THE PARK PLACE PROPERTIES ACCOUNTS PAYABLE FILES.

Q AND THEY ARE CHECKS AND INVOICES FOR WHAT EQUIPMENT AND WHAT PERIOD OF TIME?

A THEY APPEAR TO BE CHECKS WRITTEN FROM JUNE THROUGH NOVEMBER.

Q DO THE INVOICES ACTUALLY SAY WHAT EQUIPMENT WAS RENTED IN THAT TIME FRAME?

A THEY DO. THEY SAY FORKLIFT AND EXCAVATOR. AND

IT LOOKS LIKE THE CHARGES START IN APRIL OF 2006 AND GO THROUGH 10/06.

MS. COOK: YOUR HONOR, I WOULD LIKE TO INTRODUCE DEFENDANT'S EXHIBIT "86".

MR. DURANT: GIVE ME ONE SECOND, YOUR HONOR.

MS. COOK: YOUR HONOR.

MR. DURANT: I DON'T HAVE ANY OBJECTIONS TO THAT BEING WHAT IT IS.

MS. COOK: CAN I APPROACH FOR JUST A MOMENT?

JUDGE HOWE: YES.

(DISCUSSIONS HELD OFF THE RECORD.)

JUDGE HOWE: SO YOU HAVE NO OBJECTS TO DEFENDANT'S "86", MR. DURANT?

MR. DURANT: NO. NOT IF IT'S JUST THE INVOICES.

JUDGE HOWE: WELL, IT'S INVOICES AND CHECKS.

MR. DURANT: OKAY.

JUDGE HOWE: DEFENDANT'S "86" SO ADMITTED THEN.

INVOICES AND CHECKS
FOR PARK PLACE PROPERTIES
MARKED FOR IDENTIFICATION

AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "86".

MS. COOK: FOR THE COURT REPORTER, I KNOW THAT "85" HAS NOT BEEN INTRODUCED. I HAVE IT HERE.

Q STILL ON THAT SAME TAB WHICH IS TAB 20, IT APPEARS TO BE KIND OF A MISCELLANEOUS TAB WITH SOME OTHERS THINGS. THE NEXT ITEM SAYS, "ELIZABETH SISSON $5,000." DO YOU KNOW WHAT OR IF MRS. BRADY HAD BACKUP FOR THAT CHARGE?

A SHE HAD ANOTHER. IT LOOKS LIKE A DUPLICATE CHECK PRINTED OUT FROM PEACHTREE, CHECK NUMBER 6070 DATED JULY 18TH, 2006 IN THE AMOUNT OF $5,000 WRITTEN PAYABLE TO ME.

Q DO YOU KNOW WHAT THAT CHECK -- DID YOU RECEIVE A CHECK FOR $5,000?

A YES.

Q WHAT WAS THAT CHECK FOR?

A IT WAS A COMMISSION CHECK. WE RECEIVED IT, I BELIEVE, I TESTIFIED TO IT YESTERDAY. I BELIEVE OR MAYBE YOU ASKED ELLIS ABOUT IT. I DON'T REMEMBER. ABOUT THE FOUNTAINS WHEN WE WERE FINISHING UP THE PUNCH LISTS FOR TIM KUHN, THE FINAL PAYMENT OF $66,000 AFTER THAT PAYMENT WAS RECEIVED, THERE WAS A DISCUSSION THAT WE WERE

ALL GOING TO GET A BONUS OUT OF THIS BECAUSE THE JOB WAS DONE.

Q YOU RECEIVED THAT $5,000 CHECK AT THE SAME TIME AS THEY RECEIVED THEIR $50,000 CHECK?

A YES.

Q AND SHE HAS INCLUDED THAT AMOUNT AS PART OF THIS COMMISSION CHECK? SHE'S CONCLUDED THAT AS SOMETHING BEING OWED BACK TO A&E?

A THAT'S CORRECT.

Q I NEED YOU TO GO BACK TO TAB 19. ON TAB 19, MRS. BRADY HAS LISTED TWO AMOUNTS AS BEING FOR HORRY COUNTY TAXES. WHAT BACKUP DID SHE HAVE IN HER NOTEBOOK FOR THOSE CHARGES? IF YOU TOTALLED BOTH OF THOSE TOGETHER IT WOULD BE $9,300 AROUND $9,300. CAN YOU TELL WHAT SHE HAD IN HER NOTEBOOKS SINCE YOURS IS DIFFERENT?

A NO. I DON'T REMEMBER IF SHE HAD ANY BACKUP IN THIS NOTEBOOK OR NOT.

Q OKAY.

MS. COOK: JUDGE, COULD WE SEE YOUR NOTEBOOK FOR SECOND?

JUDGE HOWE: SURE.

Q DID SHE INCLUDE CHECK 5412 AS PART OF HER BACKUP AS BEING PART OF THE TOTAL AMOUNT CHARGED?

A SHE DID, OH, YES. NOW, I SEE HER HANDWRITING ON

HERE. SHE HAD CHECK 5412, 5585, AND 5033, EACH OF THOSE CHECKS INCLUDED AS BACKUP FOR THAT CHARGE BEING OWED BY MY DAD.

Q AND DID YOU INVESTIGATE THAT CHECK 5412?

A YES, I DID. I SHOWED THE CHECK HAD BEEN WRITTEN, BUT IT DIDN'T CLEAR THE BANK BECAUSE IT WAS RETURNED BY HORRY COUNTY AS BEING AN IMPROPER AMOUNT. AND SO THE CHECK SHOULD HAVE BEEN VOIDED IN THE COMPUTER, BUT I GUESS IT WASN'T.

Q IS THAT THE AMOUNT FOR THAT CHECK THE $4,000 ...

A $4,466.57.

Q OKAY. AND THAT'S THE AMOUNT THAT IS IN THE DISPUTED COLUMN ON YOUR EXHIBIT "82"?

MR. DURANT: YOUR HONOR, WE AGREED WITH THAT.

MS. COOK: THAT'S FINE.

Q IS THAT THE AMOUNT THAT IS IN YOUR DISPUTED COLUMN?

A IT IS.

Q AND AT THE TIME MRS. BRADY HAD INCLUDED IT AS PART OF HER CHARGE OF THE $8,993.46. DO YOU KNOW IF, AT THAT POINT IN TIME, MRS. BRADY -- HOW DID IT COME TO THE PLAINTIFF'S ATTENTION THAT, THAT CHECK HAD BEEN VOIDED?

A I BELIEVE WE TOLD THEM DURING THE MEETING THAT IT HAD BEEN VOIDED.

Q AND COULD YOU HAVE GONE TO THE CHECKING ACCOUNT STATEMENT FOR THAT MONTH IF YOU HAD CHECKED THAT TO SEE THAT, THAT CHECK DID NOT CLEAR?

A YES.

Q DID YOU, IN FACT, DO THAT?

A I DID.

Q DO YOU KNOW IF MRS. BRADY DID THAT?

A I DO NOT KNOW.

Q WHEN DID YOU BRING THAT TO HER ATTENTION?

A AT THE MEETING. I BELIEVE IT WAS THE MEETING IN DECEMBER OF 2010. AND I DIDN'T SEE HER AS HER CREDITING IT ON HER 2007 NOTEBOOK, WHICH IS WHY I LEFT IT ON THIS SHEET.

Q OKAY. SO, WHILE THEY -- MR. DURANT HAS GRACIOUSLY TODAY SAID THAT THEY DON'T DISPUTE IT AND IT SHOULD NOT BE AN AMOUNT CHARGED BACK TO US. YOU DIDN'T SEE THAT WHEN YOU LOOKED AT HER FINAL REPORT AND CORRECTIONS MADE TO THAT?

A I DIDN'T SEE IT ON THERE.

Q NOW, LET'S GO TO ITEM 22 IN MRS. BRADY NOTEBOOK, WHICH IS A CHARGE $22,049.48 THE PLAINTIFFS MAINTAIN ARE OWED BACK TO A&E?

A THAT'S CORRECT.

Q FOR STOCK BUILDERS?
A YES.
Q DO YOU KNOW WHAT BACKUP MRS. BRADY HAD IN HER NOTEBOOK WITH REGARD TO THAT CHARGE?
A I BELIEVE SHE HAD HER COVER SHEET WHICH SHOWED THE CHECK AMOUNT, CHECK DATE.
Q DO YOU KNOW WHERE SHE GOT THAT INFORMATION?
A I BELIEVE SHE GOT IT OFF THE PEACHTREE SYSTEM, BUT SHE'S ALSO GOT THE ACTUAL CHECK AND THE INVOICES THAT BACKUP THAT CHECK AND SHE GOT A DUPLICATE COPY OF THE CHECK PRINTED OUT FROM THE PEACHTREE SYSTEM.
Q OKAY.
A AND DURING OUR MEETINGS, SHE SAID THAT SHE HAD GOTTEN THIS INVOICE FROM MR. SMITH.
Q NOW, DID YOU CHECK THE BOOKS AND RECORDS AND FILES AND COMPUTER PRINTOUTS OR WHATEVER YOU COULD GET OFF THE PEACHTREE TO TRY TO LOCATE THE STOCK BUILDERS FILES TO VERIFY THIS INFORMATION?
A WELL, WE TRIED TO LOOK UP THIS INVOICE IN THE STOCK BUILDERS PAYABLES FILES. WE HAVE STOCK BUILDERS PAYABLE FOLDERS FOR 2004, 2005, 2006, AND 2007. OUR STOCK BUILDERS PAYABLES FOLDER FOR 2006 IS MISSING, WITH THE EXCEPTION OF THIS INVOICE WHICH WAS INCLUDED IN THE STACK OF

DOCUMENTS THAT THE PLAINTIFF ASKED TO BE COPIED AT OUR OFFICE IN MARCH OF 2009. SO THIS IS THE ONLY 2006 STOCK BUILDING INVOICE THAT WE HAVE FOR THE YEAR.

Q DO YOU KNOW WHAT HAPPENED TO THAT STOCK BUILDING FILE?

A I DO NOT.

Q FOR 2006?

A I DO NOT.

Q DURING THE TIME MR. SMITH WAS ACTIVELY WORKING FOR A&E BEFORE HE LEFT IN 2007, DO YOU KNOW WHO HAD KEYS AND ACCESS TO THE BUILDING, THE A&E OFFICE?

A THERE WERE FOUR OF US THAT HAD KEYS TO THE A&E OFFICE; MY DAD, CARRIE, ELLIS AND MYSELF.

Q AND THE FOUR OF YOU WERE FREE TO COME AND GO AS YOU LIKED?

A YES, MA'AM.

Q DID YOU EVER COME INTO THE OFFICE AT ANY TIME WHEN THE ONLY ONE THERE WAS MR. SMITH?

A FREQUENTLY.

MR. DURANT: WASN'T THIS INVOICE ADMITTED AS BEING A PERSONAL EXPENSE?

MS. COOK: IT WAS.

Q WHY WAS THIS PARTICULAR INVOICE ADMITTED AS

BEING A PERSONAL EXPENSE?

A WE INITIALLY DENIED THAT THIS WAS A PERSONAL EXPENSE BECAUSE THERE ARE OTHER 2006 INVOICES THAT WOULD SHOW THAT MATERIAL DELIVERED TO POINTE MARSH WAS ACTUALLY MATERIAL FOR THE WILLOUGHBY PLACE PROJECT. INSTEAD IT WAS DELIVERED TO POINTE MARSH, AND THEREFORE, WOULD SHOW UP ON THE POINTE MARSH INVOICES. HOWEVER, WITHOUT THE REST OF THE 2006 STOCK BUILDER PAYABLE FILES, IT'S KIND OF HARD TO PROVE THAT. SO, WE DID EVERYTHING WE COULD TO TRY TO TRACK THOSE INVOICES DOWN. WE TRIED TO CONTACT STOCK BUILDERS, BUT THEY'RE NO LONGER IN BUSINESS AND CAN'T REPRODUCE THOSE RECORDS FOR US. AND SO THE ONLY THING WE WERE LEFT TO DO WAS TO AGREE TO IT.

Q SO, BECAUSE YOU COULDN'T FIND THE STOCK BUILDERS FILE TO PROVE THAT EVEN THOUGH MATERIALS MAY HAVE BEEN DELIVERED TO POINTE MARSH THAT WERE THEN USED AT WILLOUGHBY, YOU WENT AHEAD AND INCLUDED THAT AS AN AMOUNT OWED BACK BY THE VEREEN SOURCES TO A&E?

A YES.

JUDGE HOWE: WHEN YOU SAY "THIS" WE'RE TALKING ABOUT WHAT'S BEHIND TAB 22?

A YES, MA'AM.

JUDGE HOWE: IN THE YEAR 2006?

A YES, MA'AM.

Q BEHIND TAB 22, THE STOCK BUILDERS, WHAT IS THE SECOND PAGE THAT WAS PROVIDED AS BACKUP BY MRS. BRADY?

A IT'S A COPY OF THE CHECK. WHAT I CALL A CHECK STUB. IT'S THE YELLOW COPY OF THE CHECKS THAT WOULD BE CONTAINED IN CARRIE'S PAYABLE FILES.

Q IN HER BACKUP, DID SHE ALSO PRODUCE BEHIND THAT TAB CHECK 2731 ON TOP? I THINK IT WAS RUN OFF OVER A STOCK BUILDERS INVOICE?

A SHE DID.

Q AND THAT STOCK BUILDERS INVOICE IS SHOWING FOR HOW MUCH DUE?

A THAT INVOICE SHOWS $849.61 IS THE BALANCE DUE.

Q THE CHECK ON OUR SHEETS WAS RUN OFF ON TOP OF THAT. THAT'S A PARK PLACE PROPERTIES CHECK FOR $10,000 AND SOME CHANGE, CORRECT?

A THAT'S CORRECT.

Q AND LET ME ASK YOU THIS, DO YOU KNOW ...

MR. DURANT: YOUR HONOR, I OBJECT TO ANY OF THESE QUESTIONS OTHER THEN THEY HAVE AGREED AS TO RELEVANCE. WHY ARE WE ASKING MORE QUESTIONS ABOUT THIS INVOICE

IF THEY'VE AGREED THAT IT'S A PERSONAL EXPENSE?

MS. COOK: BECAUSE I'M ASKING ABOUT SOME DOCUMENTS INCLUDED BY MRS. BRADY IN THAT INVOICE.

MR. DURANT: WHY IS THAT RELEVANT?

MS. COOK: WELL, IF YOU WILL LET ME ANSWER -- THIS IS A DOCUMENT PRODUCED BY THE PLAINTIFFS. IF I COULD PLEASE ASK A QUESTION ABOUT IT.

Q FOR MATERIALS ORDERED FOR THE POINTE MARSH PROJECT THAT WAS BUILT BY PARK PLACE PROPERTIES, DID IT -- DO YOU KNOW IF THE MATERIALS WERE ORDERED FROM STOCK BUILDERS?

A YES, THEY WERE.

Q AND, LIKEWISE, ON A&E JOBS WERE MATERIALS ORDERED FROM STOCK BUILDERS?

A YES, THEY WERE.

Q AND FOR MATERIALS ORDERED FOR THE POINTE MARSH JOB FROM STOCK BUILDERS, DID PARK PLACE PROPERTIES PAY FOR THOSE MATERIALS?

A THEY PAID FOR SOME OF THEM, A&E PAID FOR SOME OF THEM.

Q OKAY. DOES THIS CHECK SHOW A -- DOES THIS DOCUMENT SHOW A CHECK BEING MADE PAYABLE TO

STOCK BUILDERS FOR $10,000 AND CHANGE FROM PARK PLACE PROPERTIES, THAT HAS ON THE `FOR' LINE "23 POINTE MARSH"?

A IT DOES.

Q OKAY. IF YOU WOULD PLEASE TURN TO TAB 23 IN MRS. BRADY'S REPORT, SHE HAS A COVER SHEET THAT LISTS A SERIES OF CHECKS SHOWING PAYMENTS AND THAT TOTALS $34,992.89, CORRECT?

A THAT'S CORRECT.

Q I WANT TO TALK ABOUT THE FIRST SERIES OF CHECKS. LET'S TALK ABOUT THE FIRST 2 CHECKS. TO PALMETTO CHEVROLET CHECK 4985 AND 5032. DO YOU KNOW WHAT THOSE TWO CHECKS WERE WRITTEN TO PALMETTO CHEVROLET FOR?

MR. DURANT: YOUR HONOR, SHE DOESN'T HAVE ANY KNOWLEDGE OF WHY MR. VEREEN SIGNED THIS CHECK. I OBJECT FOR THAT SAME REASON.

JUDGE HOWE: SUSTAINED. I DON'T HAVE THE CHECKS. DO YOU?

MR. DURANT: JUST THE CHECK NUMBERS IS ALL WE HAVE.

JUDGE HOWE: THAT'S ALL I HAVE.

Q DO YOU KNOW IF MRS. BRADY HAD THE ACTUAL CHECKS WHEN SHE COMPILED THIS? DO YOU KNOW?

A I DON'T KNOW HOW SHE WOULD HAVE THEM. THEY WEREN'T INCLUDED IN THE TWO BOXES THAT THE PLAINTIFF REQUESTED COPIES OF IN THE MARCH 2009 DOCUMENT PRODUCTION.

Q DID YOU HAVE OCCASION TO GO BACK AND VERIFY THESE CHARGES AND FIND THESE CHECKS?

A YES, I DID.

Q DO YOU KNOW IF A&E CARRIED INSURANCE ON THE VEHICLES OPERATED BY A&E?

A YES.

Q DO YOU KNOW WHAT VEHICLES WERE OPERATED BY A&E IN CARRYING ON ITS BUSINESS?

A AT THIS TIME PERIOD, I BELIEVE WE HAD ELLIS' TRUCK, WHICH WAS ACTUALLY TITLED IN A&E. MY DAD'S TRUCK WAS TITLED PERSONALLY, BUT DRIVEN FOR A&E PURPOSES. WE HAD A BIG WHITE WORK TRUCK, AND THAT'S JUST WHAT IT WAS CALLED. AND WE HAD TWO SMALL WHITE WORK TRUCKS AND THEN VARIOUS EQUIPMENT AND TRAILERS.

Q AND DID A&E INSURE THOSE VEHICLES?

A YES.

Q DO YOU KNOW WHO A&E INSURED THOSE VEHICLES THROUGH?

A HARTFORD.

Q DID A&E HAVE A PREMISES COVERAGE AND LIABILITY

COVERAGE TO COVER ITS OFFICE AND EQUIPMENT AND THE VEHICLES?

A YES.

MR. DURANT: YOUR HONOR, IS SHE TESTIFYING THAT SHE PURCHASED THE INSURANCE AND WAS IN CHARGE OF THE INSURANCE FOR A&E? IF SHE IS, SHE CAN TESTIFY, BUT OTHERWISE, SHE IS NOT CAPABLE OF ANSWERING THESE QUESTIONS.

JUDGE HOWE: SHE IS TESTIFYING THAT SHE KNEW A&E HAD INSURANCE ON THESE VEHICLES AND LIABILITY INSURANCE ON THEM.

MR. DURANT: BY EXAMINING THE RECORDS AFTER WE MADE THE CLAIM?

JUDGE HOWE: I DON'T KNOW HOW SHE KNEW, BUT SHE KNEW.

MS. COOK: YOU CAN CROSS-EXAMEN HER ON IT.

Q DO YOU KNOW WHO CARRIE -- WHO A&E HAD THAT INSURANCE WITH?

A IT WAS ALL THROUGH HARTFORD.

Q NOW, CAN WE GO TO TAB 24? WHAT IS TAB 24, AS FAR AS YOU KNOW, FROM MRS. BRADY'S REPORT?

A TAB 24 IS A COPY OF 7 PAGES FROM SMITH/SAPP'S WORK PAPERS FOR THE 2006 TAX RETURN, WHICH IS

RICHARD CRUMPLER, SMITH, SAPP, BOOKOUT, AND CRUMPLER.

Q AND MRS. BRADY HAS INCLUDED AS MONEY OWED FROM THE VEREEN SOURCES BACK TO A&E; FIRST, IT SAYS "G.L. OPEN JOBS $208,577.66." DO YOU KNOW WHERE SHE GOT THAT FIGURE?

A IN OUR MEETINGS, SHE SAID THAT SHE GOT THESE AS -- RICHARD'S WORK PAPERS AND THEY WERE EXPENSES PAID BY DAD ON BEHALF OF A&E INCLUDED IN RICHARD'S WORK PAPERS AND THAT SHE WAS CHARGING THEM BACK FOR HIM TO PAY.

Q SO THEY WERE EXPENSES PAID BY YOUR DAD FROM RICHARD CRUMPLER'S WORK PAPERS FOR A&E BUSINESS AND SHE INCLUDED THOSE AS THE SAME AMOUNT AS BEING OWED BY YOUR DAD BACK TO THE COMPANY?

A CORRECT. RICHARD SHOWS THEM AS CREDITS TO THE WAYNE ACCOUNTS RECEIVABLE UNDER THE 2006 DRAFT TAX RETURN. HE SHOWS THEM AS CREDITS TO WAYNE'S ACCOUNTS RECEIVABLE AND SHE CHARGES THEM BACK. SO, IN ESSENCE, SHE REMOVES THOSE CREDITS.

Q OKAY. HOW ABOUT THE $69,000 FIGURE? DO YOU KNOW WHERE MRS. BRADY GOT THAT NUMBER?

A THAT'S ALSO FROM THE SAME PLACE.

Q AND SHE ADVISED THE GATHERING IN HER OFFICE THAT, THAT'S WHERE SHE GOT THE NUMBERS?

A YES.
Q AND DO YOU KNOW FROM REVIEWING MR. CRUMPLER'S TAX RETURNS WHAT HE SHOWED THAT NUMBER AS BEING?
A IT'S THE 66 -- I DON'T KNOW IF HE ACTUALLY BROKE IT OUT OR IF THAT'S SUSAN'S HANDWRITING THAT THEY BROKE IT OUT. THE TOTAL THAT RICHARD HAS CREDITS TO WAYNE'S ACCOUNTS RECEIVABLE WAS $277,614.03.
Q SO, THAT'S THE TOTAL OF THOSE TWO NUMBERS?
A YES.
Q NOW, THAT'S THE TOTAL FOR MRS. BRADY'S 2006 NOTEBOOK OF CHARGES DUE, ACCORDING TO THE PLAINTIFFS BACK FROM VEREEN SOURCES TO A&E. DID SHE ALSO MAKE SOME ADJUSTMENTS OR CREDITS TO THOSE 2006 FIGURES IN LATER YEARS OR IN HER LATER REPORT?
A I DON'T BELIEVE THAT SHE GAVE ANY CREDITS FOR 2006 IN ANY LATER REPORTS. I DO KNOW THAT ON THE THIRD PAGE OF HER TABLE SUMMARY THAT SHE DOES SHOW PAYMENTS FOR POINTE MARSH. SHE GIVES CREDIT FOR PAYMENTS ON PARK PLACE PROPERTIES AND ON THE POINTE MARSH JOB LEDGER TOTALING $135,000.
Q SO, SHE DID RECORD IT AND TAKES OFF THE AMOUNTS PLAINTIFF ALLEGES ARE DUE FOR 2006? WHAT SHE

RECORDED AS PAYMENTS FROM POINTE MARSH INTO A&E'S ACCOUNT?

A CORRECT.

Q AND THAT -- DID SHE FIND ALL OF THE PAYMENTS MADE FROM POINTE MARSH INTO A&E IN 2006?

A I DON'T REMEMBER OFF THE TOP OF MY HEAD, BUT IT WOULD BE IN MY MANY PAYMENTS MADE BY PARK PLACE PROPERTIES TO A&E, WOULD BE IN THE PARK PLACE PROPERTIES ACCOUNTS RECEIVABLE NOTEBOOK.

MS. COOK: YOUR HONOR, CAN I HAVE HER LOOK AT THAT NOTEBOOK?

JUDGE HOWE: YES.

A YES. SHE DOES HAVE ALL THREE OF THOSE.

Q WERE THERE ANY OTHERS THAT SHE DID NOT GIVE CREDIT FOR?

A NOT FROM PARK PLACE PROPERTIES.

Q OKAY. DID SHE EVER, TO YOUR KNOWLEDGE, IN ANY OF HER REPORTS, GIVE CREDIT TO THE VEREEN SOURCES FOR THE AMOUNTS REFLECTED IN HER TAB 24, THE $277,000 AND CHANGE PER MR. CRUMPLER'S REPORTS WERE AN ACCOUNTS RECEIVABLE DUE TO MR. VEREEN?

A DID SHE GIVE THOSE CREDITS BACK TO HIM?

Q YES, MA'AM.

A NOT THAT I'M AWARE OF.

Q CAN WE NOW GO TO 2007, BUT COULD WE TAKE A BREAK FOR THE BATHROOM?

JUDGE HOWE: CERTAINLY.

(OFF THE RECORD.)

Q MRS. SISSON, COULD WE TURN TO MRS. BRADY'S 2007 REPORT?

A YES, MA'AM.

Q AGAIN, I THINK THE VEREEN SOURCES AGREE TO CERTAIN AMOUNTS, SO I'M GOING TO TRY JUST TO SKIP DOWN TO THINGS THAT MIGHT BE A LITTLE BIT MORE ENLIGHTENING, WHICH WOULD GET US TO -- LET'S GO TO TAB 9, SAM'S. IS THAT SAM'S WAREHOUSE CLUB? IS THAT WHAT THAT IS?

A YES.

Q AND THE A&E SOURCES DO AGREE WITH $1,877.24 OF THE BRADY CHARGES. LET ME JUST ASK YOU, CAN YOU TELL IF MRS. BRADY HAS BACKUP IN HER NOTEBOOK FOR THOSE CHARGES?

A I BELIEVE SHE JUST HAD A TOP SHEET. I DON'T KNOW IF SHE HAD THE SAM'S, ACTUALLY SAM'S CHECK, AND SAM'S BILLS OR NOT, BUT ONE OF THE REASONS WE DISPUTED A PART OF IT IS BECAUSE HER TOTALS DON'T MATCH. HER SHEET BEHIND TAB 9 SAYS 1,981.41 AND THEIR TABLES SAY 2,231.16. AND THEN SHE HAS ALSO GOT ANOTHER CHARGE UNDER TAB 9

FOR 589.02 WHICH IS A DUPLICATE CHARGE INCLUDED IN THE 1,981.41.

Q COULD YOU SHOW US WHERE THAT DUPLICATED CHARGE IS?

A WELL, IF YOU LOOK ON HER WHITE PAPER THAT'S JUST GOT THE 5 CHECKS LISTED WITH THE DATES, YOU'LL SEE THE 589.02 LISTED THERE.

Q YES, MA'AM.

A BUT ON HER TABLE AT THE FRONT OF HER REPORT WHERE IT SHOWS TAB 9, SAM'S CLUB. TAB 9 HAS THE $2,200.00 AMOUNT, WHICH IS ADDED WRONG TO BEGIN WITH, BUT THEN UNDER IT, IT HAS THE 589.02.

Q SO, ON THE AMOUNT THAT -- WHEN YOU SAY, "HER TABLE" YOU'RE TALKING ABOUT THOSE SUMMARY SHEETS THAT ARE LAID OUT LIKE A SPREADSHEET?

A YES.

Q AND SO YOU AGREE TO ALL OF THE -- THE VEREEN SOURCES AGREE TO ALL THESE AMOUNTS EXCEPT THE DUPLICATED CHARGE IN THE AMOUNT THAT'S REFLECTED WITH CORRECT ADDING?

A WELL, I BELIEVE THERE ARE A COUPLE OF GAS CHARGES IN THERE AS WELL, AND DAD DID NOT AGREE THAT THOSE WERE AMOUNTS THAT HE SHOULD HAVE TO PAY BACK TO A&E.

Q ALRIGHT. NOT TO BELABOR THE POINT, BUT LET'S GO

TO TAB 11. THAT'S A TAB FOR PARKWAY OFFICES AND THEN ON HER LEDGER SHEETS, IT WOULD BE LINE ITEMS ASSOCIATED WITH 11. DID YOUR PROCEDURE IN GOING BACK AND CHECKING THESE AGAIN, PULLING TIMECARDS, THINGS OF THAT NATURE, WAS THAT THE SAME AS YOU HAD DONE IN 2006, 2005, AND 2004?

A YES.

Q FOR THE PARKWAY OFFICES JOB?

A YES.

Q ON THE PARKWAY OFFICES LEDGER HERE IN 2007, WAS THERE ANY UP-FITTING OF ANY OFFICES AT PARKWAY OFFICES BEING DONE?

A WE DID A LITTLE BIT OF AN UP-FIT AT THE ADJACENT SPACE. WHAT IS NOW KNOWN AS 507 ROBERT GRISSOM PARKWAY AND SO THOSE AMOUNTS -- AGAIN, WE REVIEWED THE JOB LEDGER AND WHEN WE STARTED SEEING CONSISTENT TIME AND MATERIALS, THAT'S WHEN WE STARTED TAKING THOSE AMOUNTS OUT AND AGREEING THAT THOSE WERE THE AMOUNTS THAT WERE OWED BACK AS BEING CHARGES FOR THAT UP-FIT.

Q THAT'S $15,376.10?

A NO.

Q I'M SORRY. MY FINGER WENT TO THE WRONG PART. THAT'S $12,521.99?

A YES, MA'AM.

Q OKAY. LET'S TURN TO TAB "13" FOR A MOMENT. THAT IS THE PERRY JOB, AGAIN, ON HER LEDGER SHEETS, IT WOULD BE "13".

A THAT'S CORRECT.

Q IS THIS THE YEAR IN WHICH MRS. PERRY ACTUALLY PAID ALL THE CHARGES FOR HER JOB?

A YES. AND THOSE PAYMENTS WERE REFLECTED ON THE JOB LEDGER AT THE TOP AND THOSE MATCHED THE DEPOSIT SLIPS THAT WE LOOKED AT EARLIER IN EXHIBIT "84".

Q DID MRS. BRADY GIVE THE VEREEN SOURCES ANY CREDITS FOR THOSE PAYMENTS?

A YES, SHE DID.

Q WHERE DID SHE GIVE THAT CREDIT?

A SHE GAVE THE CREDIT AT THE END, BUT AGAIN, ON OUR SUMMARY SHEETS WE ALLEGED THAT, THAT'S AN A&E JOB. SO, THOSE ARE PAYMENTS THAT WERE CORRECTLY RECEIVED BY A&E, SO WE DON'T TAKE CREDIT FOR THOSE.

Q THE PERRY WAS AN A&E JOB AND PERRY PAID A&E FOR THAT JOB. AND SHE DOES GIVE YOU CREDIT FOR THOSE PAYMENTS, BUT THE BRADY REPORT ALSO THEN CHARGES THOSE SAME AMOUNTS BACK AGAINST THE VEREEN SOURCES, IS THAT CORRECT?

A MRS. BRADY CHARGES THE EXPENSES ON THE GAIL

PERRY JOB. SHE GIVES CREDIT FOR PAYMENTS ON THE GAIL PERRY JOB AND THEN SHE CHARGES THE WORKERS' COMP, PROFIT AND OVERHEAD LATER AT THE END OF 2007 FOR THE GAIL PERRY JOB.

Q SO, SHE'S ONLY INCLUDED THE PROFIT? WHILE SHE DIDN'T SHOW THAT CREDIT ON HER LEDGER OR SPREADSHEETS AT THIS POINT, SHE SHOWS IT LATER IN HER SUMMARY, BUT STILL CHARGES PROFIT AND OVERHEAD ON THE PERRY JOB AS BEING DUE BY THE VEREEN SOURCES TO A&E?

A THAT'S CORRECT.

Q LET'S TURN TO TAB 16 THAT IS THE BETH SISSON JOB. MRS. BRADY'S REPORT CHARGES $46,271.43 AS BEING OWED BY THE VEREEN SOURCES TO A&E. WHAT JOB -- THIS WAS A JOB A&E DID FOR YOU?

A YES. THIS WAS THE REMODEL OF MY PERSONAL HOME WERE I LIVE NOW.

Q YOUR GRANDMOTHER'S HOME THAT YOU BOUGHT?

A YES. THAT'S CORRECT.

Q WAS THAT AN A&E JOB?

A YES.

Q AND WERE PAYMENTS MADE BY YOU TO A&E FOR THAT JOB?

A YES.

Q DOES MRS. BRADY GIVE YOU CREDIT FOR THOSE

PAYMENTS?

A NO.

Q OR GIVE THE VEREEN SOURCES CREDIT FOR THOSE PAYMENTS?

A NO. BECAUSE I BELIEVE SHE SAID THEY OCCURRED IN 2008, AND SHE WASN'T ASKED TO GO PAST 2007.

Q SO ANY PAYMENTS -- IS IT YOUR UNDERSTANDING THAT ANY PAYMENTS RECEIVED BY A&E FROM ANY SOURCES IN 2008 IS NOT REFLECTED IN THE FINAL NUMBER MRS. BRADY'S REPORT COMES UP WITH?

A NO. SHE DOES INCLUDE PAYMENTS RECEIVED ON AN INSURANCE CLAIM PAYMENT AND A WORKERS' COMP PAYMENT THAT WERE RECEIVED IN LATER YEARS. SHE DOES INCLUDE THOSE IN HER REPORTS, BUT SHE DOESN'T INCLUDE THE PAYMENTS MADE BY ME IN 2008 ON THIS JOB IN HER REPORT.

Q DO YOU HAVE PROOF OR VERIFICATION THAT YOU MADE THOSE PAYMENTS?

A YES.

Q WHERE WOULD THAT BE?

A I BELIEVE THOSE ARE ATTACHED AS AN EXHIBIT TO MY DEPOSITION.

Q ALRIGHT. LET'S GO TO TAB 17, PLEASE, MA'AM?

A OKAY.

Q HOW MUCH DOES THE BRADY REPORT SHOW AS ALLEGEDLY

BEING OWED BY THE VEREEN SOURCES BACK TO A&E?

A 32,427.80.

Q WHAT JOB WAS THAT FOR?

A THIS WAS A JOB -- IT'S TITLED THE MICHAEL ABSON JOB, BUT IT'S REALLY FOR MY DAD AND HIS FAMILY. THEY BUILT A BOAT GARAGE AND AN APARTMENT BUILDING ACROSS THE STREET FROM WHERE I LIVE. AND SO IT WAS BUILT ON PROPERTY THAT WAS OWNED BY MY GRANDPARENT'S ESTATE.

Q WAS THAT AN A&E JOB?

A YES.

Q WAS A&E PAID FOR THAT JOB?

A YES, IN 2008.

Q DOES MRS. BRADY ANYWHERE IN HER REPORT GIVE CREDIT TO A&E FOR THOSE PAYMENTS?

A SHE DOES NOT. SHE GIVES CREDIT FOR THE PAYMENT THAT WAS RECEIVED IN 2007, BUT NOT FOR ANY PAYMENTS THAT WERE RECEIVED IN 2008.

Q THE PAYMENT THAT WAS RECEIVED IN 2007, IS IT REFLECTED HERE ALONG WITH LINE ITEM 17 AS BEING A CREDIT? SO THAT'S A NET AMOUNT OR DID SHE DO THAT WHEN SHE MAKES HER ADJUSTMENTS AT THE END OF HER REPORT?

A SHE DOES THAT AT THE END.

Q SO, THIS AMOUNT THAT SHE'S GOT, THE 32,000 AND

CHANGE IS THE AMOUNT -- IS THE GROSS AMOUNT BEFORE SHE GIVES CREDIT AT THE END OF THE REPORT FOR THE PAYMENT MADE IN 2007?

A THAT'S CORRECT.

Q AND THE PAYMENTS MADE IN 2008, DO YOU HAVE PROOF OF THOSE PAYMENTS?

A THEY ARE IN A&E'S CHECKBOOKS. I MEAN, CHECKING STATEMENTS.

Q THE CHECK REGISTER?

A THE CHECK REGISTERS. THANK YOU.

Q AND THOSE HAVE BEEN PUT INTO EVIDENCE AS FAR AS YOU KNOW?

A AS FAR AS I KNOW, YES.

MS. COOK: FRANK, THAT WAS ONE OF YOUR EXHIBITS THAT YOU PUT IN, WAS IT NOT?

MR. DURANT: NOT SURE ABOUT 2008.

MS. COOK: I HAVE IT AND WE WILL PUT IT IN.

(DISCUSSIONS HELD OFF THE REPORT.)

MS. COOK: YOUR HONOR, WE ACTUALLY HAVE AN ENTIRE NOTEBOOK FOR YOU.

JUDGE HOWE: COURT'S EXHIBIT "1" ADMITTED WITHOUT OBJECTION.

A&E CHECKING NOTEBOOK FOR 2004-2009 MARKED

FOR IDENTIFICATION AND
INTRODUCED INTO EVIDENCE
AS COURTS EXHIBIT "1".

MR. DURANT: THAT'S THE CHECKING ACCOUNT REGISTER OF A&E FROM 2004 TO 2009?

MS. COOK: YES, SIR. UNTIL IT WAS CLOSED.

Q BETH, I'M NOT GOING TO MAKE YOU FIND IT IN THERE, BUT THE CHECKING ACCOUNT STATEMENT DEPOSITS ARE IN THERE FOR 2008?

A YES.

Q IF YOU CAN FIND IT QUICKLY THAT WILL BE FINE.

A I DON'T SEE ANY SPECIFIC DEPOSITS THAT SAY THAT THEY WERE FOR THE ABSON JOB, BUT THERE ARE NUMEROUS DEPOSITS MADE BY PARK PLACE PROPERTIES INTO THE A&E CHECKING ACCOUNT. SO, THAT WOULD MAY BE WHAT THEY WERE FOR, BUT I DON'T SEE ANYTHING SPECIFICALLY ENUMERATING ABSON ON IT OR VEREEN ESTATE OR ANYTHING LIKE THAT FROM CARRIE'S DEPOSIT SLIPS.

Q BUT IN 2008 YOU DO SHOW FROM THE CHECKING ACCOUNT NUMEROUS DEPOSITS FROM PARK PLACE PROPERTIES, THE DEVELOPER AND BUILDER OF POINTE MARSH, INTO A&E'S CHECKING ACCOUNT?

A YES.

Q AND DO THOSE AMOUNTS TOTAL MORE THAN $32,427.80?
A THERE WERE A LOT OF THEM. SO, YES, I'M SURE THEY DO.
Q OKAY.

JUDGE HOWE: I'M CONFUSED. HOW IS THIS ABSON OR WHATEVER HIS NAME IS RELATED TO PARK PLACE PROPERTIES?

A MICHAEL ABSON IS MY COUSIN. HE'S MY DAD'S NEPHEW. AND HE WAS -- MY GRANDMOTHER ALWAYS -- WHEN SHE PASSED AWAY PROVIDED THAT HE WOULD HAVE A PLACE TO LIVE. WHEN I BOUGHT THEIR HOUSE, HE WAS LIVING IN THE GARAGE APARTMENT OF THEIR HOUSE. SO, WHEN I BOUGHT THEIR HOUSE, THE ESTATE DECIDED THAT THEY WOULD BUILD AN APARTMENT ACROSS THE STREET SO THAT MICHAEL WOULD HAVE A PLACE TO LIVE.

JUDGE HOWE: WHO IS "THEY"?

A THE ESTATE, WHICH IS MY DAD AND HIS SISTER.

JUDGE HOWE: HOW IS THAT RELATED TO PARK PLACE PROPERTY?

Q WHO PAID FOR THE MICHAEL ABSON CONSTRUCTION JOB? WHO PAID A&E FOR THE MICHAEL ABSON CONSTRUCTION JOB?

MR. DURANT: SHE JUST SAID THAT SHE COULDN'T FIND ANY CHECKS THAT SAID

PAYMENT FOR MICHAEL ABSON.

A I JUST SAID THE DEPOSIT SLIPS DON'T SAY THAT THEY WERE PARTICULARLY FOR THE ABSON JOB. I PROBABLY COULD GO BACK AND LOOK AT CARRIE'S ABSON LEDGER AND SEE IF THOSE PAYMENTS WERE MADE FOR THAT JOB OR NOT.

JUDGE HOWE: THAT'S WHY I ASKED. YOU SAID THEY WERE DEPOSITS MADE FROM PARK PLACE PROPERTIES AND I DON'T KNOW HOW THAT'S CONNECTED TO MICHAEL ABSON. SO, MICHAEL ABSON DIDN'T PAY FOR HIS CONSTRUCTION IS WHAT YOU'RE SAYING AS FAR AS YOU KNOW?

A IT'S NOT MICHAEL ABSON'S HOUSE. IT'S A PIECE OF PROPERTY THAT'S OWNED BY THE VEREEN FAMILY INVESTMENTS, WHICH IS MY GRANDPARENTS' ESTATE AND MICHAEL LIVES THERE. HE'S A RENTER.

JUDGE HOWE: GOT'CHA.

A I DON'T KNOW WHY CARRIE TITLED IT MICHAEL ABSON JOB.

Q WHO PAID FOR THE CONSTRUCTION FOR THAT BUILDING ON THE VEREEN ESTATE?

MR. DURANT: YOUR HONOR, SHE JUST SAID SHE CAN'T TELL FROM LOOKING IN RECORDS. NOT UNLESS SHE HAS PERSONAL KNOWLEDGE.

Q DO YOU KNOW WHO PAID FOR THE CONSTRUCTION -- DO YOU KNOW WHO PAID A&E FOR THAT CONSTRUCTION JOB?

A THAT'S PROBABLY A QUESTION BETTER ASKED TO MY DAD.

JUDGE HOWE: OKAY. VERY GOOD. THANK YOU.

Q LET'S TURN TO TAB 19 TITLED "GMAC" AND MRS. BRADY HAS ON HER REPORT $3,595.68 PAYMENTS BY A&E TO GMAC. DO YOU KNOW WHAT THOSE PAYMENTS TO GMAC WERE FOR?

A THEY WERE MADE ON BEHALF OF THE SAME VAN THAT'S TITLED IN EES CONSTRUCTION.

Q DO YOU KNOW HOW MUCH THAT MONTHLY PAYMENT WAS?

A THE CHECK SHOWED 399.52.

Q HAS THAT EVER BEEN TITLED IN A&E'S NAME?

A NO, IT HAS NOT.

Q DO YOU KNOW IF THAT TRUCK OR VAN DRIVEN BY RANDY LONG -- IS THAT AN ASSET OF A&E?

A IT IS NOT.

Q WHO IS RANDY LONG? WHO WAS HE AND WHO DID HE WORK FOR AS FAR AS YOU KNOW IN 2004?

A HE STARTED WORKING FOR EES CONSTRUCTION IN 2004.

JUDGE HOWE: SHOULDN'T THAT BE 2007 THAT YOU'RE ASKING ABOUT.

MS. COOK: NO, MA'AM. I WAS ASKING

ABOUT 2004.

JUDGE HOWE: I THOUGHT WE WERE ON 2007?

MS. COOK: WE ARE.

Q WAS MR. LONG A -- DID MR. LONG AT SOME POINT CEASE WORKING FOR EES AND BEGIN WORKING OR EVER WORK FOR A&E?

A HE DIDN'T.

Q WHEN DID HE WORK FOR A&E? WHEN WAS HE AN EMPLOYEE OF A&E, IF YOU KNOW?

A I DON'T KNOW THE EXACT DATES, BUT I DO KNOW IN 2007 HE WAS AN EMPLOYEE OF A&E.

Q IN 2005, DO YOU KNOW WHO EMPLOYED HIM?

A THAT WAS THE TIME PERIOD WHERE HE WAS -- HE HAD STARTED WORKING FOR EES CONSTRUCTION IN 2004 AND I BELIEVE INTO 2005. AND THEN HE WENT TO WORK FOR PARK PLACE PROPERTIES FOR 2005, I BELIEVE, FOR ABOUT A YEAR. HE CAME TO WORK FOR A&E AFTER THAT.

Q WHEN HE WORKED FOR PARK PLACE PROPERTIES, DO YOU KNOW WHAT HE DID?

A HE WAS THE SUPERINTENDENT FOR MY DAD FOR PARK PLACE PROPERTIES ON THE POINTE MARSH JOB IN CHERRY GROVE.

Q AND DURING THE TIME THAT HE WAS THE JOB SUPERINTENDENT ON THE POINTE MARSH JOB, DID A&E

PAY HIM?

A NO.

Q DO YOU KNOW WHO PAID HIM?

A YES, I DID. PARK PLACE PROPERTIES PAID HIM.

Q AND THEN AFTER HE FINISHED THAT, HE DID COME AND BECOME AN EMPLOYEE OF A&E?

A HE FINISHED THE POINTE MARSH JOB AND HE ALSO WORKED FOR MY DAD IN BUILDING HIS PERSONAL HOME IN MURRELL'S INLET. PARK PLACE PROPERTIES PAID HIM FOR THAT AS WELL, AND THEN HE CAME TO WORK FOR A&E.

Q IF YOU WOULD PLEASE TURN TO TAB 20. THE FIRST AMOUNT IS A PROPERTY TAX SHE HAS LABELED AS A "COUNTY PROPERTY TAX." DID YOU VERIFY FROM THE RECORDS WHAT PROPERTY TAX THOSE AMOUNTS REPRESENT? WHAT THOSE ARE PROPERTY TAXES FOR?

A YES, I DID.

Q CAN YOU TELL THE COURT?

A WE ARE AT TAB 20, CORRECT?

Q YES, MA'AM.

A SUSAN HAS LISTED ON HER TABLE FOR TAB 20, "HORRY COUNTY TAX. WAYNE'S PROPERTY TAX IN THE AMOUNT OF $1,094.18." AND WHEN I WENT AND PULLED THE CHECKS AND THE RECEIPTS, THE TAX RECEIPTS, IT SHOWED THAT CHECK 7217 IN MARCH OF '07 FOR

$58.81 WAS WRITTEN FOR PROPERTY TAXES FOR THE '96 CHEVROLET, WHICH IS ONE OF THE SMALL WHITE TRUCKS DRIVEN BY A&E. AND THEN CHECK NUMBER 7218 IN THE AMOUNT OF $103.77 WAS WRITTEN FOR THE '94 CHEVROLET. AND THEN CHECK NUMBER ...

Q IS THE '94 CHEVROLET THE BIG WHITE TRUCK OR ANOTHER ONE OF THE TWO LITTLE WHITE TRUCKS?

A I BELIEVE THAT'S THE OTHER LITTLE WHITE TRUCK THAT IS THE '94. AND THEN THE CHECK NUMBER 7209 IN THE AMOUNT OF 559.25, THAT WAS ACTUALLY WRITTEN BY ELLIS AND SIGNED BY DAD AND THAT IS FOR THE A&E TRUCK THAT WAS TITLED TO A&E AND ELLIS DROVE.

Q THAT'S ELLIS' TRUCK?

A YES. THE ONE THAT'S TITLED IN A&E.

Q IN A&E'S NAME. TITLED IN A&E'S NAME?

A I DON'T THINK IT'S ANY LONGER TITLED IN A&E. IT WAS. AND THEN CHECK NUMBER 7243 IN THE AMOUNT OF 372.35 WAS FOR THE EES CONSTRUCTION VAN.

Q THE BIG WHITE VAN? NO. THE EES VAN?

A THE EES VAN DRIVEN BY RANDY LONG.

Q AND WERE ALL THOSE VEHICLES USED BY A&E OR A&E EMPLOYEES FOR A&E WORK?

A YES.

Q LET'S TURN TO TAB 21 THAT'S ON HER JOB LEDGER.

IT WOULD BE -- ON HER LINE ITEM 21 ENTITLED "HARTFORD". IN HER NOTEBOOK, DID SHE HAVE ANY BACKUP TO SHOW WHERE SHE GOT THAT NUMBER?

A I DON'T BELIEVE SO.

Q DID YOU DO ANYTHING TO GO VERIFY THAT NUMBER?

A YES I ...

Q THAT NUMBER BEING $11,585.39?

A DID SHE HAVE THE VENDER LEDGER IN HERS?

Q YES, MA'AM.

A SHE WENT THE VENDER LEDGER IN HERS. SO, WHAT I DID IS I WENT AND FOUND THE ACTUAL CHECKS AND PULLED THEM AND FIGURED OUT WHAT THEY PAID FOR AND DETERMINED THAT THEY PAID FOR THE SAME THINGS WE TALKED ABOUT EARLIER WITH THE HARTFORD INSURANCE.

Q AFTER YOU MADE THAT VERIFICATION, THE VEREEN SOURCES AGREE THAT THEY OWE $2,972.00 OF THAT 11,000 AND CHANGED NUMBER. WHAT IS THAT MADE UP OF THAT YOU AGREE THAT A&E DOES -- THE VEREEN SOURCES DO OWN TO A&E?

A THAT'S PART OF THE AUTOMOBILE INSURANCE PACKAGE. MY MOTHER'S LEXUS WAS INCLUDED ON THAT INSURANCE PACKAGE AS WELL AS THEIR RECREATIONAL VAN.

Q SO, YOU DO AGREE THAT THE VEREEN SOURCES OWE THAT AMOUNT BACK TO A&E?

A YES.
Q CAN WE TURN TO TAB 25?
A OKAY.
Q ON TAB 25 THERE'S AN ITEM THAT'S SAYS, "PARK PLACE PROPERTIES." DID YOU KNOW WHAT THAT IS FOR? WELL, FIRST OF ALL, WHAT BACKUP DID MRS. BRADY HAVE, IF YOU KNOW, TO JUSTIFY THAT CHARGE OF $1,050?
A SHE'S GOT BEHIND HER SHEET AS A DUPLICATE CHECK AGAIN, I GUESS, PRINTED FROM THE PEACHTREE SYSTEM, CHECK 7477, MAY 3RD, 2007 IN THE AMOUNT OF $1,050.00 MADE PAYABLE TO PARK PLACE PROPERTIES. ON THE DESCRIPTION OF THAT DUPLICATE CHECK IT SAYS, "REIMBURSEMENT FOR MONEY PAID TO RAMOS FOR RON, KIM, AND CHARLEY RUSSELL." THAT'S ALL SHE HAD. SO, I WENT BACK AND FOUND THAT CHECK AND FOUND THE INVOICES ATTACHED TO IT AND I BELIEVE WE PRODUCED IT TO THEM AND THEY AGREED THAT IT WAS A LEGITIMATE A&E EXPENSE. I JUST DIDN'T SEE A CREDIT FOR IT ANYWHERE IN HER ...
Q IN HER FINAL TALLY, IN HER FINAL REPORT?
A YES. I DON'T BELIEVE I SAW THAT. OH, NO. I DID SEE THAT. THAT'S WHY ON MY SHEET IT SHOWS SHE HAS REMOVED THAT AS BEING AN AMOUNT OWED

BACK FROM ...

Q SO, INITIALLY, THE PLAINTIFF TOOK THE POSITION THAT, THAT WAS AN AMOUNT OWED BACK, BUT SUBSEQUENTLY IN HER ADJUSTMENT, SHE HAS GIVEN CREDIT FOR THAT AMOUNT AND NOT CHARGED THAT TO THE VEREEN SOURCES?

A THAT'S CORRECT.

Q AND SO ACCORDING TO HER REPORT FOR THE ACCOUNTS RECEIVABLE THAT THE PLAINTIFFS MAINTAIN ARE DUE FOR 2007 TO A&E FROM THE VEREEN SOURCES, WHAT DID THAT TOTAL UP TO ACCORDING TO HER RECORDS?

A HER TOTAL, ONCE YOU TAKE OUT THAT LAST CHECK FOR THE $1,050, IS $247,865.88 AND THAT'S BEFORE SHE GIVES THE CREDITS FOR THE PAYMENTS RECEIVED ...

Q IN 2007?

A ... IN 2007 BY ...

Q ... VEREEN SOURCES?

A ... AND ON THE ABSON JOB AND THE PERRY JOB.

Q SO, SHE DID FIND THE POINTE MARSH AND GIVES THE CREDITS. HOW MUCH DID POINTE MARSH PAY A&E THAT SHE GAVE CREDIT FOR IN 2007?

A $151,000.

Q HOW MUCH -- AND THEN SHE GAVE THE CREDIT FOR THE PERRY PAYMENTS HERE? THIS IS WHERE SHE GAVE THE PERRY PAYMENTS?

A YES. $17,007.70 AND THEN THE ABSON PAYMENTS, WHICH IS $5,535.64.

Q OKAY. SO, FOR THE YEAR 2007, AS FAR AS THE ADJUSTMENTS THE PLAINTIFFS MADE, THEIR POSITION IS, AS YOU UNDERSTAND IT, IS HOW MUCH IS OWED BY THE VEREEN SOURCES TO A&E FOR THAT YEAR?

A IT'S ACTUALLY $73,560.24.

Q REPEAT THAT AGAIN?

A $73,560.24.

Q THAT'S DIFFERENT THAN WHAT'S ON YOUR EXHIBIT "82", CORRECT?

A YES. I CONCLUDED ANOTHER $1,510.75 PAYMENT FOR POINTE MARSH. I WAS TRYING TO GO BACK AND SEE IF THAT WAS A CREDIT THAT MAYBE SHE DIDN'T PICK UP FROM THE POINTE MARSH JOB LEDGER. MAYBE THAT'S WHY I INCLUDED IT.

Q HOW MUCH WAS THAT AMOUNT AGAIN?

A $1,510.75. I DON'T SEE IT ON THERE.

Q AND THAT'S THE AMOUNT THAT THE PLAINTIFFS ALLEGE THAT ARE DUE FROM THE VEREEN SOURCES FOR 2007. HOW MUCH DO THE VEREEN SOURCES AGREE THAT THEY OWE OF THAT AMOUNT?

A THE VEREEN SOURCES ALLEGE THAT THEY ARE ACTUALLY OWED MONEY FOR 2007.

Q OKAY. NOW, WE FINISHED, I BELIEVE -- WOULD YOU

TURN TO EXHIBIT "26" FOR 2007?

A BEHIND TAB 26 ARE ADDITIONAL ITEMS FROM THE VARIOUS YEARS. SUSAN JUST INCLUDED THEM AT THE END OF HER NOTEBOOK BECAUSE THEY WERE BOUND LATER AFTER SHE HAD FINISHED HER 5 AND 6 NOTEBOOKS.

Q LET'S STOP JUST A MINUTE. TAB 26 THAT IS WITHIN THE 2007 NOTEBOOK IS ACTUALLY A COMPILATION OF SOME THINGS THAT SHE FOUND AS SHE MOVED FORWARD AND THEY RANGE IN YEAR FROM '05 TO '09, IS THAT CORRECT?

A THAT'S CORRECT.

Q AND IF YOU WOULD, LET'S TAKE EACH OF THOSE MATTERS AND GO OVER IT.

A THE FIRST ONE IS A CHECK DATED 2/25/05 IN THE AMOUNT OF $10,002.85 PAID BY MAUDLIN ENTERPRISES TO A&E CONSTRUCTION AND THAT IS BRIAN MAUDLIN. THAT WAS THE MAUDLIN JOB THAT WE TALKED ABOUT YESTERDAY, THE BRIAN MAUDLIN FENCE JOB. AND IF YOU BACK AND LOOK AT THE JOB LEDGERS FOR 2004 AND 2005 AND YOU TOTAL THE MATERIALS, THERE WAS NO LABOR EXPENDED ON THAT JOB. BRIAN JUST WORKED MATERIALS ...

MR. DURANT: YOUR HONOR, MY OBJECTION IS SHE CAN TESTIFY IF SHE KNOWS SOMETHING,

BUT THESE ARE JUST CHECKS MADE TO A&E THAT WERE DEPOSITED INTO AN ACCOUNT OTHER THAN A&E. THAT'S ALL THEY ARE. I DON'T KNOW HOW SHE COULD POSSIBLY KNOW WHY HER DADDY PUT THESE CHECKS SOMEWHERE ELSE.

Q MRS. SISSON, DID YOU GO BACK AND LOCATE THE ACTUAL CHECK FROM A&E, EXCUSE ME, FROM MAUDLIN ENTERPRISES TO A&E?

A THE DEPOSIT RECORD.

Q AND DO YOU KNOW OF YOUR OWN PERSONAL KNOWLEDGE WHAT THAT DEPOSIT FROM MAUDLIN ENTERPRISES WAS?

A YES. IT WAS FOR THE MATERIALS SPENT ON THE BRIAN MAUDLIN FENCE JOB.

Q OKAY. AND THAT'S THE FENCE JOB THAT IS SHOWN ON THE JOB LEDGERS IN 2004 AND 2005?

A YES.

Q AND THAT CHECK WAS DEPOSITED INTO A&E'S ACCOUNT?

A THE CHECK WAS DEPOSITED IN PARK PLACE PROPERTIES.

Q TO YOUR PERSONAL KNOWLEDGE, HAS PARK PLACE PROPERTIES EVER REPAID THAT AMOUNT ...

MR. DURANT: YOUR HONOR, I OBJECT TO THAT QUESTION BECAUSE SHE COULDN'T POSSIBLY KNOW UNLESS ...

MS. COOK: WELL, LET HER ANSWER YES OR NO, FRANK. I'M ASKING DOES SHE KNOW OF HER KNOWLEDGE.

MR. DURANT: SHE DIDN'T KNOW WHAT PARK PLACE PROPERTIES DID WHEN HER DADDY WROTE A CHECK. SHE SAID WE WERE GOING TO ALLOW HER TO TESTIFY AS TO WHAT THESE ENTITIES ...

JUDGE HOWE: SUSTAINED.

Q DID YOU HAVE SIGNATORY AUTHORITY ON PARK PLACE PROPERTIES?

MR. DURANT: YOUR HONOR, THE OBJECTION HAS ALREADY BEEN SUSTAINED, HAS IT NOT?

JUDGE HOWE: YES.

MS. COOK: I'M ASKING THAT QUESTION FOR THE RECORD.

JUDGE HOWE: I UNDERSTAND.

MS. COOK: CAN I HAVE HER ANSWER THAT?

JUDGE HOWE: YOU MAY.

Q DID YOU HAVE SIGNATORY AUTHORITY ON PARK PLACE PROPERTIES?

A I DID. I DO.

Q OTHER THAN SIGNING CHECKS FOR PARK PLACE PROPERTY, DID YOU HAVE ANY OTHER RESPONSIBILITIES?

A SURE. IT'S A FAMILY BUSINESS. I HELPED MY DAD WHENEVER HE ASKED ME TO HELP HIM. YOUR HONOR, CAN I EXPLAIN WHY WE DISPUTED THIS?

Q NO, THAT'S OKAY. LET'S MOVE ON. TO YOUR KNOWLEDGE, THIS $136,903.54 THAT IS ITEMIZED BEHIND MRS. BRADY'S TAB 26, WAS THIS AN AMOUNT THAT WAS ADDED AS OTHER CHARGES OWED BY THE VEREEN SOURCES BACK TO A&E?

A YES. THOSE ARE AMOUNTS THAT MRS. BRADY ALLEGES MY FATHER OWES BACK TO A&E.

Q LET'S TALK SPECIFICALLY ABOUT THE -- DO YOU KNOW WHAT BACKUP MRS. BRADY HAD FOR TAB 26?

A I BELIEVE THESE ARE PART OF THE SUBPOENAED RECORDS THAT THEY'VE RECEIVED FROM FIRST PALMETTO.

Q AND FIRST PALMETTO WOULD HAVE BEEN THE BANK THAT HAD THE ACCOUNT FOR WHAT ENTITIES, IF YOU KNOW?

A PARK PLACE PROPERTIES OF MYRTLE BEACH HAS A FIRST PALMETTO CHECKING ACCOUNT.

Q OKAY. DO YOU KNOW WHY THE CHECK FROM THE WHITLEYS IN THE AMOUNT OF $11,533.00 WAS DEPOSITED ON APRIL 18TH, 2005 INTO THE PARK PLACE PROPERTIES ACCOUNT?

MR. DURANT: SAME OBJECTION, YOUR HONOR. UNLESS SHE WAS THE ONE THAT MADE THE

DEPOSIT, SHE COULDN'T POSSIBLY KNOW WHY HER FATHER WOULD DO THAT.

JUDGE HOWE: DID YOU MAKE THE DEPOSIT?

A NO, MA'AM.

JUDGE HOWE: SUSTAINED.

Q DO YOU KNOW WHO MADE THE DEPOSIT?

A IT'S CARRIE'S HANDWRITING ON THE DEPOSIT TICKETS, SO I WOULD ASSUME THAT CARRIE MADE IT.

Q WHAT YEAR WAS THE LAWSUIT OVER THE WILLOUGHBY TRADEMARK CASE?

A I BELIEVE IT STARTED IN 2006 AND I BELIEVE WE STATED IN 2007.

Q WHO PAID THE -- WHAT LAW FIRM DID YOU UTILIZE TO DEFEND THAT CASE?

A WE STARTED WITH THE LAND, PARKER, WELSH LAW FIRM IN -- I DON'T REMEMBER WHERE THEY ARE. I WANT TO SAY MARION. BUT THAT IS CAL, THAT'S HARRY WILLOUGHBY SON-IN-LAW, BUT IT WAS LAND, PARKER, WELSH IS WHO WE STARTED WITH. FROM THERE WE HIRED TURNER/PADGET OUT OF GREENVILLE.

Q THE GREENVILLE BRANCH OF TURNER/PADGET?

A YES.

Q DID THE FIRM THAT HARRY WILLOUGHBY'S SON-IN-LAW WORK FOR, DID THEY DEFEND MORE THAN ONE PARTY IN THAT LAWSUIT?

A YES. LAND, PARKER, WELSH AS WELL AS TURNER/PADGET DEFENDED A&E AND WILLOUGHBY FAMILY INVESTMENTS, WHO WAS THE DEVELOPER OF THE WILLOUGHBY PLACE PROJECT.

Q BECAUSE BOTH WERE SUED?

A CORRECT.

Q WHO ELSE WAS SUED AS DEFENDANT IN THAT SUIT, IF YOU REMEMBER?

A THE ARCHITECT WAS JACK DALLAS. IT WAS DALLAS AND ASSOCIATES. AND THEN THE DRAFTSMAN WAS ALSO SUED. CHIP WILKINS IS WITH LAND WATCH.

Q IN THE DEFENSE OF WILLOUGHBY PLACE AND WILLOUGHBY FAMILY INVESTMENTS AND A&E, HOW WERE THE LAWYERS DEFENSE FEES AND COSTS HANDLED?

A AT SOME POINT, I BELIEVE IT WAS, IF MY MEMORY IS CORRECT, IT WAS MAY 9TH, OF 2006 THAT THE INSURANCE COMPANY FINALLY AGREED TO ACCEPT THE CLAIM AND START TO PAY FOR THE DEFENSE. PRIOR TO THAT, MY DAD WAS PAYING OUT OF THE PARK PLACE PROPERTIES OF MYRTLE BEACH CHECKBOOK AND HARRY WILLOUGHBY SPLIT THOSE COSTS 50/50.

Q AND THEN FROM THE POINT THAT -- WHOSE INSURANCE COMPANY WAS IT THAT STEPPED IN AND TOOK OVER THE DEFENSE OF THE ACTION?

A A&E.

Q WILLOUGHBY FAMILY INVESTMENTS DID NOT HAVE AN INSURANCE COMPANY THAT STEPPED IN -- INSURANCE COVERAGE THAT STEPPED IN AND DEFENDED?

A THEY HAD THREE DIFFERENT INSURANCE COMPANIES, BUT NONE OF THEM STEPPED IN UNTIL THEY WERE SUED MUCH AFTER WE SETTLED.

Q OKAY. AND FROM THE TIME THAT A&E'S INSURANCE CARRIER STEPPED IN AND BEGAN DEFENDING, DID A&E INCUR ANY MORE DEFENSE COSTS THAT REQUIRED PAYMENT?

A I BELIEVE THE ONLY DEFENSE COST THAT A&E ACTUALLY PAID WERE SUSAN BRADY'S FEES. I BELIEVE WE PAID FOR -- THERE WAS ANOTHER COST THAT WE PAID FOR, BUT I'M NOT SURE WHO IT WAS. I THINK IT WAS AROUND $1,400.

Q NOW, DID A&E PAY THAT COST OR DID PARK PLACE PROPERTIES PAY THAT COST, IF YOU KNOW?

A NO. A&E PAID THOSE COSTS.

Q SUSAN'S BILL AND ANOTHER MISCELLANEOUS COST FOR AROUND 1,400 WERE PAID BY A&E?

A YES.

Q AFTER A&E'S INSURANCE COMPANY STEPPED IN AND BEGAN DEFENDING IN 2006, DID THEY PAY THE REMAINING DEFENSE COST AFTER THAT POINT?

A NO. A&E DIDN'T PAID ANY ...

Q THE INSURANCE?
A OH, THE INSURANCE COMPANY, YES. PAID THE REMAINING DEFENSE COSTS UNTIL THE DAY OF MEDIATION.
Q THE DEFENSE COSTS OTHER THAN THESE TWO AMOUNTS INCURRED PRIOR TO THE INSURANCE COMPANY STEPPING IN WERE SPLIT 50/50 AND A&E'S SHARE WAS PAID BY PARK PLACE PROPERTIES?
A THAT'S CORRECT.
Q CASE WENT TO MEDIATION. DID IT SETTLE AT MEDIATION?
A IT SETTLED ON BEHALF OF -- A&E SETTLED. DALLAS AND ASSOCIATES SETTLED, AND LAND WATCH DIDN'T HAVE ANY MONEY SO THEY DIDN'T SETTLE, BUT I BELIEVE THEY WERE SORT OF DISMISSED FROM THE ACTION.
Q OKAY. DO YOU REMEMBER THE TERMS OF THAT SETTLEMENT IN TERMS OF MONEY? DID A&E HAVE TO PAY MONEY IN ORDER TO SETTLE ITS PORTION OF THE CLAIM?
A THEY DIDN'T.
Q DO YOU KNOW HOW MUCH?
A $70,000.
Q AND DID A&E'S INSURANCE CARRIER PAY ANY OF THAT MONEY?

A A&E'S INSURANCE CARRIER SHOWED UP AT MEDIATION AND INTRODUCED THEMSELVES AND LEFT. THEY PAID NOTHING.

Q WAS THE $70,000 PAID IN ORDER TO SETTLE THE LIABILITY AS TO A&E?

A YES, IT WAS.

Q AND WHO PAID THAT $70,000?

A PARK PLACE PROPERTIES OF MYRTLE BEACH.

Q DO YOU KNOW THE -- I'VE GOT AN EXHIBIT THAT I WILL FIND SOMEWHERE. DO YOU KNOW THE AMOUNT OF ATTORNEY'S FEES THAT WERE INCURRED IN TOTAL BY A&E THAT WERE NOT PAID FOR BY THE INSURANCE COMPANY?

A I KNOW I HAVE CALCULATED IT ON AT LEAST THREE OCCASIONS BEFORE, BUT I DON'T REMEMBER OFF THE TOP OF MY HEAD.

Q OKAY. I'LL FIND THE EXHIBIT IN A LITTLE WHILE AND WE'LL GO OVER THAT. HAS A&E EVER WRITTEN, TO YOUR KNOWLEDGE, A SPECIFIC CHECK BACK TO PARK PLACE PROPERTIES TO REIMBURSE IT FOR THE FEES AND COSTS AND SETTLEMENT FEES?

A NOT TO MY KNOWLEDGE.

Q AND DO THE A&E SOURCES DISPUTE THE TOTAL $136,903.54 REFLECTED BEHIND TAB 26 OF THE 2007 REPORT OF MRS. BRADY AS BEING OWED FROM THE

VEREEN SOURCES TO A&E?

A WE DO.

MR. DURANT: ARE YOU BACK TO TAB 26 NOW?

MS. COOK: YES, BUT I'M FIXIN' TO GO TO 27.

Q NOW, IF YOU WOULD TURN TO TAB 27 OF MRS. BRADY'S NOTEBOOK FOR 2007?

A YES, MA'AM.

Q YOU'VE CALLED A COUPLE OF TIMES ABOUT MRS. BRADY GIVING CREDITS FOR PAYMENTS RECEIVED FOR SOME OF THE VEREEN FAMILY JOBS; PUTT-PUTT, POINTE MARCH, PARKWAY OFFICES IN SUBSEQUENT YEARS, BUT YOU'VE TALKED ABOUT HER ALSO CHARGING AS AN ACCOUNTS RECEIVABLE ON BEHALF OF A&E; PROFIT, OVERHEAD, WORKERS' COMP, AND SOME THINGS OF THAT NATURE. WHAT DO YOU UNDERSTAND TAB 27 TO BE?

A IN OUR MEETINGS WITH SUSAN AT HER OFFICE, SHE SAID THIS WAS INFORMATION THAT ELLIS GAVE TO HER AS ITEMS THAT SHOULD BE PAID BY WAYNE ON THESE VARIOUS JOBS. SHE WENT THROUGH EACH OF THOSE JOBS AND CALCULATED LABOR, MATERIALS, SUBS, AND I THINK THERE'S AND "OTHER" CATEGORY AND SHE USED PERCENTAGES GIVEN BY HIM TO CALCULATE WHAT THEY ALLEGE TO BE THE TRUE PAYROLL COSTS. WHAT TO BE LIABILITY PAYMENTS PAID ON THOSE JOBS.

WHAT THEY ALLEGE SHOULD HAVE BEEN THE OVERHEAD AND PROFIT THAT A&E SHOULD HAVE REALIZED ON THOSE JOBS AND CAME UP WITH NUMBERS.

Q AND SO FOR THE PUTT-PUTT JOB AND THAT'S THE PARK PLACE PROPERTIES LAND ON WHICH THERE IS A PUTT-PUTT THAT I THINK YOU CALL THE BLACK PEARL. WHAT IS YOUR UNDERSTANDING AS TO WHAT IS CLAIMED BY THE PLAINTIFFS AS BEING OWED FROM MR. VEREEN OR ITS RESOURCES FOR THAT AMOUNT?

A ACCORDING TO TAB 27, SUSAN IS CLAIMING THAT ON THE PUTT-PUTT JOB, WHICH IS THAT FIRST JOB, YOUR HONOR, THAT SAYS PARK PLACES, IT'S THE ACTUAL PUTT-PUTT JOB WHERE A&E SPENT OR PAID $110,021.00. SHE IS SAYING THAT MY DAD OWES BACK TO A&E $42,511.56, WHICH WOULD ACCOUNT FOR PAYROLL COSTS, LIABILITY COSTS, AND OVERHEAD AND PROFIT.

Q ON THE JOBS THAT MR. SMITH DID WHILE THE PRESIDENT OF A&E THAT WE CALLED SIDE JOBS. DID YOU, ON BEHALF OF YOUR FATHER, OR DID YOUR FATHER, AS FAR AS YOU KNOW, GO THROUGH AND DO THE SAME TYPE OF CALCULATIONS FOR PROFIT AND OVERHEAD, AND OTHER JOB COSTS ASSOCIATED WITH MR. SMITH'S SIDE JOBS DONE FROM 2004 TO 2007?

A NO, WE DID NOT.

Q WHEN YOU WERE OWNER OF GRAND STRAND BUILDERS, WHEN YOU SIGNED A CONTRACT FOR A JOB, DO YOU HAVE A PERCENTAGE THAT YOU USED ...

MR. DURANT: YOUR HONOR, I OBJECT TO HER TRYING TO BE AN EXPERT WITNESS. SHE DOESN'T KNOW ANYTHING ABOUT THE COSTS AND EXPENSES OF A&E OR ON THESE JOBS WHERE THEY WERE CHARGED. SHE IS NOT AN EXPERT. SHE'S NOT A CONTRACTOR EITHER.

JUDGE HOWE: SUSTAINED.

Q TO YOUR KNOWLEDGE, DID MRS. BRADY USE THE SAME -- JUST GO OVER WITH US -- JUST TELL THE COURT WHICH JOBS MRS. BRADY USED MR. SMITH'S PERCENTAGES TO CALCULATE THESE ADDITIONAL AMOUNTS DUE?

A THE FIRST ONE THAT SAYS, "PARK PLACE" IS THE PUTT-PUTT JOB UP IN CHERRY GROVE. THE SECOND ONE IS THE PLANTATION LAKES JOB, WHICH IS THE HOUSE IN CAROLINA FOREST WHICH WAS SOLD TO THE WHITLEYS. THE THIRD IS THE PARKWAY OFFICES JOB. I THINK WHICH WE HAVE TALKED ABOUT BEFORE AS BEING THE UP-FIT OF THE 505 AND THE 507 SPACES AS WELL AS THE ADDITIONAL EXPENSES THE GUYS CHARGED TO THE SHOP.

Q SO SHE FIGURED THAT PROFIT AND OVERHEAD OR THAT

ADDITIONAL AMOUNT DUE FROM THE VEREEN SOURCES TO A&E ON NOT JUST THE SHOP UP-FIT, BUT BASED ON THE TOTAL AMOUNT OF LABOR FROM THE GUYS WORKING AT THE SHOP IRRESPECTIVE OF WHAT THEY WERE WORKING ON, IS THAT CORRECT?

A THAT'S CORRECT. THEN NEXT ONE IS BRIAN MAUDLIN. EVEN THOUGH IT SAYS BRAIN MAUDLIN, IT'S BRIAN MAUDLIN. THAT'S THE FENCE JOB. THOSE ARE THE MATERIALS THAT BRIAN ORDERED FOR THE FENCE THAT HE BUILT ON HIS HOUSE.

Q THERE WAS NO LABOR EXPENDED ON THAT JOB?

A NO. THE NEXT ONE IS THE POINTE MARCH JOB THAT WE'VE TALKED ABOUT AS THE PARK PLACE PROPERTIES JOB IN CHERRY GROVE OF THE 23 HOMES.

Q LET'S TALK ABOUT THAT ONE FOR JUST A MOMENT. SHE'S GOT UNDER THE POINTE MARCH JOB AN AMOUNT ON THE FIRST LINE OF $228,464.47 AND THEN SHE'S GOT ANOTHER COST OF ADDITIONAL AMOUNT DUE OF $565,075.84. FROM DISCUSSIONS FROM HER, WHAT DO YOU UNDERSTAND THOSE AMOUNTS TO BE?

A WELL, WHAT SHE SAID THAT THEY FIRST DID IS THEY FIGURED OUT HOW MUCH COST AS FOR AS LABOR, MATERIALS, AND SUBS THAT WENT THROUGH THE A&E ACCOUNTS AND FIGURED THAT AMOUNT TO BE $959,287.40. AND THEN CHARGED THE -- UP-CHARGED

IT FOR PAYROLL, LIABILITY, OVERHEAD, AND PROFIT AND CAME UP WITH THE AMOUNT THAT WAS DUE BACK FOR MY DAD ON THE POINTE MARSH PROJECT AS BEING $228,464.47. AND THEN WHAT THEY DID WAS THEY ESTIMATED THE TOTAL CONSTRUCTION OF THAT JOB, THE TOTAL VALUE OF CONSTRUCTION AT BEING $4.8 MILLION AND EVEN THOUGH THOSE AMOUNTS DIDN'T GO THROUGH A&E, THEY COULD NOT CHARGE -- THEY COULDN'T UP-CHARGE IT FOR PAYROLL OR GENERAL LIABILITY. THEY CHARGED OVERHEAD AND PROFIT ON THE REMAINING $3,000,767,172.29 OF AMOUNTS THAT DIDN'T GO THROUGH A&E. THEY CHARGED OVERHEAD AND PROFIT ON THAT AND CAME UP WITH A TOTAL OF $565,075.84 OWED FROM MY DAD BACK TO A&E.

Q AND THAT AMOUNT IS NOT RELATED TO THE AMOUNTS FOR POINTE MARCH THAT WERE IN THE A&E ACCOUNT?

A IT'S NOT RELATED EXPENSES TO EXPENSES THAT WENT THROUGH THE A&E ACCOUNT, NO.

Q AND THEN, COULD YOU GO DOWN TO THE -- I THINK GAIL PERRY IS SELF-EXPLANATORY. HOW ABOUT THE LITCHFIELD MEDICAL CENTER, WAS THAT AN A&E JOB?

A YES.

Q AND THEY DID THE SAME CALCULATIONS ON PROFIT, OVERHEAD, AND THE PAYROLL EXPENSES ON THAT JOB?

A ACTUALLY -- I'M SORRY. THIS IS A PERSONAL JOB.

I WAS SITTING HERE LOOKING TOO FAR DOWN.

Q OKAY.

A LITCHFIELD MEDICAL IS A SMALL MEDICAL PARK THAT MY DAD OWNED WITH SOME PARTNERS DOWN ON THE SOUTH END FOR A VERY SHORT PERIOD OF TIME. I BELIEVE THESE WERE FOR SOME MINOR REPAIRS THAT WERE MADE.

Q DID A&E MAKE THOSE REPAIRS?

A YES.

Q WAS A&E PAID FOR THOSE REPAIRS, TO YOUR KNOWLEDGE?

A NO. A&E WAS NOT DIRECTLY WRITTEN A CHECK FOR LITCHFIELD MEDICAL CENTER. WE HAVE AGREED THAT MY DAD OWES A&E BACK THOSE FUNDS.

Q AND THEN, THE NEXT JOB, THE BETH SISSON JOB, THAT WAS -- THEY FIGURED THE SAME ADDITIONAL AMOUNTS DUE BASED ON THE SAME METHODOLOGY FOR YOUR HOME THAT YOU -- THE A&E JOB?

A YES.

Q DID YOUR FATHER ON BEHALF OF A&E OR YOUR FATHER ON BEHALF OF ANY OF HIS OTHER ENTITIES FIGURE PROFIT AND OVERHEAD, AND LABOR COSTS ON ULYSSES HOME OR --

MR. DURANT: YOUR HONOR, SHE'S NOT CAPABLE OF TESTIFYING WHAT HER DADDY

DID.

Q LET ME ASK YOU THIS, HAVE YOU CALCULATED ANY PROFIT OR OVERHEAD OR PAYROLL COSTS ON ULYSSES ADDITION OR ...

MR. DURANT: YOUR HONOR, I OBJECT TO ...

Q LET ME FINISH THE QUESTION PLEASE AND YOU CAN OBJECT. ... OR MR. SMITH'S HOMES?

JUDGE HOWE: ARE YOU GOING TO OBJECT, FRANK?

MR. DURANT: YES. SHE'S NOT CAPABLE OF ANSWERING THAT QUESTION, YOUR HONOR. WE OBJECT. IT'S ALREADY ...

MS. COOK: WHETHER SHE MADE THOSE CALCULATIONS OR NOT?

MR. DURANT: SHE'S NOT ABLE TO MAKE THE CALCULATIONS OR TO ANSWER THE QUESTIONS.

JUDGE HOWE: SUSTAINED.

MS. COOK: EVEN IF THE ANSWER WAS GOING TO BE NO?

JUDGE HOWE: WELL, DID YOU ASK HER, DID SHE MAKE A CALCULATION?

MS. COOK: YES. THAT'S WHAT I ASKED HER. DID SHE MAKE THOSE CALCULATIONS?

A NO.

MS. COOK: WE NOT ASKING MR. SMITH FOR

PROFIT AND OVERHEAD AND PAYROLL FOR ALL HIS SIDE JOBS, JUST Y'ALL ARE ASKING FOR THAT.

MR. DURANT: HE DIDN'T INCUR ANY EXPENSES.

MS. COOK: STOLE MATERIALS OFF THE SITE.

Q DO YOU HAVE AN UNDERSTANDING FROM MRS. BRADY'S REPORT AND BACKUP AND CONVERSATIONS WITH MRS. BRADY WHAT TAB 28 IS BEING CHARGED BACK TO THE VEREEN SOURCES FOR $13,000 AND CHANGE?

A IT'S IN HER REPORT. SHE SHOWS A COPY OF THE CHECK FROM CRAWFORD AND COMPANY FOR THE EQUIPMENT THAT WAS STOLEN FROM THE JOB SITE.

Q WAS THAT EQUIPMENT A&E EQUIPMENT?

A YES.

Q AND IT WAS STOLEN AND A CLAIM WAS MADE AND THIS IS WHAT WAS PAID TO A&E?

A YES. IN 2009, THIS IS ONE OF THOSE CHECKS EARLIER THAT I SAID SHE CLAIMED THIS AS A EXPENSE OWED AFTER HER 2007 CUTOFF.

Q BUT DIDN'T GIVE ANY CREDITS FOR MONIES RECEIVED AFTER 2009 TO A&E?

A SHE DIDN'T GIVE ANY CREDITS FOR PARK PLACE PROPERTIES CONTINUING TO PUT MONEY INTO A&E TO PAY FOR THE MONTHLY INSTALLMENT PAYMENTS ON THIS

EQUIPMENT?

MR. DURANT: THIS WAS A CHECK DEPOSITED INTO PARK PLACE PROPERTIES? YOU DIDN'T ASK HER THAT.

MS. COOK: FRANK, THAT'S WHAT CROSS-EXAMINATION IS FOR, HONEY.

JUDGE HOWE: WELL, I THINK YOU SAID IT WAS PAID TO A&E.

MS. COOK: CORRECT.

JUDGE HOWE: BUT IT SAID IT WAS PAID TO ARTHUR W. VEREEN.

MR. DURANT: I'M JUST CLEARING THE RECORD UP, AND DEPOSITED INTO PARK PLACE PROPERTIES. I THINK THAT'S WHAT THE RECORDS SHOW.

A IT WAS AN INSURANCE ...

Q HOLD ON.

MS. COOK: I KNOW WE'RE TRYING TO GET THROUGH THIS, BUT I WOULD REALLY APPRECIATE IT IF FRANK'S -- HE'S GOT ALL THE TIME IN WORLD TO WHEN WE RESCHEDULE TO CROSS-EXAMINE MY WITNESS. IF HE WANTS TO OBJECT, I HAVE NO PROBLEM WITH THAT. I WILL LET THE COURT RULE, BUT IF HE WOULD PLEASE REFRAIN FROM CROSS-EX

AMINATING MY WITNESS DURING MY DIRECT EXAM, YOUR HONOR, I WOULD REALLY APPRECIATE IT.

JUDGE HOWE: I THINK I DIDN'T HELP, BUT I DON'T THINK YOU MEANT TO SAY, "PAYS TO A&E."

MS. COOK: I PROBABLY DIDN'T. I WILL GO BACK AND CLEAR THAT UP.

MR. DURANT: I APOLOGIZE. I THOUGHT I WAS HELPING HER, YOUR HONOR.

MS. COOK: NO. I APPRECIATE THE COURT HELPING ME. I WOULD TAKE ALL THE HELP THE COURT CAN GIVE ME, BUT I WOULD REALLY APPRECIATE IT IF MR. DURANT WOULD NOT TRY TO CROSS-EXAMINE MY WITNESS DURING MY DIRECT.

JUDGE HOWE: I'M SURE HE WILL TRY TO REFRAIN.

Q LET'S START OVER. THE EQUIPMENT THAT WAS STOLEN, WAS IT OWNED BY A&E?

A YES, IT WAS.

Q AND WHEN IT WAS STOLEN, DID A&E MAKE A CLAIM?

A YES.

Q DO YOU RECALL WHAT YEAR IT WAS STOLEN?

A I BELIEVE IT WAS 2008.

Q SO, AFTER MR. SMITH HAD CEASED ASSISTING WITH THE COMPANY OF WHICH HE WAS THE PRESIDENT?

A CORRECT.

Q WHEN MR. SMITH ABANDONED THE COMPANY IN 2007, WERE THERE STILL PAYMENTS BEING MADE ON THIS EQUIPMENT?

A YES, THERE WERE.

Q WAS THERE STILL A CONTRACTUAL OBLIGATION FOR A&E TO MAKE PAYMENTS ON THIS EQUIPMENT?

A YES.

Q WHEN MR. SMITH LEFT AND ABANDONED THE JOB IN 2007 ...

MR. DURANT: YOUR HONOR, I OBJECT TO THE FORM OF THE QUESTION. SHE CAN ASK THIS WITNESS SOMETHING, BUT SHE CAN'T TESTIFY.

JUDGE HOWE: SUSTAINED. YOU OBJECT TO THE WORD, ABANDONED?

MR. DURANT: YES. SHE NEEDS TO ASK THE WITNESS A QUESTION RATHER THAN ...

MS. COOK: I THINK THE OBJECTION TO THAT WOULD BE LEADING, WOULD IT NOT?

MR. DURANT: WELL, I'M JUST TRYING TO KEEP YOU ON COURSE.

Q WERE THERE OBLIGATIONS OF A&E ONGOING AFTER

2007?

A YES, THERE WERE.

Q AND TO YOUR KNOWLEDGE, DID A&E DO ITS BEST TO MAKE PAYMENTS ON THOSE ONGOING OBLIGATIONS?

A AS A&E NEEDED MONEY TO MAKE PAYMENTS FOR THOSE OBLIGATIONS, MY DAD WOULD MAKE DEPOSITS INTO A&E FROM PARK PLACE PROPERTIES TO COVER THOSE EXPENSES.

Q WHEN THE EQUIPMENT WAS STOLEN FOR WHICH THIS INSURANCE CHECK WAS REFUNDED, WAS THE AMOUNT DEPOSITED INTO AN ACCOUNT OTHER THAN A&E, AS FAR AS YOU KNOW?

A YES, IT WAS.

Q AND TO YOUR KNOWLEDGE, IS THIS AN AMOUNT THAT A&E IS DUE BACK FROM PARK PLACE PROPERTIES?

A IT IS, BUT IT IS OFFSET BY THE AMOUNTS THAT PARK PLACE PROPERTIES PAID ON BEHALF OF A&E FOR THE MONTHLY EXPENSES OF THAT EQUIPMENT.

Q WERE THERE ADDITIONALLY -- IN ADDITION TO THE REFUND CHECK OR THE CLAIM CHECK FOR THE A&E EQUIPMENT, WAS THERE -- CAN WE LOOK BEHIND TAB 29 IN MRS. BRADY'S 2007 REPORT? WHAT DO YOU UNDERSTAND THE INFORMATION BEHIND TAB 29 TO BE?

A THE FIRST TWO ENTRIES FOR 2004 ARE WHERE WE DISCUSSED EARLIER THAT SHE MADE HER CORRECTIONS

TO AMOUNTS THAT SHE ORIGINALLY CONCLUDED THAT WERE ACTUAL AMOUNTS THAT HAD BEEN TAKEN OUT OF THE A&E ACCOUNT FOR THE POTENTIAL AND THE JOHN HANCOCK SO THAT'S ...

Q LET'S STOP THERE. THOSE ARE AMOUNTS THAT SHE CHARGED TO YOUR FATHER AND THEN -- BASED ON WHAT SHE HAD BEEN TOLD BY MR. SMITH, IS THAT CORRECT, AS I RECALL YOUR TESTIMONY?

A THAT'S WHAT SHE TOLD US AT THE MEETING.

Q AND THEN, TO YOUR KNOWLEDGE, DID SHE GO BACK AND VERIFY THAT? IN FACT, THOSE AMOUNTS WERE NOT PAID OUT OF A&E OR DID YOU PROVIDE HER INFORMATION THAT SHOWED HER THAT THEY WEREN'T?

A I BELIEVE IN OUR MEETING ON DECEMBER THE 15TH, WE BROUGHT THAT TO HER ATTENTION. THAT FOR POTENTIAL ONLY, THREE OF THE PAYMENTS HAD BEEN TAKEN OUT OF THE A&E ACCOUNT AND NONE OF THE JOHN HANCOCK HAD BEEN.

Q AND WAS THAT APPARENT BY EXAMINING THE CHECKING ACCOUNT STATEMENTS FOR A&E FOR THE 2004 YEAR?

A YES.

Q SHE DOES NOT INDICATE -- SHE PUTS EVERYTHING A LITTLE DARK, SO YOU DON'T KNOW IF IT'S A CREDIT OR DEBIT, BUT ACTUALLY THAT WOULD BE AS YOU UNDERSTAND IT, IT SHOULD BE A CREDIT OFF WHAT

THEY SAY YOUR FATHER OWES?

A THAT'S CORRECT.

Q THE NEXT GROUP OF CHARGES WHERE IT TOTALS $4,000 AND CHANGE, DO YOU HAVE AN UNDERSTANDING OF WHAT THAT IS?

A I BELIEVE SHE DID PROVIDE THE DUPLICATE CHECKS PRINTED OFF OF THE A&E SYSTEM. AND BY LOOKING AT THOSE, WE DETERMINED WHAT WE BELIEVE TO BE LEGITIMATE A&E EXPENSES AND MY DAD'S PERSONAL EXPENSES.

Q IS IT YOUR UNDERSTANDING THAT THIS 4,000 AND CHANGE, THOSE ARE CREDITS BACK TO YOUR DAD OR THAT'S ADDITIONAL ACCOUNTS RECEIVABLE A&E BELIEVES IS DUE TO IT?

A NO. SHE BELIEVES THAT THE 5,344.70 WAS SUPPOSED TO BE CREDITED SOMEWHERE, BUT THE 4,166.50 WERE ADDITIONAL AMOUNTS CHARGED TO HIM AS BEING OWED BACK TO A&E, AS WELL AS THE $500.00 AND THE 838.76. THOSE LAST THREE AMOUNTS WERE AMOUNTS THAT WERE TO BE CHARGED TO...

Q THOSE WERE ACCOUNTS RECEIVABLE TO BE ADDED AND CHARGED TO YOUR FATHER?

A THAT'S CORRECT.

Q THE FIRST AMOUNT SHOULD HAVE BEEN A CREDIT DUE TO YOUR FATHER?

A THAT'S CORRECT.
Q DOES A&E -- IF THIS HADN'T BEEN DONE TO BEGIN WITH AND WAS ALL SET OUT ON EXHIBIT "82" LIKE WHERE THE VEREEN SOURCES HAD SAID WHAT THEY AGREED WITH OR WHAT THEY DON'T AGREE WITH, WOULD ANY OF THESE AMOUNTS BE AGREED TO BY THE VEREEN SOURCES, AS FAR AS YOU KNOW?
A WE DO AGREE TO THE RICE/MCDONNELL CHARGE, THE 1,266.50.
Q OKAY.
A IN ADDITION, WE AGREED TO THE LAW OFFICES OF STANLEY ROGERS. AND WE AGREE PYRAMID ENGINEERING FOR LOT 60, BUT THE OTHER TWO, THE PYRAMID ENGINEERING FOR TILGHMAN ESTATE AND LORMAN EDUCATION SERVICES ARE NOT AGREED TO.
Q OKAY. AND BEHIND TAB 30, DO YOU HAVE AN UNDERSTANDING OF WHAT IS REFLECTED OR IS SHOWN BY MRS. BRADY ON TAB 30?
A I BELIEVE SHE SHOWS THIS ON HER SPREADSHEET TABLES ON THE FRONT OF THAT REPORT FOR THAT YEAR AND SHOWS THAT AS BEING AN ACCOUNTS RECEIVABLE. WELL, SHE ATTEMPTS TO SHOW IT AS ACCOUNTS RECEIVABLE BY ELLIS SMITH, BUT IT'S NOT THE SAME AMOUNT THE CHECK WAS WRITTEN FOR. SO, I'M NOT SURE OF THE DIFFERENCE THERE. THE CHECK WAS

WRITTEN FOR 11,466 AND SHE SHOWS THE ACCOUNTS RECEIVABLE AS 10,876.55.

Q OKAY. BUT SHE SHOWS THAT -- WHEN YOU SAY, "ACCOUNTS RECEIVABLE" JUST AS SHE WENT THROUGH TO DETERMINE WHAT THE PLAINTIFFS MAINTAIN AS OWED BY VEREEN SOURCES BACK TO A&E, THIS IS A CHARGE THAT THE PLAINTIFFS DETERMINED WAS DUE FROM MR. SMITH BACK TO A&E, IS THAT CORRECT?

A YES. I BELIEVE THIS 11,466 WAS IDENTIFIED BY RICHARD CRUMPLER IN HIS 2005 TAX WORK PAPERS, BUT I DON'T BELIEVE HE HAD DONE ANYTHING WITH IT. HE HADN'T INCLUDED IT ON AN ELLIS ACCOUNTS RECEIVABLE YET.

Q TO YOUR KNOWLEDGE, DID YOU NOTE ANYWHERE ELSE IN ANY OF MRS. BRADY'S REPORTS WHERE SHE WENT THROUGH TO TRY TO DETERMINE OR DID DETERMINE ANY AMOUNTS RECEIVABLE THAT ARE OWED TO A&E BY MR. SMITH?

A SHE DOES INCLUDE -- ANYTHING THAT'S INCLUDED ON SMITH/SAPP. I BELIEVE IN 2005 FOR THEIR TAX RETURN, THEY DO SET UP AN ELLIS ACCOUNTS RECEIVABLE LINE OR WHATEVER YOU WANT TO CALL THAT ENTRY AND IT DOES HAVE SOME ITEMS. SO, ANYTHING THAT SMITH/SAPP INCLUDED ON ELLIS ACCOUNTS RECEIVABLE, SHE ALSO INCLUDED ON

ACCOUNTS RECEIVABLE. IT'S JUST SHOWN ON HER WORK SHEETS. IT'S NOT SHOWN ON HER REPORTS EXCEPT FOR THIS ENTRY.

Q THAT ONE ENTRY?

A YES.

Q OTHER THAN WHAT SMITH/SAPP HAD SHOWN IN 2005 AS ELLIS SMITH ACCOUNTS RECEIVABLE DUE TO A&E, DID YOU SEE ANY EVIDENCE OF ANY OTHER INDEPENDENT DETERMINATION OR ACCOUNTING THAT WAS ATTEMPTED TO BE MADE BY MRS. BRADY TO DETERMINE IF MR. SMITH OWED ANYTHING TO A&E?

A OTHER THAN THE CARPET IN CHARGE FOR -- THAT WE HAVE TALKED ABOUT AND THAT HE HAS TESTIFIED TO ...

Q FOR 29TH PLACE?

A CORRECT.

Q THAT WAS LIKE $4,700 OR SOMETHING IN THAT NEIGHBORHOOD?

A YES.

Q THOSE ARE THE ONLY TWO PLACES, AS FAR AS YOU RECALL?

A AS FAR AS I RECALL.

Q NOW, YOU ALSO -- LET ME SHOW YOU ANOTHER DOCUMENT.

MS. COOK: YOUR HONOR, DO YOU WANT TO

BREAK NOW OR ...

JUDGE HOWE: ARE YOU REALLY TO TAKE A BREAK NOW?

MS. COOK: YES, MA'AM.

(OFF THE RECORD FOR LUNCH.)

Q MRS. SISSON, WHEN WE BROKE FOR LUNCH, WE WERE WORKING ON THE 2007 NOTEBOOK FROM MRS. BRADY. YOU HAD GONE THROUGH THE END OF THAT NOTEBOOK TO GET TO PLAINTIFF'S EXHIBIT NUMBER "40". IT WAS INTRODUCED AND I BELIEVE MRS. BRADY WAS GIVING A SYNOPSIS OF THE FOUR YEARS WITH THE NOTEBOOKS?

A YES. I BELIEVE THAT WAS DURING HER TESTIMONY IN FEBRUARY.

Q MRS. SISSON, I AM SHOWING YOU WHAT HAS BEEN MARKED AS PLAINTIFF'S EXHIBIT NUMBER "40". IT'S A SUMMARY ANALYSIS OF THE CORPORATE ACTIVITY OF A&E CONS TRACTORS AND CONSULTANTS. HAVE YOU SEEN THAT BEFORE?

A I HAVE.

Q FIRST SECTION ON FIRST PAGE, ACCORDING TO MRS. BRADY, WHAT DOES SHE CONCLUDE YOUR FATHER OWES A&E?

A SHE GOT THAT TITLE FOR INFORMATIONAL PURPOSES ONLY. SO, IT WAS MY UNDERSTANDING FROM LOOKING AT THIS -- I KNOW WHAT THESE ARE. THESE ARE

AMOUNTS WHERE IT SAYS, "EXPENSES PAID OF AWV, BENEFITTED A&E, REVIEWED BY ELLIS SMITH, AND VERIFIED AS A&E EXPENSES." THOSE ARE ALL AMOUNTS THAT WE DISCUSSED IN THEIR OFFICES, IN SUSAN'S OFFICE, AS LEGITIMATE EXPENSES PAID BY MY DAD OR HIS RELATED ENTITIES ON BEHALF OF A&E THAT ELLIS AGREED SHOULD BE A CREDIT.

Q AND HOW MUCH DID THAT TOTAL OF CREDIT IN THAT MEETING?

A 134,855.72.

Q AND THEN DOES THIS SHEET ALSO REFLECT AN AMOUNT THAT SAID ELLIS HAD CONSENTED THAT HE OWES A&E?

A YES. IT'S GOT THE OCEAN BLUE PAYMENT 19,280 AND THEN THE CARPET PRICE 3,420.

Q IT DOESN'T HAVE THE 11,000 AND SOME ODD DOLLAR AMOUNT?

A THE 11,466 IS NOT SHOWN ON THAT PAGE.

Q IT'S AT THE END OF HER 2007 NOTEBOOK?

A THAT'S CORRECT.

Q NOT ON THAT PAGE?

A THAT'S CORRECT.

Q DOES IT INCLUDE THE $51,000 SOME ODD DOLLAR ADVANCE THAT HE WAS GIVEN TO HELP WHEN HE PURCHASED HIS HOUSE IN OLD PINE LAKES?

A NO, IT DOES NOT.

Q IF YOU WOULD REFER TO THE NEXT PAGE. WHAT IS YOUR UNDERSTANDING OF THE AMOUNTS THAT MRS. BRADY, ON BEHALF OF THE PLAINTIFFS, HAS CONCLUDED IN HER NOTEBOOK ARE OWED BY YOUR FATHER OR THE OTHER VEREEN SOURCE ENTITIES?

A ACCORDING TO THIS SHEET, WHAT IT SHOWS IS OWED FROM MY DAD OR RELATED ENTITIES IS $2,870,879.90.

Q IS PART OF THAT ONE OF THE LAST THINGS THAT WE WENT OVER IN THE 2007 NOTEBOOK, WHICH HAD TO DO WITH SOME MISCELLANEOUS CHARGES THAT WERE BEHIND HER TAB 26, WHICH WERE ENTITLED, "CHECKS DEPOSITED INTO BANKS OTHER THAN A&E THAT WHICH WERE PAID TO A&E?" SO IN OTHER WORDS, A&E CHECKS THAT WERE DEPOSITED INTO OTHER BANK ACCOUNTS OF YOUR FATHER OR HIS ENTITIES? SO ALL THOSE PAYMENTS THAT WERE MADE TO A&E FOR THOSE PARTICULAR JOBS THAT WERE DEPOSITED BY YOUR FATHER INTO OTHER ACCOUNTS, SHE HAS CHARGED AS AN ACCOUNT RECEIVABLE OWED BY THE VEREEN SOURCES, CORRECT?

A CORRECT. WITH THE EXCEPTION THAT ALL OF THOSE CHECKS BEHIND THAT TAB ARE NOT CHECKS WRITTEN TO A&E. THEY ARE -- ONE OF THE CHECKS IS A CHECK WRITTEN BY WILLOUGHBY FAMILY INVESTMENTS TO PARK

PLACE PROPERTIES.

Q WITH REGARDS TO THE WHITLEY JOB AND THE MAUDLIN JOB, WERE THOSE A&E JOBS?

A YES, THEY WERE.

Q AND IN MRS. BRADY'S ACCOUNTING, DOES SHE CHARGE THE MATERIALS FOR THOSE JOBS AS BEING OWED BY YOUR DAD TO A&E?

A SHE DOES FOR THE WHITLEYS, WHICH IS PLANTATION LAKES. SHE CHARGES THOSE FROM 2004 THROUGH 2007. FOR THE BRIAN MAUDLIN JOB, WHICH IS THE FENCE JOB, SHE CHARGES THOSE EXPENSES IN 2004 AND 2005 IN HER NOTEBOOKS.

Q SO, ACCORDING TO HER NOTEBOOK, SHE HAD SAID THAT THOSE EXPENSES, EVEN THOUGH THEY ARE A&E JOBS, ARE OWED BY YOUR FATHER OR VEREEN SOURCES TO A&E?

A RIGHT. SHE SAYS THE EXPENSIVE PAID BY A&E ON BEHALF OF THOSE JOBS ARE OWED BACK TO A&E BY MY DAD.

Q DOES SHE ALSO, EVEN THOUGH SHE SAYS THE EXPENSES OF A&E JOBS SHOULD BE PAID BACK BY YOUR DAD, DOES SHE MAKE ANDY CLAIMS FOR PROFIT AND OVERHEAD FOR THOSE OTHER ADDITIONAL CHARGES THAT SHE HAD CALCULATED ON THE TAB BEFORE THIS SAYING THEY ARE DUE FROM YOUR DAD?

A SHE DOES THAT IN THE FOLLOWING TAB, TAB 27.
Q OKAY. THEN DOES SHE SAY -- DOES SHE THEN RECORD THAT PAYMENTS MADE ON THOSE JOBS SHOULD COME BACK TO A&E?
A YES. WHAT SHE HAD DONE IS SHE HAS CHARGES, THE EXPENSES ON THOSE JOBS, IN THIS TAB. SHE CHARGED THE PAYMENTS ON THOSE JOBS AND THEN TAB 27, SHE CHARGES THE PROFIT AND OVERHEAD THAT ELLIS CALCULATED AS ALSO BEING OWED TO A&E ON THOSE JOBS.
Q SO, SHE IS CHARGING THE EXPENSES ON THOSE JOBS TO YOUR DAD AND WANTED A&E TO GET PAID PROFIT AND OVERHEAD AND THE PAYMENTS AS WELL?
A YES.
Q SO YOUR DAD, AS FAR AS THE PLAINTIFF IS CONCERNED, AS YOU UNDERSTAND IT, SHOULD PAY FOR ALL THE EXPENSES, LABOR, MATERIALS ON THE JOB, BUT -- AND PAID THAT BACK TO A&E. AND LET A&E KEEP THE PROFIT AND OVERHEAD AND NEEDS TO REIMBURSE THEM THE PAYMENTS ON THOSE JOBS?
A YES.
Q IF THEY WERE A&E JOBS, WOULD YOU AGREE THAT IF THERE WAS PROFIT OR OVERHEAD MADE ON THE JOB, IT SHOULD BE PAID TO A&E?
A YES.

Q AND IF THEY WERE A&E JOBS TO JUSTIFY PAYMENT OF PROFIT AND OVERHEAD, WOULD YOU AGREE THAT A&E SHOULD PAY FOR THE MATERIALS?

A YES.

Q WOULD YOU AGREE THAT IF THEY WERE A&E JOBS THAT YOUR FATHERS SHOULD PAY FOR THE MATERIALS?

MR. THOMAS: I THINK SHE'S ASKING WHAT HER OPINION OF ALL THESE CHARGES ARE, AND I THOUGHT WE WERE NOT GOING TO DO THAT. SO WE OBJECT ON THE BASES OF COMPETENCES OF THIS WITNESS UNDER RULE 602.

JUDGE HOWE: SUSTAINED.

Q BEFORE WE GET TO EXHIBIT "81", LET ME HAND YOU WHAT I MARKED AS DEFENDANT EXHIBIT "85". CAN YOU IDENTIFY THIS DOCUMENT WHICH IS ENTITLED AT THE TOP, "EXPENSES PAID. DEPOSIT MADE FOR A&E BY AWV". THAT WAS GIVEN FOR THE BENEFIT OF THE COURT REPORTER.

A YES. THIS WAS A SPREADSHEET THAT I PREPARED AT THE REQUEST OF RICHARD CRUMPLER.

Q DID YOU PREPARE THIS -- WHAT WAS YOUR REASON FOR PREPARING THIS SPREADSHEET?

A IN 2007 WHEN SUSAN DECIDED NOT TO DO THE 2004/2005 TAX RETURNS AND WE DELIVERED THEM TO

RICHARD, WE DELIVERED THEM WITH THE SAME INFORMATION THAT WE HAD GIVEN TO SUSAN THAT THERE WAS RENT THAT WAS DUE FOR OFFICE SPACE AND EQUIPMENT AND TRUCKS, AS WELL AS THERE WERE EXPENSES THAT HAD BEEN PAID BY DAD OR HIS RELATED ENTITIES THAT NEEDED TO BE REIMBURSED AND AS SUCH, RICHARD ASKED ME FOR THAT BACKUP.

Q IS THIS WHAT YOU PREPARED?

A DAD STARTED PREPARING IT AND THEN HE GAVE IT TO ME TO COMPLETE AND TO TYPE UP AND PUT IN A SPREADSHEET.

MS. COOK: YOUR HONOR, I WOULD SEEK TO INTRODUCE DEFENDANT'S EXHIBIT "85".

JUDGE HOWE: ANY OBJECTION TO DEFENDANT'S EXHIBIT "85"?

MR. DURANT: YOUR HONOR, WE OBJECT TO THIS. THIS IS AN ACCOUNTING THAT MEANS ABSOLUTELY NOTHING TO THE COURT OR ANYBODY ELSE THAT SHE MAY OR MAY NOT HAVE PREPARED IT WITH NO BACKUP. SHE'S NOT AN ACCOUNTING WITNESS IN THIS CASE.

JUDGE HOWE: I THINK SHE PREPARED THIS TO GO TO THE ACCOUNTANT, IS THAT CORRECT?

A YES, YOUR HONOR.

MR. DURANT: THIS RECORD WAS NOT IN THE ACCOUNTANT'S RECORDS THAT WE SUBPOENAED. BUT, YOUR HONOR, IF SHE PREPARED IT, SHE CAN SAY THAT SHE PREPARED IT, BUT IT'S NOT EVIDENCE OF ANYTHING.

MS. COOK: YOUR HONOR, I HAVE THE ENTIRE BOX OF THE ACCOUNTING RECORDS THAT MRS. BRADY ASKED TO HAVE COPIED BY MR. CRUMPLER'S OFFICE.

JUDGE HOWE: I'M GOING TO ALLOW IT. SHE PREPARED IT. IT SAID THAT SHE TOOK IT TO MR. CRUMPLER, THE ACCOUNTANT. SHE CAN TESTIFY TO WHAT IT IS IF SHE PREPARED IT.

MS. COOK: THANK YOU.

EXPENSES SPREADSHEET
MADE FOR A&E BY AWV
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "85".

Q MRS. SISSON, WHAT DID YOU DO TO COME UP WITH THE INFORMATION THAT YOU INCLUDED FROM MR. CRUMPLER ON DEFENDANT'S EXHIBIT "85" OR HIS FIRM?

A I USED THE INFORMATION THAT MY FATHER PROVIDED TO ME THAT HE HAD GONE BACK AND PULLED FROM HIS

VARIOUS RECORDS AND TYPED THIS UP ...

MR. THOMAS: OBJECTION. THE BEST EVIDENCE WOULD BE WHATEVER SHE IS TALKING ABOUT, NOT WHAT SHE WAS TOLD BY HER FATHER.

MS. COOK: YOUR HONOR, SHE CAN TESTIFY THAT SHE PREPARED THAT. MR. VEREEN IS GOING TO GET ON THE STAND AND HE WILL GO OVER WHAT HE PREPARED AND WHAT HE HAD AND THE INFORMATION. I'M JUST ASKING HER WHAT SHE PREPARED THIS FROM.

JUDGE HOWE: OVERRULED.

Q IN ADDITION TO -- DID YOU YOURSELF DO ANYTHING TO -- I THINK YOU HAD TESTIFIED A MINUTE AGO THAT YOUR FATHER HAD STARTED IT AND HE GAVE IT TO YOU AND YOU FINISHED IT, AM I CORRECT THERE?

A YES.

Q WHAT DID YOU DO TO ASCERTAIN INFORMATION THAT WAS PUT ON THIS LIST THAT YOU PREPARED FOR MR. CRUMPLER?

A WELL, AFTER I GOT THIS LIST FROM HIM AND PREPARED IT FOR MR. CRUMPLER TO GIVE TO HIM IS WHEN WE THEN TURNED TO ADDRESSING THE PLAINTIFF'S REQUEST FOR ALL OF THE BACKUP DOCUMENTATION CHECKS AND INVOICES FROM MY DAD OR

THE RELATED ENTITIES REGARDING ANY, I GUESS, THE OFFSET THAT WE WERE SEEKING. SO, I TOOK THIS LIST AND STARTED TO PULL THIS INFORMATION FROM THIS LIST.

Q AND IN DOING THAT, DID YOU COMPILE FOUR SEPARATE NOTEBOOKS, I THINK ONE WE ALREADY HAD IN EVIDENCE, WHICH WOULD BE DEFENDANT'S "78" AND ENTITLED, "ARTHUR VEREEN'S CONSTRUCTION COMPANY'S ACCOUNTS RECEIVABLES DUE FROM A&E."?

A WELL, FROM THIS LIST I STARTED COMPILING THOSE FOUR NOTEBOOKS. HOWEVER, THIS LIST THAT I INITIALLY PREPARED FOR RICHARD AS WE STARTED GOING BACK THROUGH THE RECORDS, I REALIZED THAT IT WAS NOT COMPLETE. SO, WE PREPARED THE FOUR NOTEBOOKS.

Q SO, THERE IS MORE INCLUDED IN THE FOUR NOTEBOOKS THAT YOU PREPARED THAN THERE WAS CONTAINED ON THIS LIST THAT YOU PREPARED FOR MR. CRUMPLER?

A YES.

Q AND THOSE NOTEBOOKS ARE DEFENDANT'S EXHIBIT "78", WHICH HAS BEEN ADMITTED. AND THEN THE OTHER THREE NOTEBOOKS, THE ONE YOU PREPARED, WAS DUE TO MR. VEREEN WITH BACKUP FROM A&E?

A YES.

Q ONE FOR PARK PLACE PROPERTIES?

A YES.
Q AND ONE FOR PARKWAY OFFICES?
A YES.
Q THIS LIST COVERS WHAT YEARS? WHEN I SAY, "THIS LIST" DEFENDANT'S EXHIBIT "85".
A I BELIEVE IT'S 2003 TO 2007. YES.
Q THE NOTEBOOKS YOU PREPARED CONTAIN WHAT YEARS?
A 2003 TO 2009.
Q I'M NOW GOING TO ASK YOU IF YOU WOULD TAKE A LOOK AT WHAT HAS BEEN MARKED AS DEFENDANT'S "81". IT IS A NOTEBOOK ENTITLED CHARGES BACK -- EXCUSE ME. "ELLIS SMITH LAWSUIT ACCOUNTS RECEIVABLE."

(DISCUSSIONS HELD OFF THE RECORD.)

MS. COOK: YOUR HONOR, I AM HANDING YOU THE ELLIS SMITH ACCOUNTS RECEIVABLE NOTEBOOK.

Q WOULD YOU TAKE A LOOK AT THAT AND TELL ME IF YOU CAN IDENTIFY IT?
A THIS IS THE NOTEBOOK THAT I PREPARED AS SUPPORT FOR THE AMOUNTS THAT WE CLAIM ARE OWED TO A&E FROM ELLIS SMITH.

MS. COOK: I SEEK TO INTRODUCE THAT AS DEFENDANT'S EXHIBIT "81".

MR. DURANT: YOUR HONOR, THE PLAINTIFFS

OBJECT THAT SHE'S NOW APPEARING AS AN ACCOUNTANT AGAIN. ACTUALLY, IF YOU LOOK ON THE FRONT SHEET IN THE MEMORANDUM, SHE'S GOT -- WHERE IT SAYS, "FOR THE PURPOSE OF PREPARING A FINAL ACCOUNTING AND FILING OUTSTANDING TAX RETURNS", SHE'S NOT CAPABLE OF TESTIFYING AS TO WHAT MR. ELLIS DID OR DIDN'T DO. THAT WAS IMPROPER IN IT'S RELATIONSHIP WITH A&E. SHE CAN TESTIFY AS TO WHAT, I GUESS, IF THE BOOKS SAY SOMETHING, BUT SHE'S NOT CAPABLE OF PROVIDING THIS TYPE OF TESTIMONY.

MR. THOMAS: WE JOIN IN ON THAT OBJECTION.

JUDGE HOWE: MS. COOK?

MS. COOK: YOUR HONOR, THAT NOTEBOOK CONTAINS WHAT MRS. SISSON JUST TESTIFIED WERE THE SOURCE DOCUMENTS THAT SHE UTILIZED TO COMPILE THE LIST FOR THE ACCOUNTANTS, DEFENDANT'S EXHIBIT "85". ADDITIONAL INFORMATION WHICH SHE PREPARED, PULLING ALL THE SOURCE DOCUMENTATION FOR THAT PURPOSE AND FOR THIS LITIGATION. ADDITIONALLY, THAT

DOCUMENT WAS PREPARED IN ORDER NOT ONLY TO ASSIST THE COURT IN MAKING IT'S -- IT'S THE COURT THAT'S GOT TO MAKE THE DETERMINATION OF WHAT IS OR IS NOT AN A&E EXPENSE AND WHAT IS OR IS NOT OWED BY MR. SMITH TO A&E, IF ANYTHING. SHE'S NOT TESTIFYING WHETHER IT'S A LEGITIMATE EXPENSE OR SHE'S NOT TESTIFYING ABOUT THE DOCUMENTATION THAT SHE HAS PREPARED TO GIVE TO THE ACCOUNTANTS FOR A&E TO PREPARE THE TAX RETURN, WHICH IS INCLUDED IN THAT NOTEBOOK, AS WELL AS WHAT HAS BEEN PREPARED IN ORDER TO SHOW THE DEFENDANT'S POSITION ON IT'S COUNTERCLAIM AS TO WHAT IS OWED BY MR. SMITH TO A&E. THE COURT HAS GOT TO MAKE THE DETERMINATION WHETHER OR NOT IT'S A LEGITIMATE EXPENSE OF A&E OR A LEGITIMATE EXPENSE OF MR. SMITH. SHE IS NOT GOING TO TESTIFY AS TO THE ULTIMATE DECISION, JUST WHAT THE NUMBERS ARE, AND WHAT DOCUMENTATION SHE HAS TO SUPPORT THE NUMBERS. THAT'S IT.

MR. DURANT: YOUR HONOR, THERE IS MEMORANDUMS IN THERE AND OTHER THINGS

PURPORTING TO BE SOMETHING FROM HER TO KIF COOK FROM A&E...

MS. COOK: AND, YOUR HONOR, I'M NOT SURE IN YOUR NOTEBOOK IF IT'S GOT THAT IN THERE THAT ACTUALLY WHEN IT WAS TAKEN TO THE PRINTERS TO MCGEE/CAD, I HAD NOT GONE THROUGH THOSE NOTEBOOKS AND HAD INADVERTENTLY LEFT IN THE -- WHAT REALLY WAS PRIVILEGED INFORMATION. THAT WAS DISCLOSED TO MR. DURANT AND I DON'T HAVE A PROBLEM WITH THAT AND I HAVE NO PROBLEM WITH THAT COMING OUT OF YOUR HONOR'S NOTEBOOK.

MR. DURANT: PERHAPS WHAT WE SHOULD DO, AS A SUGGESTION, IS GO THROUGH IT AND LIKE SOME OF THE EES INVOICES, I DON'T THINK WE ARE GOING TO FIGHT YOU OVER IT AND JUST KIND OF GO THROUGH WHAT YOU WANT TO PUT IN AND MAYBE AT THE END WE CAN SAY OKAY.

JUDGE HOWE: I THINK THE MOST APPROPRIATE WITNESS FOR THIS WOULD BE MR. VEREEN.

MS. COOK: YOUR HONOR, I HAVE GOT TO AUTHENTICATE IT AND IT WAS NOT MR.

VEREEN WHO COMPILED THE INFORMATION.

JUDGE HOWE: I THINK SHE CAN AUTHENTICATE IT, BUT SINCE SHE PUT IT TO -- I DON'T KNOW WHAT, "PUT IT TOGETHER" MEANS. MY GUESS IS HER DAD -- SHE MAY HAVE ACTUALLY PUT IT IN THIS NOTEBOOK, BUT MY GUESS IS HER DAD HAD TO SAY WHETHER HE CONSIDERED IT TO BE A LEGITIMATE EXPENSE OR NOT A LEGITIMATE EXPENSE. I BET IF YOU ASKED HER, IT WOULD BE A JOINT DECISION WHETHER IT WENT IN THIS NOTEBOOK OR NOT.

MS. COOK: AND I DON'T KNOW THAT I DISAGREE. I WILL ASK HER THE QUESTION.

Q WHO MADE THIS DECISION OR WHAT GROUP OF PEOPLE MADE THE DECISION WHETHER TO INCLUDE IT IN THE NOTEBOOK FOR THE ACCOUNTANT AND FOR THIS LITIGATION?

A DAD AND I BOTH DID. WE WENT BACK AND PULLED ALL OF THE PAYMENTS MADE TO ELLIS E. SMITH FOR THE A&E RECORDS. ELLIS E. SMITH, AS WELL AS THE EES CONSTRUCTION, AND IN ADDITION, WENT BACK THROUGH THE A&E PAYABLES TO FIND THE ADDITIONAL MATERIALS AND THINGS THAT WERE DELIVERED TO PERSONAL JOBS AND COLLECTED ALL THAT INFORMATION

TOGETHER AND REVIEWED IT TO SEE HOW IT MATCHED UP WITH WHAT SUSAN HAD DONE TO CHARGE BACK TO MY DAD TO TRY TO COME UP WITH A SIMILAR METHOD OF MAKING THAT CLAIM FOR AMOUNTS THAT WERE DUE BACK FROM ELLIS TO A&E.

JUDGE HOWE: I'M GOING TO SUSTAIN THE OBJECTION AS TO MRS. SISSON TESTIFYING ABOUT IT. I UNDERSTAND YOU CAN AUTHENTICATE IT THROUGH HER, BUT AS FAR AS GOING THROUGH IT AND TESTIFYING TO EACH THING, I DON'T KNOW IF YOU HAD INTENDED TO DO THAT OR NOT, BUT I THINK MR. VEREEN MAY BE THE MOST APPROPRIATE WITNESS TO TESTIFY TO ...

MS. COOK: JUST SO LONG AS WE'VE GOT IT AUTHENTICATED AT THIS POINT. SO, WHEN MR. VEREEN GOES UP, I DO NOT HAVE A PROBLEM WITH -- HE MAY NOT HAVE PHYSICALLY BEEN THE ONE WHO WENT AND PULLED IT.

MR. THOMAS: WE DON'T HAVE ANY PROBLEM STIPULATING OR ADMITTING THE DOCUMENT THAT SHE HAS TESTIFIED FOR ACCURATE COPIES OF RECORDS FROM A&E. FOR THAT PURPOSE WE DON'T OBJECT.

MS. COOK: I WOULD INTRODUCE IT AT THIS POINT FOR THAT PURPOSE, YOUR HONOR.

MR. DURANT: YOUR HONOR, THAT REFERS TO INVOICES NOT TO CUMULATIONS OF MRS. SISSON.

MS. COOK: I WILL BE HAPPY, YOUR HONOR, WHEN WE TAKE A BREAK TO PULL THOSE OUT OF THE COURT'S COPIES AND THE INTRODUCED EXHIBIT AS WELL.

JUDGE HOWE: VERY GOOD.

MR. DURANT: ARE WE CLEAR THAT WE ARE TALKING ABOUT THE INVOICES ONLY? THAT WE DO AGREE?

JUDGE HOWE: YES, SIR. MS. COOK SAID THAT SHE WOULD BE GLAD TO TAKE THOSE OUT WHEN WE TAKE A BREAK.

MS. COOK: FRANK, I JUST WANT TO MAKE SURE WE ARE TALKING ABOUT THE LEDGER SHEET WHERE SHE GOES BACK AND TOTALS UP -- I MEAN, YOU'RE NOT ...

MR. DURANT: I OBJECT TO THE LEDGER SHEETS.

MS. COOK: WELL, YOUR HONOR, WE CAN'T CONSENT TO THAT. I MEAN, ALL THAT SIMPLY IS, IS GOING THROUGH THE AMOUNTS

AND PUTTING THEM ON A SPREADSHEET. SO -- IT'S A TABLE OF CONTENTS ESSENTIALLY.

MR. DURANT: YOUR HONOR, FIRST OF ALL, THE CLAIMING AGAINST ELLIS SMITH IS THE CLAIM AGAINST ELLIS SMITH. THE CLAIM AGAINST EES IS A SEPARATE CLAIM. WE DIDN'T CO-COMMINGLE OURSELVES, SO WE'VE GOT TO KEEP THEM SEPARATE. I DON'T MIND IF SHE WANTS TO STATE THAT BETH ACTUALLY MADE THIS CUMULATIONS. WE JUST DON'T STIPULATE THAT THEY GO INTO EVIDENCE. IS THAT CLEAR ON WHAT WE'RE AGREEING TO?

JUDGE HOWE: YES, SIR.

MS. COOK: I'M SORRY. IT'S CLEAR AS MUD TO ME. I THINK IF YOU WOULD LOOK AT EACH OF THESE LEDGER SHEETS, IT HAS DELINEATED FOR EACH YEAR THE CLAIM THAT IS AGAINST EES VERSES THE CLAIM THAT WOULD BE AGAINST MR. SMITH INDIVIDUALLY.

JUDGE HOWE: HE'S NOT AGREEING THAT IT COMES INTO EVIDENCE. HE WILL AGREE THAT -- I THINK WHAT HE IS SAYING IS THAT WHEN MR. VEREEN TESTIFIES, MR. VEREEN CAN SAY, "I BELIEVE THAT MR. SMITH OWES "X" DOLLARS AND EES OWES "X" DOLLARS."

BUT HE'S NOT GOING TO AGREE THAT THIS EXHIBIT COMES IN WITH MRS. SISSON'S COMPILATIONS. IS THAT CORRECT?

MR. DURANT: THAT IS CORRECT, YOUR HONOR.

MS. COOK: SO, IN OTHER WORDS, HE IS NOT AGREEING THAT THE NOTEBOOK COMES IN UNLESS THE TABLE OF CONTENTS FOR EACH YEAR COMES OUT? IS THAT WHAT YOU'RE SAYING?

JUDGE HOWE: HE IS NOT AGREEING THAT MRS. SISSON CAN SAY THAT SHE BELIEVES THAT ...

MS. COOK: NO, NO, MA'AM. I UNDERSTAND THAT. MY UNDERSTANDING IS IT'S BEING INTRODUCED THROUGH MRS. SISSON JUST FOR WHAT THE DOCUMENT IS. SHE NOT GOING TO OFFER TESTIMONY ABOUT WHAT IT IS, JUST THAT -- BUT SHE TYPED UP THE LEDGER SHEET. CAN THAT NOT STAY IN THE DOCUMENT?

MR. DURANT: YOUR HONOR, PERHAPS WHAT WE SHOULD DO IS MARK IT AS AN EXHIBIT AND FOLLOW THE RULES OF EVIDENCE; WHATEVER SHE CAN SUBSTANTIATE SHE CAN. I WAS

TRYING TO DO IT FOR EASE. THE COPIES OF THE INVOICES THAT SHE HAD, WE WERE WILLING TO STIPULATE TO THOSE BECAUSE THEY WERE ATTACHED, BUT NOT ANY OF HER COMMENTS AND NOT ANY OF HER CALCULATIONS.

MR. THOMAS: YES, WE AGREE.

MR. DURANT: THERE'S LETTERS AND LOTS OF STUFF IN THERE.

MS. COOK: AM I CRAZY? EVIDENTIALLY.

JUDGE HOWE: ANY OF HER WORK PRODUCT HE'S NOT AGREED TO.

MS. COOK: OKAY.

JUDGE HOWE: ALTHOUGH, WHEN MR. VEREEN TESTIFIES, IF SHE SAYS, YOU KNOW, "I INDEPENDENTLY, HAVE ADDED THESE UP AND HERE'S WHAT IT ADDED UP TO BE, IT MAY COME IN.

MS. COOK: WELL, I CAN ASSURE YOU BY THE TIME WE COME BACK BEFORE YOU IN JANUARY, HE WILL HAVE CALCULATED TO VERIFY ALL THE NUMBERS. AM I TO UNDERSTAND THAT HE NEEDS TO RE-TYPE THE COVERS SHEET?

JUDGE HOWE: NO. BY JANUARY, NO, MA'AM. THAT'S NOT NECESSARILY ...

MS. COOK: OKAY.

MR. DURANT: YOU MIGHT FORGET BY THEN.

MS. COOK: I DOUBT IT.

JUDGE HOWE: IF IT CAN ASSIST THE COURT. IF IT'S A SUMMARY, IT CAN ASSIST THE COURT. IT MAY VERY WELL COME IN UNDER HIS TESTIMONY.

Q MRS. SISSON, WOULD YOU TELL THE COURT WHAT YOU DID IN ORDER TO LOCATE THE DOCUMENTATION THAT YOU PUT IN DEFENDANT'S EXHIBIT "81"?

A CAN I LOOK AT IT TO TELL YOU, SO I MAKE SURE I TELL YOU COMPLETELY?

JUDGE HOWE: YES, MA'AM.

A LIKE I SAID EARLIER, WHEN WE WERE ADDRESSING THE, I BELIEVE, THEY WERE REQUESTS FOR PRODUCTION OF DOCUMENTS. THERE WAS A REQUEST MADE THAT WE IDENTIFY EACH AND EVERY AMOUNT THAT WE ALLEGED THAT THE PLAINTIFF OWED BACK TO A&E OR TO ANY OF THE NAMED DEFENDANTS. AND IN DOING THAT, WE PULLED ALL OF A&E'S RECORDS. WE PULLED ALL OF THE ELLIS E. SMITH PAYABLE FILES FOR 2004, '5, '6, AND '7 AND WE PULLED ALL OF THE EES CONSTRUCTION PAYABLE FILES FOR 2004, '5, '6, AND '7 AND THEN IN ADDITION, WE'VE ALSO THROWN ALL OF THE PAYABLE FILES FROM A TO Z FOR 2004,

'5, '6, AND '7 TO IDENTIFY ANY PERSONAL EXPENSES OF ELLIS OR OF EES CONSTRUCTION THAT WERE CHARGED AND PAID BY A&E.

JUDGE HOWE: JUST FOR CLARIFICATION, WHO IS "WE"?

A WELL, I DID IT. MY DAD DID IT. I ALSO HAVE MY SISTER. IT WAS A HUGE PROJECT. SO, I WOULD GIVE INSTRUCTIONS AND SAY, YOU KNOW, "DO THIS, DO THIS AND BRING ME WHAT YOU FIND."

JUDGE HOWE: WHO'S "WE" AGAIN? YOUR SISTER, YOUR DAD, YOU AND ...

A MY SISTER/BEST FRIEND. HER NAME IS JESSICA VANCE.

Q AND ONCE THE GROUP HAD PULLED THOSE DOCUMENTS, DID YOU TURN THEM OVER TO ANYONE TO MAKE A DETERMINATION ABOUT WHETHER OR NOT IT SHOULD BECOME PART OF THE CLAIM BY YOUR FATHER ON BEHALF OF A&E AS TO MONEY OWED TO A&E BY MR. SMITH?

A YES. WE PUT THEM TOGETHER, AND AGAIN, TRIED TO ORGANIZE THEM CONSISTENT WITH SUSAN'S NOTEBOOKS. THEY WERE ORGANIZED BY YEAR AND BY CATEGORY AND SO WE TRIED TO ORGANIZE THEM THAT WAY. WE PRODUCED THEM AS PART OF OUR RESPONSES TO DISCOVERY REQUESTS. AND SINCE WE PRODUCED

THOSE, WE HAVE FOUND A FEW ADDITIONAL INVOICES AND I BELIEVE THOSE HAVE BEEN PRODUCED AS PART OF TESTIMONY EXHIBITS.

Q AND IN THE VARIOUS BOOKS ARE BLUE OR YELLOW SHEETS? ALTHOUGH, THERE ARE NO DOCUMENTS THAT HAVE BEEN ADDED TO DEFENDANT'S EXHIBIT "81" SINCE THAT PRODUCTION, CORRECT?

A CORRECT. AND THEY WOULDN'T BE BLUE AND YELLOW SHEETS IN THE FOUR NOTEBOOKS. THEY HAVE BEEN INTRODUCED AS AN EXHIBIT, I BELIEVE, AND MR. SMITH HAS BEEN QUESTIONED ABOUT THEM.

Q RIGHT.

MR. DURANT: FOR PURPOSES OF US DEFENDING, THIS BOOK IS ONLY THE CLAIM MADE BY A&E AGAINST EES AND SMITH? IS THAT WHAT THIS BOOK IS?

MS. COOK: THIS BOOK IS WHAT THIS BOOK IS. THIS BOOK IS WHAT THIS BOOK IS, FRANK.

MR. DURANT: OKAY.

JUDGE HOWE: NOW, HAVE WE DECIDED TO PUT THIS NOTEBOOK IN NOW WITH TAKING OUT THE SUMMARY SHEETS?

MS. COOK: I WILL WAIT AND PUT IT IN WITH MR. VEREEN AND INTRODUCE IT AT THAT

TIME AS LONG AS THEY STIPULATE IN TERMS OF JUST AUTHENTICATING HOW THE BOOK WAS COMPILED, WE'RE OKAY.

MR. DURANT: WE WILL AGREE WITH THAT.

JUDGE HOWE: VERY GOOD.

MS. COOK: IT'S BEEN ID'ED AT THIS POINT, BUT IT'S NOT INTO EVIDENCE YET?

JUDGE HOWE: YES, MA'AM.

LETTER FROM TURNER/PADGET MARKED FOR IDENTIFICATION. AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "87".

Q MARKED AS DEFENDANT'S EXHIBIT "87". IT'S ON TURNER/PADGET LETTERHEAD DATED JULY 30, 2007. DO YOU RECOGNIZE THAT DOCUMENT?

A YES, I DO.

Q IT'S ADDRESSED TO YOUR FATHER, BUT DID YOU REVIEW THIS DOCUMENT WHEN IT WAS RECEIVED BY YOUR FATHER?

A YES, I DID.

Q AS A LAWYER, WHAT PART DID YOU PLAY IN THE WILLOUGHBY LITIGATION?

A AS A LAWYER?

Q IN TERMS OF, DID YOU INTERFACE -- WERE YOU THE PERSON THAT INTERFACED MOSTLY WITH THE LAW FIRMS

THAT WERE DEFENDING YOU?

A YES.

Q YOU HAD TESTIFIED EARLIER ABOUT THE FACT THAT DURING THE DEFENSE OF THAT CASE, THE ATTORNEYS BILLED FOR THEIR SERVICES THE WILLOUGHBY FAMILY INVESTMENTS AND A&E FOR THE TOTAL AMOUNT 50/50, CORRECT?

A YES.

Q DOES THIS LETTER REFLECT A POINT IN TIME WHEN THE INSURANCE COMPANY DID STEP IN AND BEGIN TO PAY FOR THE DEFENSE OF BOTH -- ACTUALLY BOTH PARTIES?

A YES, IT DOES.

MS. COOK: YOUR HONOR, I WOULD SEEK TO INTRODUCE DEFENDANT'S EXHIBIT "87".

JUDGE HOWE: ANY OBJECTION?

MR. DURANT: NO OBJECTION.

MR. THOMAS: NONE, YOUR HONOR.

JUDGE HOWE: DEFENDANT'S "87" SO ADMITTED.

LETTER FROM TURNER/PADGET. DATED 7/30/07 MARKED FOR IDENTIFICATION AND INTRODUCED INTO EVIDENCE AS DEFENDANT'S EXHIBIT "87".

Q DURING THE TIME THAT A&E WAS IN BUSINESS, WAS THERE OTHER LITIGATION FILED AGAINST A&E THAT HAD TO BE DEFENDED BY LAWYERS?

A YES.

Q LET ME HAND YOU WHAT I HAVE MARKED AS DEFENDANT'S "88". IT LOOKS LIKE A SUMMARY OF BILLS FROM RICE MCDONALD. TAKE A LOOK AT THAT AND SEE IF YOU CAN IDENTIFY IT.

A THAT IS A SUMMARY SHEET FROM RICE MCDONALD REGARDING CHARGES AND PAYMENTS RECEIVED FOR THE LAWSUIT FILED AGAINST MIKE MULLINAX AGAINST A&E.

SUMMARY OF BILLS FROM
RICE/MCDONALD
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "88".

Q WHO ACTUALLY FILED THE LAWSUIT AGAINST WHOM?

A MIKE MULLINAX, HE IS WITH GREENS LANDSCAPERS. IT'S A LANDSCAPING COMPANY AND HE FILED A LAWSUIT AGAINST A&E FOR NON-PAYMENT OF INVOICES.

Q WAS THAT BEFORE OR AFTER MR. SMITH LEFT IN THE SUMMER OF 2007?

A IT WAS AFTER. THE LAWSUIT WAS FILED AFTER.

Q DID YOU PERSONALLY HAVE ANY CONVERSATIONS WITH MR. MULLINAX ABOUT -- AND I DON'T WANT YOU TO

TELL ME WHAT HE SAID, BUT DID YOU PERSONALLY HAVE ANY CONVERSATIONS WITH MR. MULLINAX ABOUT THE LAWSUIT THAT HE FILED?

A I DID, ONE DAY IN LOWE'S.

Q OKAY. AS A RESULT OF THE INSTITUTION OF THAT LAWSUIT, WHAT HAPPENS WITH REGARD TO THE LAWSUIT?

A THERE WAS A COMPANION LAWSUIT ALSO FILED BY CFC, INC. IT'S A CONCRETE FRAMING CONSTRUCTION AND THAT'S BUZZ SOUTHERN AND MIKE AND BUZZ ARE PARTNERS, I BELIEVE, IN SOME BUSINESS, BUT THEY BOTH FILED THE LAWSUIT AT THE SAME TIME AGAINST A&E BOTH FOR NON-PAYMENT OF INVOICES.

Q HOLD ON JUST A MINUTE. LET ME HAND YOU WHAT I HAVE PRE-MARKED AS DEFENDANT'S EXHIBIT "89" AND ASK IF YOU CAN IDENTIFY THAT?

A YES. THAT'S THE SUMMARY SHEET FOR CHARGES AND EXPENSES BY RICE MCDONALD ON THE CFC LITIGATION.

SUMMARY FROM RICE/MCDONALD
CFC MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "89".

Q WERE EITHER OF THOSE TWO SUBCONTRACTOR/ CONTRACTORS THAT ARTHUR VEREEN CONSTRUCTION OR YOUR FATHER HAD USED PRIOR TO BEING IN BUSINESS

WITH MR. SMITH, IF YOU KNOW?

A I DON'T REMEMBER THEM AT THE EARLIER PART OF A&E. TYPICALLY, ALL OF OUR ARTHUR VEREEN CONSTRUCTION COMPANY'S SUBS JUST KIND OF ROLLED INTO A&E, BUT I DON'T REMEMBER THEM AT THE BEGINNING OF 2004. I REMEMBER THEM COMING IN, IN 2005.

Q DO YOU KNOW WHO BROUGHT THEM TO A&E TO USE AS SUBS?

A IT WAS MY UNDERSTANDING THAT THEY HAD RELATIONSHIPS WITH ELLIS.

Q AS A RESULT OF THESE TWO COMPANION CASES BEING FILED, WHAT ULTIMATELY HAPPENED IF YOU RECALL?

A WELL, THE CASE WAS ...

Q WERE THEY ACTUALLY JOINED TOGETHER AT SOME POINT OR WERE THEY TWO SEPARATE CASES?

A I DON'T BELIEVE THEY WERE JOINED TOGETHER. I'M NOT CERTAIN ABOUT THAT, BUT THEY WERE DISMISSED WITHOUT PREJUDICE AND THEY HAVE ACTUALLY BEEN RE-FILED JUST RECENTLY.

Q DO YOU RECALL WHEN THEY WERE RE-FILED?

A LAST MONTH MAYBE.

Q DO YOU RECALL HOW MUCH IS CLAIMED BY MULLINAX AS NOT BEING PAID BY A&E?

A I DON'T REMEMBER OFF THE TOP, BUT I KNOW IT'S IN

THE THOUSANDS.

Q HOW ABOUT CFC, DO YOU REMEMBER THE AMOUNT OF THE CLAIM FOR CFC?

A I BELIEVE HIS IS AROUND 16,000.

Q DO YOU KNOW IF IT RELATES TO ANY ONE PARTICULAR JOB OR IF IT RELATES TO SEVERAL JOBS?

A THE MIKE MULLINAX LAWSUIT RELATED TO THE WILLOUGHBY JOB AND THE CFC RELATED TO BOTH THE FOUNTAINS JOB AND POINTE MARSH.

Q NOW, WHEN THESE -- BEFORE THEY WERE RE-FILED ABOUT A MONTH AGO, DO YOU HAVE A FRAME OF REFERENCE ABOUT THE TIME THAT THEY WERE FILED AND SERVED ON A&E TO BEGIN WITH?

A IT WAS EITHER AT THE END OF 2007 OR AT THE BEGINNING OF 2008.

Q I KNOW THAT RICE MCDONALD'S BILLS LOOK LIKE THE FIRST BILLS WERE IN JANUARY OF 2008. DOES THAT KIND OF COMPORT WITH WHAT YOU RECALL?

A YES, IT DOES.

Q TO YOUR KNOWLEDGE, IS WILLOUGHBY -- IS MR. MULLINAX'S FIRM OWED ANY MONEY BY A&E?

A A&E NEVER RECEIVED MIKE MULLINAX'S INVOICES. AND WE CLOSED THE WILLOUGHBY JOB OUT PRIOR TO HIS LAWSUIT. SO, WE HAD NO KNOWLEDGE THAT ANY AMOUNTS WERE OWED TO HIM. HE DID PERFORM THE

WORK AND THE WORK WAS DONE, HOWEVER, HE NEVER INVOICED US FOR IT. WE NEVER RECEIVED INVOICES UNTIL LITIGATION.

Q HOW ABOUT CFC?

A CFC THERE WAS A DISPUTE REGARDING SOME OF THE BACK CHARGES AT BOTH THE FOUNTAINS AND THE POINTE MARSH JOB AND THAT'S WHAT CFC'S LITIGATION WAS CONCERNING.

Q THE POINTE MARSH JOB WAS NOT AN A&E -- THEY WERE A SUB USED ON A&E, BUT IT WAS NOT A JOB?

A THAT'S CORRECT.

Q THE FOUNTAINS WAS?

A THAT'S CORRECT.

Q HAVE YOU RETAINED COUNSEL TO DEFEND A&E IN EITHER OF THESE SUITS RECENTLY RE-FILED?

A RICE MCDONALD IS STILL HANDLING THIS.

Q AND WHO PAID RICE MCDONALD FOR IT'S SERVICES IN -- THAT ARE REFLECTED IN EXHIBIT "89" AND "88"?

A IT LOOKS LIKE A&E PAID A FEW, PARK PLACE PROPERTIES PAID ONE, AND GRAND STRAND BUILDERS PAID TWO.

Q DO YOU RECALL -- YOU MAY RECALL OR YOU MAY NOT. DO YOU RECALL HOW MUCH WAS IN THE A&E CHECKING ACCOUNT AT THE END OF 2007?

A IT WAS ROUGHLY $47,000.

Q WHEN YOUR FATHER WAS BUILDING HIS HOME DOWN IN MURRELL'S INLET WAS THAT AN A&E JOB?

A NO. IT WAS A PERSONAL JOB.

Q DID YOU KNOW IF YOUR FATHER HAD A SUPERINTENDENT ON THAT JOB?

A HE DID. I BELIEVE I TESTIFIED EARLIER THAT RANDY LONG BUILT THAT HOUSE FOR HIM AND PARK PLACE PROPERTIES PAID RANDY'S SALARY ON THAT.

Q THAT WAS NOT PAID BY A&E?

A NO.

Q DO YOU KNOW IF MR. SMITH HIRED SUPERINTENDENTS FOR ANY OF HIS ASIDE JOBS THAT WERE GOING ON WHILE A&E WAS IN BUSINESS?

A NOT THAT I'M AWARE OF.

MS. COOK: YOUR HONOR, SOMEHOW I DON'T HAVE AN EXTRA COPY OF THIS EXHIBIT, SO I AM GOING TO ALLOW MR. DURANT AND MR. THOMAS TO SEE THAT.

JUDGE HOWE: OKAY.

Q LET ME SHOW YOU WHAT I HAVE MARKED AS DEFENDANT'S EXHIBIT "90". IT'S THREE SHEETS. CAN YOU IDENTIFY THAT FOR THE COURT?

A YES. THIS IS THE HORRY COUNTY BUILDING PERMIT FOR MARY KATHERINE HARDEE, H-A-R-D-E-E. IT WAS ISSUED JULY 2ND, 2007 AND THEN IT'S THE INVOICE

FROM A&E ON THAT JOB TO MRS. HARDEE IN NOVEMBER 2007, AND THEN HER PAYMENT OF THAT INVOICE IN DECEMBER 2007.

MS. COOK: YOUR HONOR, I SEEK TO INTRODUCE DEFENDANT'S EXHIBIT "90".

MR. THOMAS: THAT'S WHAT YOU JUST SHOWED US?

MS. COOK: YES.

MR. THOMAS: WE DON'T HAVE ANY OBJECTIONS.

MR. DURANT: NO OBJECTION.

JUDGE HOWE: DEFENDANT'S NUMBER "90" SO ADMITTED.

BUILDING PERMIT FOR HARDEE
MARKED FOR IDENTIFICATION
AND INTRODUCED INTO EVIDENCE
AS DEFENDANT'S EXHIBIT "90".

Q MRS. SISSON, YOU HAD TESTIFIED EARLIER IN YOUR TESTIMONY YESTERDAY, I BELIEVE, ABOUT THERE BEING A JOB, -- ONE IF NOT THE LAST JOB DONE BY A&E, AS FAR AS Y'ALL, YOU AND YOUR FATHER WERE AWARE OF THAT NEVER CALLED FOR A FINAL INSPECTION. SAID THERE WAS NOT A CO ON THAT JOB. IS THAT THE HARDEE JOB YOU WERE REFERRING TO?