

1 that correct?

2 A Yes.

3 Q And also let's take a look here at the next
4 page here, called verification of creditor matrix.
5 Is that Ms. Simpson's signature?

6 A Not to my knowledge.

7 Q And Mr. Whittle signed this, is that
8 correct?

9 A I would assume so.

10 Q And you were at that time corporate counsel
11 on behalf of Lorraine Brooke Associates?

12 A That's correct.

13 Q When is the first time you saw this
14 petition here?

15 A In something that came from the trustee.

16 Q Never saw it before that date?

17 A No.

18 Q No. You have prior knowledge of the
19 contents of this petition prior to the time that the
20 trustee gave this to you, is that correct?

21 A Never saw it and never asked to see it
22 because this is like a foreign language to me.

23 Q Okay. I'm going to show you what's marked
24 as summary and statement of affairs, and have you
25 seen these documents prior to today?

1 A What page is it?

2 Q Let's take -- my question is have you seen
3 the statement of affairs prior to today?

4 A I need see to what you're referring to.

5 Q That's on Tab Number 13, sir.

6 A Okay.

7 No, I don't remember seeing it.

8 Q Were you given a copy earlier?

9 A Earlier when?

10 Q I mean prior to today, were you ever given
11 a copy of this document?

12 A I don't remember seeing it.

13 Q Let's take a look at the statement of
14 affairs. Let's take a look at Item Number 1 here.
15 Is that -- Item Number 1 says, income from employment
16 or operation of the business. It says zero, zero, is
17 that true and correct?

18 A Where are you talking about?

19 Q In says statement of financial affairs.

20 THE COURT: He's asking you where.

21 MR. COOK: Oh, I'm sorry, sir.

22 If you go down about ten pages, into Tab
23 Number 13, you can find it.

24 THE WITNESS: Is that the heading?

25 BY MR. COOK:

1 Q It says -- yes, sir, it says, statement of
2 financial affairs, on the upper right-hand corner it
3 says Page 13 of 20.

4 A Yes. Okay. Now I have it.

5 Q Okay. It says income from employment or
6 operations of business, zero, zero, for 2005 and
7 2006. Is that true and correct?

8 A For 2005 the company wasn't -- didn't
9 exist.

10 Q And how about 2006, is that true?

11 A 2006, no, that's probably not accurate.

12 Q Okay. Let's take a look here on Page -- on
13 the next page, Item Number 4, 4-A, do you see that,
14 sir?

15 A 4-A?

16 Q List all suits and administrative
17 proceedings to which the debtor is or was a party, do
18 you see that, sir? Is that a true statement?

19 A No, that would be inaccurate.

20 Q Now, the point person on behalf of LBA
21 would be, of course, Arnelle Simpson, isn't that
22 correct?

23 A That depends.

24 Q Well, or would that be you?

25 A That depends.

1 Q Well, let's take a look here, and maybe you
2 can be so kind to reconcile Paragraph 4-A,
3 Ms. Simpson's sworn statement that she makes on Tab
4 Number 6 here.

5 A Tab 6?

6 Q Paragraph 4.

7 A So, Paragraph 4.

8 Q Do you see that, sir?

9 A Yes.

10 Q And that states, for the record, I recently
11 discovered that the instant Court may have ordered
12 the sale of certain intangible assets of LBA on
13 March 13, 2007, that that order may affect the
14 property rights of LBA. Do you see that, sir?

15 A That's what it says.

16 Q And, in fact, that's not listed here on 4-A
17 or, for that matter, 4-B, isn't that correct?

18 A No.

19 Q Let's take a look here on 3-C. Do you see
20 that?

21 A 3-C, all right.

22 Q Okay, and, in fact, your office prepared,
23 pursuant to Tab 21, a list of all of the
24 disbursements from Lorraine Brooke Associates for the
25 fiscal year of 2006, isn't that correct?

1 A Yeah, I wrote that.

2 Q Yes, and this represents, at least your
3 reconciliation of what monies came in and what monies
4 went out, isn't that correct?

5 A Yes.

6 Q And \$600,000 was distributed by LBA to
7 Mr. Simpson, isn't that correct?

8 A Yes.

9 Q Okay, but if I look here at Paragraph 3-C,
10 do you see any of that information there?

11 A 3-C?

12 Q Yes, 3-C.

13 A List all payments made within one year
14 immediately preceding the commencement to or for the
15 benefit of creditors who are or were insiders, yes, I
16 see that.

17 Q Okay. That information wasn't disclosed,
18 was it, sir?

19 A At the time of filing, I don't know. I
20 don't think so.

21 Q Okay. So -- and let's take a look here at,
22 a little bit out of order here, let's take a look at,
23 going back, and the numbers, by the way, sir, are up
24 in the upper right-hand corner, so if we take Page 3
25 and, it's actually marked Schedule B, called personal

1 property.

2 THE COURT: Under what tab, sir?

3 MR. COOK: Oh, I'm sorry, it's Tab 13.

4 THE WITNESS: What page?

5 MR. COOK: It would be, again, upper right
6 hand corner, Page 3 of 20 in Tab 13.

7 BY MR. COOK:

8 Q Now, let's -- is it your testimony then the
9 Lincoln Navigator is an asset of LBA?

10 A Is it my testimony that it is?

11 Q Yes, is it?

12 A Presently, no.

13 Q Well, was it at any time?

14 A Yes.

15 Q And it was actually given away to
16 Ms. Simpson, is that correct?

17 A Given away, no.

18 Q Well, did she pay for it?

19 A She paid for it with her services, yes.

20 Q Okay. Wouldn't that be listed in
21 Paragraph 3, where it says list all payments?

22 A I don't know. I don't understand this ---

23 THE COURT: Paragraph 3 of what, sir?

24 MR. COOK: Paragraph 3 of the statement of
25 affairs.

1 THE COURT: So we're back to the statement
2 of affairs?

3 MR. COOK: Yes, sir.

4 THE COURT: You were just on Page 3 of 20.

5 MR. COOK: Yes.

6 THE COURT: And now we're going back to the
7 statement of financial affairs, Paragraph 3.

8 BY MR. COOK:

9 Q It's not listed.

10 Okay. Let's take a look on Schedule B,
11 personal property here. Do you know whether Lorraine
12 Brooke Associates holds an unregistered copyright to
13 If I Did It?

14 A I don't know what you mean.

15 Q Do you know what a copyright is?

16 A Yes, but you said unregistered.

17 Q Do you know what an un -- do you know the
18 difference between a registered copyright and an
19 unregistered copyright?

20 A No, I can assume what it is, but I'm not
21 certain.

22 Q Well, you know, there is a United States
23 Copyright Office, is that correct?

24 A Correct.

25 Q Did Lorraine Brooke Associates cause to be

1 registered its copyright If I Did It with the U.S.
2 Copyright Office?

3 A No.

4 Q So it's fair to state that is not a
5 registered copyright, isn't that correct, sir?

6 A That's assuming that Harper Collins didn't
7 do it. I don't know.

8 Q But as to its copyright rights, it's
9 clearly not listed under Schedule B, personal
10 property, isn't that correct?

11 A I don't know. I don't know.

12 Q You don't know one way or another?

13 A No, I don't.

14 Q Okay, and, by the way, as to this personal
15 property here, are there any other assets of LBA that
16 you might know of that should be listed on
17 Schedule B?

18 A Assets?

19 Q Yes.

20 A No, it received income, and that was it.
21 That was it.

22 Q Okay, income.

23 A And ---

24 Q I'm sorry. Go on, sir.

25 A No, assets would be whatever funds it has

1 and the reversion rights to the published --
2 non-published book, I guess we should say that.

3 Q And, by the way, let's take a look here on
4 Schedule F, as in Franklin, creditors holding
5 unsecured, non-priority claims, do you see that?

6 A Yes.

7 Q And you, yourself, are listed for \$15,000?

8 A That's correct.

9 Q Did you bring copies -- you were deposed
10 yesterday, isn't that correct?

11 A No, sir.

12 Q Was it yesterday or the day before?

13 A The day before -- I believe it was Monday.

14 Q Monday, I'm sorry.

15 A Or Tuesday.

16 Q I'm sorry. That was not -- that was -- you
17 were deposed sometime this week, isn't that correct?

18 A That is correct.

19 Q Okay. Did you bring copies of your bills
20 for \$15,000 --

21 A No, sir.

22 Q -- to your deposition?

23 A I couldn't bring them.

24 Q Okay, and the \$15,000 represents legal
25 services, isn't that correct?

1 A Yes, sir.

2 Q Your legal services revolved around
3 preliminarily the Goldman attempt to collect on the
4 judgment, isn't that correct?

5 A For the most part, yes.

6 Q In fact, virtually all of it, isn't that
7 correct?

8 A Probably, yes.

9 Q And this \$15,000 hasn't been paid, either
10 in part or in whole?

11 A No.

12 Q So, you're a creditor of Lorraine Brooke
13 Associates?

14 A Yes.

15 Q And you're also its attorney, isn't that
16 correct?

17 A Yes, sir.

18 Q Did you bring your retainer agreement
19 today?

20 A No, I have no access to my office.

21 Q Okay. Do you have -- your office is in
22 your home, isn't it that correct?

23 A No, I've had a tent on my office building
24 the past two days. I haven't been able to go in
25 there.

1 Q Okay. Do you have access to a retainer
2 agreement, sir?

3 A There was nerver a retainer agreement.

4 Q Okay. Did you bring copies of the bills
5 with you?

6 A I think I said since the time I gave the
7 deposition, Counselor, I have not been to my office,
8 I have not had access to my office. If I need to
9 bring you a letter from Orkin Exterminators to show
10 you that they put a tent on at the location, I can do
11 that.

12 Q By the way, did you bring copies of the
13 bills to the deposition?

14 A I don't know, I don't think so. I didn't
15 bring anything to the deposition.

16 Q Now, let's take a look here, sir, at what
17 appears to be a license agreement, Tab Number 17.

18 A 17, yes, sir.

19 Q You have seen this document before?

20 A Of course.

21 Q Did you draft this document?

22 A Yes, I did.

23 Q Okay, and you were representing whom?

24 A Lorraine Brooke.

25 Q Okay, and at the same time Mr. Simpson --

1 and you were also an attorney for Mr. Simpson, isn't
2 that correct?

3 A No.

4 Q Well, you were attorney for Mr. Simpson in
5 other matters, isn't that correct, over many years?

6 A Yeah, but I wasn't representing him at that
7 time, no.

8 Q You're familiar with a conflict in
9 interest?

10 A Of course.

11 Q And so at the time that this document was
12 signed, you were representing Lorraine Brooke
13 Associates, is that correct?

14 A Yes, that's correct.

15 Q Did Mr. Simpson have his own separate
16 lawyer?

17 A No.

18 Q And so you dealt directly with Mr. Simpson
19 in negotiating this license agreement?

20 A Yes, sir.

21 Q Okay, and then I really want to direct your
22 attention to Page -- the first page in Tab 17,
23 Paragraph 1, do you see that?

24 A The first page, Paragraph 17?

25 Q No, pardon me, first page, Tab 17, it says

1 grant of license.

2 A Oh, yes.

3 Q And it says, personality, that refers to
4 Mr. Simpson, is that correct?

5 A Yes.

6 Q "Grants to company for the term of this
7 agreement the non-exclusive license to utilize its
8 intellectual property rights, consisting of his name,
9 facsimile signature, nickname, likeness, life story,
10 right of publicity and autobiographical sketch,
11 collectively the properties, on or in connection with
12 the writing and publishing of a book tentatively
13 titled If I Did It, procured by the company, the
14 licensed product."

15 Do you see that?

16 A Yes, sir.

17 Q So, just, you're generally familiar with
18 intellectual property matters, is that correct?

19 A Generally.

20 Q And you're generally familiar with licenses
21 from sports figures to license their names for
22 specific purposes, isn't that correct?

23 A To some degree.

24 Q So, I'm just sort of looking at this
25 license here, and it appears that Mr. Simpson,

1 himself, could license his name, facsimile signature,
2 nicknames, likeness, life story, right of publicity
3 and autobiographical sketch to others, isn't that
4 correct?

5 A Yes.

6 Q And go on and sell it to anybody else?

7 A Yes, it's non-exclusive.

8 Q That's correct.

9 Now, on the other hand, Lorraine Brooke
10 Associates entered into an agreement where it gave
11 Harper Collins the exclusive right for the story
12 concerning If I Did It, isn't that correct?

13 A Correct.

14 Q So, I'm just trying to reconcile the
15 license agreement and the Harper Collins, on one hand
16 Harper Collins owned the entirety of the story
17 concerning If I Did It, but on the other hand
18 Mr. Simpson likewise could sell this story to someone
19 else, isn't that correct?

20 A No.

21 Q No. Well, but it's only a non-exclusive
22 license, isn't that correct?

23 A Yes.

24 Q Okay. So, a non-exclusive means that
25 Mr. Simpson could license all of this good stuff to

1 somebody else, isn't that correct?

2 A That depends.

3 Q So, if Mr. Simpson decided during the --
4 say, in late 2006, that he wanted to sell his life
5 story to Penguin Books or some other book publisher
6 or to some magazine, that based upon this license
7 agreement he could go out and do that, isn't that
8 correct?

9 A No.

10 Q Okay, and, in fact, if he went out and did
11 that and the folks at Harper Collins found out, they
12 might have -- they might be a little unhappy, because
13 they thought they had the exclusive rights?

14 A Excuse me?

15 Q And let's go back to Exhibit A, the Harper
16 Collins contract, didn't Mr. Simpson essentially sign
17 off on this?

18 A Yes.

19 Q And Harper Collins had the three year
20 exclusive, isn't that correct, on If I Did It?

21 A Yes, to the licensed product, yes.

22 Q They had a three year exclusive to the
23 story called -- the intellectual property as part of
24 If I Did It, isn't that correct?

25 A Yes, but there is a provision in here that

1 governs the license products, sir.

2 Q But ---

3 THE COURT: When you say "in here", what
4 are you referring to?

5 THE WITNESS: In the contract.

6 THE COURT: When you say "the contract",
7 you mean the Harper Collins contract?

8 THE WITNESS: No, the licensing agreement
9 with Mr. Simpson, there is a provision in here that
10 governs the license product, and that even though the
11 license agreement may terminate, the copyright or the
12 rights granted in the product will continue.

13 BY MR. COOK:

14 Q But non-exclusive license only gives
15 Mr. Simpson the right to sell his story to somebody
16 else, that's what it says. Isn't that what you
17 wrote?

18 A No, that's not -- that wasn't the intent,
19 no.

20 Q And I'm just looking here at the license --
21 and this non-exclusive license expires December 31,
22 2006, isn't that correct?

23 A Yes, basically what that meant is that as
24 of December 31st, 2006, that Lorraine Brooke had no
25 further right -- grant of rights from O.J. Simpson to

1 pursue other publishing opportunities, that they
2 could not sell those rights to a publisher, quote,
3 unquote, to do anything.

4 Q What are the assets of Lorraine Brooke
5 Associates as of this moment?

6 A \$348 and change, and the reversion rights
7 to the unpublished book, If I Did It.

8 Q Of which Mr. Simpson has a non -- of which
9 he still claims to have the rights under the
10 non-exclusive license agreement, isn't that correct?

11 A Who claims to have rights?

12 Q Well, I'm just reading the license
13 agreement.

14 A No, O.J. Simpson has no rights to the book,
15 period.

16 Q And all of those rights are owned by
17 Lorraine Brooke Associates?

18 A Of course.

19 Q And they -- and are you telling me that
20 under the license agreement, that Lorraine Brooke
21 Associates is the sole owner and holder of his
22 biographical story, isn't that correct?

23 A Do you want me to refer you to ---

24 Q I'm asking you, sir.

25 A Yes, Lorraine Brooke is the sole owner,

1 yes.

2 Q Okay. Did you list that as an asset -- or
3 is that listed as an asset on Schedule B?

4 A I don't know. I didn't prepare the
5 document.

6 Q It was the people person who prepared it,
7 isn't that correct? It was Arnelle Simpson?

8 A No, she didn't prepare the document.

9 Q Mr. Whittle prepared it?

10 A Yes, of course he did.

11 Q Where did Mr. Whittle get the information
12 from?

13 A He got some from me.

14 Q He got some from you --

15 A Yes.

16 Q -- and he got some from Arnelle Simpson,
17 isn't that correct?

18 A I would imagine so.

19 Q And what information did you provide him?

20 A The only thing I gave him at the time of
21 filing was information from the year two thousand --
22 financials from the year 2007, and unfortunately,
23 counselor, my ignorance in bankruptcy, since the
24 company's bankrupt -- became bankrupt in '07, I
25 assume all he needed was documents from '07.

1 Q And why did you presume that?

2 A Because he didn't receive, at the time of
3 filing, anything from 2006. He didn't have any
4 documents from that, from that period of time because
5 the accountant had those documents.

6 Q And the accountant had the documents and
7 refused to turn them over?

8 A Oh, I wouldn't know that.

9 Q Okay, and Arnelle hired the accountant?

10 A No.

11 Q You hired the accountant, isn't that
12 correct?

13 A Yes, I contacted him, yes.

14 Q And the records would be, what, the
15 checkbook?

16 A No, check stubs, bank -- it would be bank
17 statements, and I think I also gave him a copy of the
18 disbursements and receipts. I mean, there was
19 nothing else to give him.

20 Q When did Harper Collins notify you that the
21 book, If I Did It, would not be published?

22 A They never did.

23 Q You never received such notification?

24 A They never gave an official notification.

25 Q Well, how did you find out?

1 A Publicly.

2 Q In other words, Mr. O.J. Simpson didn't
3 tell you that?

4 A No, no, no, through the news media.

5 Q Brad Saxon didn't tell you?

6 A No, I don't -- to my recollection, I
7 learned about it through the news media.

8 Q Take a look at Tab 26 here.

9 A I think that's how everyone learned about
10 it.

11 Q Take a look at Tab 26, sir.

12 A 26, yes.

13 Q That's the date of your resignation?

14 A Yes.

15 Q What date is that?

16 A December 13th.

17 Q What year?

18 A 2006.

19 Q And do you know, when did you first learn
20 that Harper Collins wouldn't be publishing the book?

21 A I have no idea.

22 Q And ---

23 A I have no idea.

24 Q By the way, when did Mr. Simpson receive
25 the \$600,000?

1 A He received it over a period of time, over
2 a course of months, as advance payments came in from
3 the contract with Harper Collins.

4 Q And, in fact, when the book was cancelled,
5 he received a very large sum of money, isn't that
6 correct? You don't remember?

7 A No, no, no, you said when the book was
8 cancelled he received.

9 Q Yes.

10 A I don't -- you have to be more specific
11 because that may be an inaccurate statement.

12 Q But you wouldn't know either way, isn't
13 that correct?

14 A No, no, no, I know when he received money,
15 but I couldn't tell you that it was before or after
16 the cancellation of the book.

17 Q Isn't it true, on your own accounting, that
18 Mr. Simpson received approximately \$400,000 on
19 November 16th?

20 A Yes.

21 MR. COOK: Nothing further at this time,
22 your Honor.

23 THE COURT: Very well. Any redirect?
24 Within the scope of cross. That gives you about
25 12 hours.

1 MR. RICH: Judge, the trustee has brief
2 cross.

3 THE COURT: Oh, okay. Pardon me. The
4 trustee may proceed.

5 MR. RICH: Thank you, Judge.

6 CROSS-EXAMINATION

7 BY MR. RICH:

8 Q Good afternoon, Mr. Starke.

9 A Good afternoon, sir.

10 Q Are you presently an officer of the
11 debtor?

12 A No, sir.

13 Q Are you presently a director of the
14 debtor?

15 A No, sir.

16 Q And what capacity do you serve the debtor?

17 A Well, I guess you could call me an
18 attorney, but I'm a non-working one at this point.

19 Q What does that mean, "non-working"?

20 A The company has no money, and so I don't
21 think I need to work.

22 Q Are you advising the company presently with
23 respect ---

24 A Well, if she asks me a question, I know her
25 personally, I'll try to help her, yes.

1 Q Has the debtor filed any papers to retain
2 you as counsel in this bankruptcy case?

3 A No.

4 Q Do you expect that the debtor would file
5 papers to retain you as counsel to the debtor in this
6 case?

7 A In the bankruptcy?

8 Q Yes.

9 A No.

10 Q Okay. When was the last time that you
11 provided legal services to the debtor?

12 A For which I billed, is that the question?

13 Q No, my question is: When was the last time
14 you provided legal services to the debtor?

15 A I don't know.

16 Q Was it ---

17 A I don't understand the question. I mean, I
18 don't know.

19 Q Did you provide legal services to the
20 debtor in April of 2007?

21 A Probably, yes.

22 Q Did you send a bill to the debtor for those
23 services?

24 A I don't recall.

25 Q Are those services that you provided to the

1 debtor in April of 2007 included in the outstanding
2 amount that's due and owing to you?

3 A Yes, everything that's due and owing to me
4 is from 2007.

5 Q And how much is that, sir?

6 A It's a little over 15, fifteen thousand and
7 some hundreds of dollars.

8 Q Did you ever send any bills to the debtor
9 for those services?

10 A I spoke with her about it, but I don't
11 recall sending a bill, no. I spoke with her about
12 it, yes.

13 Q In your capacity as an attorney, when you
14 provide legal services to a client, did you typically
15 send a bill to the client?

16 A Yes. That depends, it depends on my
17 relationship with the client and what I did, because
18 sometimes I don't need a retainer, depends on how I
19 know the client and what services I perform.

20 Q Okay. So, did you ever send any bills to
21 the debtor for your legal services?

22 A Oh, yeah.

23 Q Okay.

24 A Yeah, and I apologize to you, because I did
25 tell you I would get those to you, and I can get them

1 to you tomorrow, but I have not had access to my
2 office since the deposition.

3 Q Where is your office located?

4 A In Coconut Grove.

5 Q What's the address?

6 A 3340 McDonald Street.

7 Q The debtor's address, sir?

8 A The debtor's address?

9 Q Yes.

10 A 3340 McDonald Street.

11 Q The same as yours, correct?

12 A Well, no actually Southwest 32nd Avenue.

13 Yes, but you have that in the moving papers, the
14 corporate papers, when I formed the company I used my
15 address.

16 Q Okay.

17 A I routinely do that.

18 Q For the life of this company --

19 A Yes.

20 Q -- the debtor company, did it always
21 maintain its business address at your office?

22 A Yes, sir. Yes sir.

23 Q It got all of its mail there?

24 A What mail came. No, it didn't get all of
25 its mail there.

1 Q Did it receive mail there?

2 A Yes.

3 Q Were all of the books and records of the
4 debtor maintained at that location?

5 A No.

6 Q Where were they located?

7 A Ms. Simpson would have some of them.

8 Q And if she said that you have all of them,
9 would that surprise you?

10 A No, because I just told you she's a people
11 person.

12 Q I don't understand what that means, but ---

13 A She probably didn't even look at what she
14 had.

15 Q Do you believe that she is in possession of
16 any of the debtor's records at this time?

17 A Any of the debtor's records?

18 Q Yes.

19 A Yes, I'm sure she -- I think she has the
20 corporate kit, perhaps the corporate checkbook, and
21 other documents, yes.

22 Q And how did she come to be in possession of
23 those documents?

24 A I gave them to her.

25 Q When did you give them to her?

1 A I don't recall specifically.

2 Q Do you believe that the debtor has turned
3 over all of the records that it has in its possession
4 to the trustee?

5 A I don't know of any others, no. I'm not
6 aware of any other records, no.

7 Q Okay. Would the bills that you have sent
8 for the legal services to the debtor, where would
9 they have been sent to?

10 A Oh, I'm sorry, I'm sorry, those, you're
11 correct.

12 Q I'm correct about what?

13 A You said have all the records. My bills,
14 yeah, those aren't -- you don't have those, so, yes.

15 Q Okay.

16 A Those would be the records that you don't
17 have.

18 Q Okay. My question is, when you sent bills
19 to the debtor for the services that you provided,
20 what address did you send them to?

21 A Well, I didn't have to send them.

22 Q Okay. So you took them from one desk to
23 another desk?

24 A No, sir.

25 Q Well, how did the debtor get them? That's

1 what I'm trying to understand. You said you sent
2 those --

3 A Ah ---

4 Q -- to the debtor -- let my finish, please.

5 A Yes.

6 Q You sent bills to the debtor. The debtor's
7 address is the same address as your address?

8 A No, let me rephrase the question. I didn't
9 have to ---

10 Q Sir, I'm asking the questions. Please
11 don't rephrase my question.

12 A I'm sorry.

13 Q You said previously that you sent bills to
14 the debtor, is that correct?

15 A That is a misstatement.

16 Q Okay. So, please correct that statement.

17 A I didn't have to send a bill.

18 Q Okay. So, did you address the bill to the
19 debtor?

20 A Yes.

21 Q Okay, and did you put a number address on
22 the bill?

23 A Did I put a number address on the bill?

24 Q At the top of the bill, where it said
25 Lorraine Brooke Associates, 3340 McDonald ---

1 A No.

2 Q Okay. When we ultimately get these bills,
3 what will they look like?

4 A It's a bill sheet.

5 Q Does it have time records?

6 A What do you mean?

7 Q Time records?

8 A Yeah, you mean dates --

9 Q Yes.

10 A -- and what I did?

11 Q Uh-huh.

12 A Yeah.

13 Q Okay.

14 A That's what I -- I mean, that's what we do.

15 Q Okay, and what did you do with those bills?

16 A They're probably in my bill file.

17 Q At 3340 McDonald ---

18 A Yes, that's where I keep all of my -- if I
19 do a bill, I usually keep -- I have a bill file.

20 I'll put the bill sheet in my bill file.

21 Q In your office bill file or the debtor's
22 bill file?

23 A Probably both.

24 Q Okay. When this case was filed and the
25 trustee was appointed, the trustee made a request

1 upon debtor's counsel for all of the debtor's
2 records, is that correct?

3 A That's correct.

4 Q Okay. You provided all of those records to
5 Mr. Whittle, is that correct?

6 A I provided most of them, yes.

7 Q What didn't you provide?

8 A I think the corporate kit stuff, some bank
9 statements, probably the remaining things I would
10 have provided.

11 Q You didn't provide him the bills for your
12 legal services?

13 A No, no, no, they weren't in there
14 obviously. I assumed they were, but they were not.

15 Q Okay.

16 A I didn't know that they weren't in there
17 until you requested or asked me about them at the
18 deposition, but as I've said, sir, it's not a
19 problem. Tomorrow morning, first thing, I could fax
20 my bill sheet to you or bill sheets, and if you have
21 any questions, it's no problem.

22 Q Okay. You were aware that there was an
23 order compelling the turnover of the records entered
24 by this Court?

25 A I believe so, and I thought I did. I said

1 it was an oversight, and I apologize for that.

- 2 Q Could I ask you to turn to Tab 21, please?

3 A 21?

4 Q Yes.

5 A Yes, sir.

6 Q Do you recognize that document?

7 A Yes.

8 Q Did you prepare that document?

9 A Yes.

10 Q What does that document show?

11 A It shows receipts and disbursements.

12 Q And that's receipts and disbursements for
13 the debtor?

- 14 A Yes.

15 Q Okay. With respect to all of the
16 disbursements, did you sign off on all those
17 disbursements?

18 A I think so.

19 Q Did you write the checks --

20 A I believe I did.

21 Q -- for all those disbursements?

22 A Yes.

23 Q Okay. I'm going to ask you to look down to
24 the bottom right of the page, to check number -- what
25 appears to be Check Number 1156, \$17,000?

1 A Yes, sir.

2 Q What was that check for?

3 A I think I talked about it earlier, that was
4 to purchase the used vehicle.

5 Q Which vehicle?

6 A The used vehicle that I mentioned on direct
7 exam.

8 Q Okay, and where did the money come from for
9 the debtor to pay for that?

10 A The \$17,000?

11 Q Yes.

12 A It came out of Lorraine Brooke's corporate
13 account.

14 Q Where did Lorraine Brooke get those monies
15 to go ---

16 A Harper Collins.

17 Q All of that money was from Harper Collins?

18 A If you look at the bank statements you will
19 see that there was money in the bank to cover the
20 check that was already there, earned from the Harper
21 Collins' publishing agreement, and that's where the
22 money came from.

23 Q So that was income that came to the
24 debtor?

25 A Yes, it was revenue from the publishing

1 agreement, yes.

2 Q In 2006?

3 A Yeah.

4 Q Okay, and revenue that wasn't reflected on
5 the debtor's statements and schedules?

6 A I didn't prepare them. I don't know.

7 Q Okay. I think earlier you testified
8 that -- well, what happened to the vehicle?

9 A I think I -- it was transferred,
10 ultimately, to Ms. Simpson.

11 Q And did she pay for the vehicle?

12 A No. She thinks she did.

13 Q So what happened to the vehicle, it was
14 just transferred by the debtor for no consideration
15 to Ms. Simpson?

16 A No, when I spoke with Ms. Simpson about
17 that, I told her that if a company is going to do a
18 transaction like that, then there are tax
19 consequences, because it would be the equivalent of
20 income to you. So, there has to be some way to
21 reflect that in the corporate books, and I said one
22 way to do that is the following: It could be an
23 advance, a bonus, a whatever, but it has to be
24 treated a certain way, you just can't transfer it,
25 but there may be an obligation to you if it's done,

1 and she said, okay, no problem, and so, therefore, I
2 did a resolution, she signed the resolution and I
3 wrote the check.

4 Q What did that resolution say?

5 A It said that -- I have to look at it again,
6 but something to that effect.

7 Q Something to the effect of what, what was
8 the transfer of vehicle to Ms. Simpson?

9 A That for -- as an advance to her.

10 Q An advance of what?

11 A Advance of funds.

12 Q For what purpose?

13 A When you're saying "for what purpose" ---

14 Q What was the debtor advancing funds to
15 Ms. Simpson for?

16 A For services rendered.

17 Q What type of services?

18 A She was the president of the company.

19 Q Yes, but what did she do as president of
20 the company?

21 A She had multiple phone calls, and over a
22 period of -- from, I guess, March through whenever
23 the transfer took place.

24 Q Okay, and do you know how much time
25 Ms. Simpson put into her efforts on behalf of the

1 debtor?

2 A I couldn't possibly know that.

3 Q Were you at the meeting of creditors
4 yesterday?

5 A Uh-huh.

6 Q Do you recall that she stated that over the
7 course of the debtor's existence she's put in about
8 30 hours of time on behalf ---

9 A Sir, how would I know that?

10 Q I'm asking if you recall that.

11 A I mean, yeah, and I don't know that she was
12 even sure. If you ask me today how many hours I
13 spent, I couldn't tell you.

14 Q All I asked was if you recall that she
15 said ---

16 A I do not recall what she said, sir.

17 Q Okay. So, did she ever receive a salary
18 from the debtor?

19 A A salary, no.

20 Q Did she ever receive any other sort of
21 payments from the debtor?

22 A Yes.

23 Q What type?

24 A Phone bills.

25 Q She received phone bills from the debtor?

1 A No, no, no, there were payments made from
2 the debtor for, I believe, a Verizon phone bill.

3 Q Okay. Anything else?

4 A There was some other debits on the account.
5 I couldn't tell you what they are, I don't know.

6 Q Sir, I'd ask you to look at Tab 21 again,
7 and I thought you said that this represents all of
8 the disbursements that had been made by the debtor,
9 is that correct?

10 A I'm not sure.

11 Q To the best of your knowledge, do you
12 think ---

13 A For the most, part.

14 Q Sir, please let me finish my question. I'm
15 sorry.

16 To the best of your knowledge, does
17 Exhibit 21 represent a true and correct statement of
18 all of the disbursements and receipts on behalf of
19 the debtor?

20 A I'm not sure.

21 Q Okay.

22 A I mean, I know it represents all of the
23 checks that were written from the company during
24 the -- from the beginning to the present.

25 MR. RICH: Judge, may I approach the

1 witness?

2 THE COURT: You may.

3 MR. RICH: Judge, and I apologize, this is
4 not in the exhibit book.

5 BY MR. RICH:

6 Q Can you review that document, please?

7 A Yes.

8 Q What is that document?

9 A That is the resolution that I referred to
10 earlier.

11 Q And can you just describe for the Court
12 what that resolution says?

13 A Describe it? I need to read it again.

14 Q Okay. Please read it.

15 A Basically that the board has duly approved
16 and authorized the company to transfer the 2003
17 vehicle to Arnelle Simpson, the transfer and the
18 value shall be treated as a bonus to Arnelle Simpson,
19 as president.

20 Q Thank you.

21 What was the bonus for?

22 A I think I just said, services rendered.

23 Q I thought before it was an advance, but it
24 was a bonus?

25 A I may have misspoke, sir. I think I

1 mentioned to you I'd have to refer to the document.
2 I mean, bonus, advance, that's terminology.

3 Q Would it be fair to say that you ran the
4 debtor's operations during the course of its
5 existence?

6 A Significantly, yeah, that would be
7 reasonable.

8 Q And you were in charge of writing all the
9 checks?

10 A I -- yes.

11 Q You were in charge of assisting -- or you
12 assisted in all of the major business decisions at
13 the debtor?

14 A Yes, sir.

15 Q You maintained at your office, or the
16 debtor's office all of the books and records?

17 A No. All of them, no.

18 Q What was the purpose of the filing of the
19 bankruptcy by the debtor?

20 A Well, initially when we spoke about the
21 filing, it was to try to stem the tide of rising
22 legal fees without any idea of how you're going to
23 pay them.

24 Q Okay. Who were the creditors of this
25 debtor?

1 A Presently?

2 Q No, at the time of the filing, who were the
3 creditors of this debtor?

4 A Tappan Zee, attorney-at-law, and
5 Leonardo Starke.

6 Q And how much is Tappan Zee owed?

7 A Seventeen thousand plus.

8 Q And how much are you owed?

9 A Fifteen plus.

10 Q And you had stopped incurring bills at that
11 time, in April, you had stopped providing legal
12 services to the debtor?

13 A At some point, yeah.

14 Q Okay. Would it have been your intention to
15 file suit against the debtor to collect for this sum,
16 the \$15,000?

17 A Would it be my intent?

18 Q Yes.

19 A Well, I'm an attorney, so I would only do
20 that if I thought it was worth it.

21 Q Well, I'm trying to understand, you said
22 the bankruptcy was filed to stop this rising tide of
23 two creditors --

24 A No. I think you ---

25 Q -- and -- let me finish, please -- and the

1 attorney's fees that were accruing. You've indicated
2 you stopped providing services. Tappan Zee had a
3 \$17,000 bill. What's a arising tide?

4 A A rising tide?

5 Q Yes.

6 A Those numbers were amassed in probably just
7 a week or two.

8 Q You just, I thought you said earlier that
9 your \$15,000 was the sum of all of the legal services
10 that you provided to this debtor?

11 A Yes, but ---

12 Q From March '06 to April '07.

13 A Yes, but for -- I believe for at least a
14 two month window there was no billable time from me
15 to Lorraine Brooke. From January 17th to mid March,
16 I did not provide any service that I billed to
17 Lorraine Brooke, period.

18 Q So, Lorraine Brooke wasn't incurring any
19 further expenses to you?

20 A From me?

21 Q Yes.

22 A During that window, no. Whatever I may
23 have done, I didn't bill the company for that.

24 Q Okay.

25 A No.

1 Q So, did you ever make demand on the company
2 for payment of your bill?

3 A Are you kidding? Yeah.

4 Q When?

5 A I tell her regularly.

6 Q Okay. Do you ever send her a letter?

7 A I don't have to. I know her. I can call
8 her.

9 Q Did you ever send a demand letter?

10 A No, sir.

11 Q Okay.

12 A I wouldn't have to do that.

13 Q Okay. Did she say she would pay you?

14 A She hopes to pay me, when she can get this
15 company turned around. She's hopeful, and I'm
16 hopeful for her.

17 Q Okay, and you have been friends with
18 Ms. Simpson and her father for 12 years,
19 approximately?

20 A I think I met them in '96.

21 Q Okay, and when was the -- when were the
22 book rights scheduled to be auctioned off in
23 California?

24 A The exact date, I don't recall.

25 Q Was it on or about April 18th, 2007?

1 A Could be, yes.

2 Q When was the bankruptcy filed?

3 A Exact date, I don't know.

4 Q April 13th sound about right?

5 A I think I read that earlier, yes.

6 Q Okay, and you never discussed with

7 Ms. Simpson that the bankruptcy filing would stop the
8 auction process?

9 A I don't know anything about bankruptcy.
10 Counselor, I think I have said that. I don't know
11 what happens -- I don't know. I have no knowledge of
12 what happens when you file bankruptcy.

13 Q Okay. It was just -- okay.

14 Do you know how much the debtor paid to
15 Mr. Whittle to file this bankruptcy case?

16 A I believe they paid \$5,000, I believe.

17 Q And do you know if that was in the form of
18 check or how that was paid?

19 A I think it was in cash, I think.

20 Q Do you know where that cash came from?

21 A No. Specifically, no.

22 Q Did it come from the debtor?

23 A It came -- well, the debtor itself?

24 Q Yes.

25 A If you want to call Ms. Simpson the debtor,

1 then maybe.

2 Q Well, I don't want to call her the debtor.
3 She's ---

4 A Well, did it come from Lorraine Brooke? It
5 couldn't come from -- Lorraine Brooke only had a few
6 hundred dollars.

7 Q Okay. So, the money to pay Mr. Whittle
8 didn't come from the debtor?

9 A No, which is the craziest thing to me, how
10 companies with no money can even hope to file.

11 Q The statements and schedules reflect that
12 the debtor paid Mr. Whittle \$5,000, is that correct?

13 A I don't know. I didn't look at the
14 documents.

15 Q Did you ever loan money to the debtor?

16 A Technically, yes.

17 Q What does that mean, "technically"?

18 A I advanced the cost of the filing fee for
19 the corporation.

20 Q Any other money?

21 A No.

22 Q Would it surprise you if Ms. Simpson
23 testified that you loaned money to the debtor to
24 purchase the car?

25 A She misspoke, sir.

1 Q It happens a lot.

2 A Yes, I think I mentioned that.

3 MR. WHITTLE: Objection.

4 MR. RICH: Sorry.

5 THE COURT: The objection is sustained.

6 This is not a time for commentary. This is a time to
7 ask and answer.

8 MR. RICH: Judge, I apologize.

9 BY MR. RICH:

10 Q Does the debtor have any present business
11 operations?

12 A Yes.

13 Q What are those operations?

14 A Ms. Simpson is pursuing, or is being
15 pursued by one or more parties who are interested in
16 perhaps publishing the If I Did It book, and perhaps
17 other publishing projects.

18 Q Who has she spoken to regarding publishing
19 the If I Did It project?

20 A Specifically, I don't know, because I
21 didn't speak to anyone.

22 Q When was the last communication that she
23 had with anyone interested in publishing the If I Did
24 It project?

25 A I don't know, within the past few weeks.

1 Q And was that in the form of a telephone
2 call or how did they speak?

3 A I don't know, I didn't ask her that.

4 Q Okay, and would you be involved in these
5 ongoing negotiations?

6 A I haven't been at all.

7 Q If this debtor ---

8 A If she asks me, but she hasn't at this
9 point.

10 Q Does the debtor presently have any source
11 of income?

12 A The debtor?

13 Q Yes.

14 A Potentially, yes.

15 Q Does the debtor have any present source of
16 income?

17 A No, but that's why the debtor wants to
18 reorganize, because it has opportunities.

19 Q And what are those opportunities?

20 A I think I just mentioned them, they own
21 rights to a book. There is persons interested in
22 publishing the book. They can make a business deal
23 and make money.

24 Q And the debtor would intend to publish the
25 book?

1 A Why wouldn't it pursue any opportunity it
2 could?

3 Q That's not my question, sir.

4 If given the opportunity, would the debtor
5 publish the book If I Did It?

6 A I would assume if the right deal is made,
7 probably, yeah.

8 Q And all of the shareholders of the debtor
9 support that decision?

10 A I believe so.

11 Q Are you familiar with a debtor's
12 obligations under Chapter 11?

13 A No.

14 Q Is Ms. Simpson familiar with the
15 obligations of a debtor under Chapter 11?

16 A I don't know.

17 Q Are there any other business opportunities
18 that you're aware of for the debtor?

19 A No, because I have not communicated with
20 her with regard to that.

21 Q Do you believe that there exists a dispute
22 over the ownership rights with respect to who could
23 publish the book If I Did It?

24 A If there is a dispute, it's between
25 Lorraine Brooke and Harper Collins. It would be no

1 one else.

2 Q You don't believe there is anyone else?

3 A It couldn't be anyone else. They were the
4 only parties to the contract. So, it couldn't be
5 anyone else.

6 Q Okay. You said that you sent all of the --
7 you recommended or you hired an accountant for the
8 debtor, is that correct?

9 A Did I hire him? No.

10 Q Did you recommend to the debtor an
11 accountant?

12 A Yes.

13 Q And who was that accountant?

14 A Douglas Oesterle.

15 Q Okay, and when was that done?

16 A I don't recall specifically, maybe some
17 time in February, March maybe.

18 Q Of 2007?

19 A Yeah. You know, there was no need to hire
20 an accountant before then.

21 Q Okay, and did you send records, debtor
22 records to this accountant?

23 A Yeah, I believe I sent him the 2006 bill
24 statements -- not bill statements, bank statements,
25 the check stubs, and I believe a copy of the

1 disbursement schedule that I did.

2 Q Okay.

3 A The only -- that was the only fiscal
4 information I could provide him so he could prepare
5 the corporate return, and I believe you have all of
6 those documents.

7 Q Okay.

8 A I'm sure you have them all.

9 Q Okay. You're not employed by the debtor
10 any longer, is that correct?

11 A Can you rephrase the question?

12 Q Are you providing any services to the
13 debtor now?

14 A Not for which I'm being paid.

15 Q Are you participating in any of the
16 discussions regarding the debtor's ability to publish
17 the book If I Did It?

18 A At this point, no, sir.

19 Q So you have no knowledge, direct, personal
20 knowledge of the efforts being undertaken by Lorraine
21 Brooke to publish the book?

22 A You're absolutely right, I don't.

23 MR. RICH: Nothing further. Thanks, Judge.

24 MR. COOK: I have a little more.

25 THE COURT: There won't be any more. We'll

1 let Mr. Whittle redirect briefly.

2 REDIRECT EXAMINATION

3 BY MR. WHITTLE:

4 Q Since the filing of the bankruptcy on
5 April 13th, there have been requests made by the
6 trustee to you.

7 A Yes.

8 Q And it's been through your attorney
9 representing you in this matter?

10 A Correct.

11 Q And would you submit that there were
12 discussions concerning the filings that we had
13 made -- that were made by Lorraine Brooke?

14 A Yes.

15 Q And were you ever told about if there were
16 mistakes in any of the filings, what would happen?

17 A That they could be amended.

18 Q And, therefore, based upon your belief that
19 they could be amended, that we thought -- did you
20 think that it was okay with the filings that were
21 already filed?

22 A Well, I guess when I learned -- when I say
23 at the deposition, which was the first time I
24 reviewed the filings, then I said, yes, but I
25 understood that when he filed it, you didn't have any

1 financial documents from 2006. So, therefore, I
2 guess you filed with the information you had at the
3 time.

4 Q Was it explained to you as well what would
5 happen subsequently to all of these demands made by
6 the trustee if this case was converted?

7 A Yes, all of this would be moot or
8 immaterial because you'd have to do schedules under
9 Chapter 11, at least that's what was -- I believe
10 that's what the understanding was.

11 Q But you provided all of the information any
12 time the trustee asked you for anything?

13 A Yes, to the best of my ability. I was
14 extremely cooperative with the trustee. In fact, I
15 reached out to the trustee personally a couple of
16 times and told him directly that if he needed
17 anything from me, feel free to give me a call, and I
18 did that before he ever contacted me at all.

19 Q As a creditor in this matter, has the
20 trustee ever approached you concerning you as a
21 creditor?

22 A No.

23 MR. WHITTLE: No further questions.

24 THE COURT: All right. Now, you may step
25 down, sir.

1 We'll take a five minute recess and then
2 we'll dispose of this matter, and then we'll go on to
3 the other matters.

4 (Thereupon, a short recess was had, after
5 which the following proceedings were had:)

6 THE COURT: All right. Mr. Whittle, do you
7 have anything else in support of this motion?

8 MR. WHITTLE: Would you like a closing,
9 your Honor?

10 THE COURT: No, I don't need any argument.
11 I've heard all I need to hear.

12 Nothing further?

13 MR. WHITTLE: Nothing further, your Honor.

14 THE COURT: Very well.

15 Okay. The matter under consider is a
16 motion by the debtor-in-possession -- or the debtor,
17 I should say, to convert this Chapter 7 case to a
18 Chapter 11 case.

19 The Court has attempted to be patient, and
20 wasted more than an hour and a half hearing a lot of
21 testimony, almost none of which, although some little
22 bits and pieces here and there, maybe 10 minutes
23 worth, were helpful in making a decision in this
24 case.

25 First of all, the first issue that comes

1 up, and is established by the record is the time of
2 filing, three days before a supposed alleged sale in
3 California. This brings up the doctrine of Phoenix
4 Piccadilly, as to whether or not this is a bad faith
5 filing, and if so, the case has a smell about it, I'm
6 not ready to adjudicate that at this time, nor is it
7 before me, but the issue of timing is certainly
8 interesting.

9 The schedules that were filed included the
10 statement of financial affairs, in which on Item 1
11 the income information provided by the filing officer
12 was false, the 4-A and B were inaccurate, 3-C was
13 inaccurate.

14 The fact of the matter is we have here a
15 case where we have, according to the schedules, at
16 least, \$348.37 in cash, and \$32,000 plus in debt, and
17 the only other asset in the case is scheduled as an
18 unknown publishing right.

19 There has been no demonstration that there
20 is any ongoing business operation, and there is no
21 conceivable basis for converting this case from a
22 Chapter 7 to a Chapter 11, and the Court notes that
23 in addition on the schedules there was a Lincoln
24 Navigator that was owned by the company that wasn't
25 listed. The company paid \$17,000 for it and disposed

1 of it for supposedly zero. Possibly it was a
2 legitimate transaction, possibly it was not, but
3 that's something that the trustee needs to exam.

4 The testimony of Mr. Starke as to the
5 operations of this company were that it had
6 opportunities to possibly sell book rights.

7 Opportunities are not the same as a
8 business that needs to be operated under a
9 Chapter 11.

10 There is a total absence of operations, and
11 the single potential asset for sale in the way of
12 book rights, is something that is apparently deeply
13 embroiled in litigation both here and in California,
14 and could not be subject to publication any time in
15 the near future.

16 For this reason the only appropriate thing
17 to do with this case is to process it through
18 Chapter 7 and dispose of it.

19 So, the motion to convert is denied, and
20 Mr. Rich, as trustee, and prevailing party, you may
21 draw the order, for the reasons stated on the record.

22 MR. RICH: Certainly.

23 THE COURT: The motion to dismiss is
24 denied.

25 Now, we have a number of other matters on

1 the calendar. One of them was to appoint a
2 Chapter 11 trustee.

3 Since there is no Chapter 11, the
4 appointment of a Chapter 11 trustee is certainly
5 nothing that we need to consider, and we will not
6 hear anything further on that.

7 There is a motion for stay relief to allow
8 Frederic Goldman to go forward with litigation,
9 presumably in California.

10 I'm not sure whether this is ripe at this
11 time.

12 MR. COOK: May I be heard?

13 THE COURT: Pardon me. I'm not finished
14 yet, Counsel, sit down.

15 MR. COOK: Yes, sir.

16 THE COURT: As I pointed out, this case has
17 no business to reorganize.

18 If LBA, the debtor, is not O.J. Simpson,
19 then the Goldman claim would appear to fail, since
20 the Goldman judgment is against O.J. Simpson, not
21 against this corporation.

22 If, on the other hand, LBA is determined to
23 be the alter ego of O.J. Simpson, then the claim
24 would be allowed and would be subject to being dealt
25 with in this estate.

1 The only thing to be done in this estate is
2 to -- well, actually there are two things that we
3 need to do. One, is to determine the claim. There
4 are motions filed -- there is a claim of \$38 million
5 filed. There is an objection to the claim that's
6 been filed. There is a motion to strike the
7 objection. The Court considers that inappropriate.
8 The motion to strike the objection is denied.

9 We have a claim and an objection to claim,
10 and that matter needs to be litigated to determine
11 whether or not that claim is in this estate and has
12 some teeth that can grab this one asset, or whether
13 it is not in this estate and, therefore, cannot be
14 pursued here.

15 So, that's the first thing that we need to
16 do, we need to get going.

17 I'm unaware of any emergency. I have here
18 filings of all kinds of emergencies. I have examined
19 these documents and see nothing of an emergency
20 nature on any of them.

21 However, I presume it's in everyone's best
22 interest to get this matter resolved as soon as
23 possible. So, we will move this case forward on the
24 objection to claim.

25 Now, if the claim is determined to be a

1 claim in this estate, then we'll take the next step
2 in liquidating the estate, and if it's not, we'll
3 still have to take the next step, but I think it
4 would be in everyone's best interest to get the claim
5 out of the way first.

6 The other issue is the stay relief. Do you
7 wish to go forward with the stay relief motion at
8 this time?

9 MR. COOK: I think that the stay relief is
10 the following: We've had discussions with the
11 trustee informally as to some type of resolution
12 relative to stay relief, relative to our rights in
13 the book, and our request is to put the matter, our
14 stay motion over for approximately 14 days. We'd
15 like to continue our discussions and obviously some
16 resolution of which the estate would be the
17 beneficiary by some type of a recovery on behalf of
18 the administrative creditors, and should there be
19 any, any unsecured creditors, it would serve
20 everybody's interest.

21 So, it's set today, and we'd like to select
22 a date approximately 14 days in the next two weeks
23 hopefully.

24 THE COURT: Well, we can carry the stay
25 relief over until whatever time you wish to hear it.

1 MR. COOK: Yes, sir.

2 THE COURT: Conditioned upon the movant's
3 waiver of the 30 day requirement, that is we don't
4 want the stay to become automatically dissolved --

5 MR. COOK: We'll waive that.

6 THE COURT: -- if nothing happens within
7 the 30 days.

8 So, if that waiver is made on the
9 record ---

10 MR. COOK: We'll waive that, your Honor.

11 THE COURT: All right, then we'll reset the
12 stay relief motion to a future time.

13 Now, let's talk about getting this case out
14 of here.

15 Just a second. We have a claim. We have
16 an objection. We need to have, I'm sure the matter
17 resolved not by agreement, not that I wouldn't be
18 happy if it was resolved by agreement, but that is
19 very likely not going to happen here.

20 So, we're going to have to have a hearing
21 to determine whether or not this claim is to be
22 allowed or overruled, and how much time do you think
23 it's going to take to try that issue from the
24 claimant's ---

25 MR. BATTISTA: Judge, if I may, and I

1 apologize, I know there is two attorneys on behalf of
2 Mr. Goldman.

3 Your Honor denied the motion to strike. We
4 filed a response to the objection to claim as well,
5 so it is teed up for a resolution.

6 However, the question right now is, now
7 that the case is still in Chapter 7, whether it's the
8 trustee prosecuting the objection or the debtor out
9 of possession in a Chapter 7.

10 As your Honor knows, there is a real issue
11 as to the debtor's stampeding. Your Honor has
12 published case law on this decision, and so we need,
13 I think, to know which one is going to be prosecuting
14 the objection to claim, whether the trustee will pick
15 up the debtors or whether your Honor will let the
16 debtor go forward, and then we can decide, I think,
17 from that point how we get discovery done and teed up
18 for a resolution.

19 THE COURT: Well, if the claim is valid,
20 then the debtor has really no -- not much interest in
21 it because it completely wipes out the estate.

22 On the other hand, if the claim is not
23 allowed, then there might be some value there that
24 would potentially spill over and inure to the benefit
25 of the debtor corporation and its principals.

1 So, in fairness to them, they have -- I
2 think they have a right to be heard in this matter,
3 and I think that we'll have to have a duel track.

4 I think they've got the major interest. I
5 don't think it makes that much difference to the
6 trustee one way or the other.

7 So, we'll let Mr. Whittle be lead counsel,
8 and the trustee will be his backup counsel, and you
9 can determine how you want to go on this, and they
10 can pursue the claim objection and you can pursue the
11 claim.

12 MR. BATTISTA: Yes, sir.

13 THE COURT: And the trustee, as I say, can
14 chime in in the interest of -- yes, Mr. Dillworth.

15 MR. DILLWORTH: Your Honor, I know the
16 answer from my position. I don't wish to be
17 litigating with the estate of Mr. Goldman. I don't
18 intend to object to that claim.

19 I see this really as a fight about,
20 potentially, equity of the debtor. If they intend to
21 pick up that litigation, that should be their's to
22 do.

23 THE COURT: Then you're off the hook,
24 Mr. Rich, then the claim will be prosecuted by the
25 objector -- I mean, pardon me, by the claimant and by

1 the debtor, if they wish to proceed with an objection
2 to the claim.

3 MR. BATTISTA: Yes, sir.

4 THE COURT: And what we need to do is to
5 have a meeting immediately between you and
6 Mr. Whittle, and we need to get a scheduling order
7 out.

8 Do you have a guess as to how much time --
9 based on this afternoon's performance, I guess we
10 need eight weeks.

11 MR. BATTISTA: Judge ---

12 THE COURT: We can't have that trial time
13 before 2020, but if you can pare that down a little
14 bit, maybe we can get it heard sooner.

15 What's your guess on how much time is
16 necessary to present the claim?

17 MR. BATTISTA: Judge, we will do our best
18 to keep -- I believe, and I'm going to be
19 conservative, a day, your Honor, to present it and
20 deal with objections, and I think we'd like to have
21 it set 30 to 45 days out, and we can come up with a
22 discovery schedule if we need one with Mr. Whittle in
23 the meantime.

24 THE COURT: Well, Mr. Whittle, how much
25 time do you think you need? Do you think it can be

1 accomplished within the one day, or do you need
2 more?

3 MR. WHITTLE: Yes, within one day,
4 your Honor.

5 THE COURT: Okay, then we need for the line
6 of communication established between you and
7 Mr. Battista so that -- in the past we've had some
8 suggestions that they couldn't reach you, that your
9 mailbox was full or something, and ---

10 MR. WHITTLE: Can we establish that just me
11 and Mr. Battista, your Honor? I'm just one attorney
12 versus six, and that's part of the problem.

13 I think ---

14 THE COURT: Well, nevertheless, there has
15 got to be a way for you to communicate, you have got
16 to have either a telephone line or a fax line or an
17 e-mail where he can reach you, and if he can't reach
18 you, then you have to have some responsibility for
19 that.

20 So, the important thing is you stay
21 together, you need to get together as soon as
22 possible. We have already determined one day.

23 What you need to do is determine what, if
24 anything, you want in discovery from your side, if
25 anything, and the same with you, Mr. Whittle. That