

1 that there's been an application filed to assign a station --
2 another station to Sinclair.

3 JUDGE SIPPEL: Public record?

4 MR. GREENEBAUM: That's my understanding having to
5 do with Station WFLA in Raleigh, North Carolina. If I'm wrong
6 I stand corrected but maybe Mr. Leader could tell me.

7 MR. LEADER: That is correct. However, that's not
8 the question you asked, Mr. Greenebaum. That was not the
9 question you asked.

10 JUDGE SIPPEL: Well, I'll sustain the objection with
11 respect to the question that was asked for the reasons that
12 you've stated, Mr. Leader except with respect to relevancy.
13 But if you have a specific question on the Raleigh station,
14 Mr. Greenebaum, you may proceed.

15 BY MR. GREENEBAUM:

16 Q I framed the question the way I did because I
17 didn't want to inadvertently put something in the record that
18 didn't belong there but based on Your Honor's ruling I'm going
19 to ask if an application has been filed to assign Station WFLA
20 in Raleigh, North Carolina to a subsidiary of Sinclair.

21 A Yes.

22 Q And since the application was filed in 1993,
23 Sinclair and its subsidiaries have entered into program
24 service agreements with two other television stations?

25 MR. LEADER: Objection.

1 JUDGE SIPPEL: That's another objection.

2 WITNESS: What application are we referring to?

3 JUDGE SIPPEL: Wait, just --

4 MR. LEADER: That was my -- I mean, he started --
5 the predicate was WLFL in Raleigh, North Carolina and now he
6 says since the application was filed in 1993 --

7 MR. GREENEBAUM: I misspoke. I meant since the --

8 JUDGE SIPPEL: We've sustained the objection. The
9 witness is -- Mr. Greenebaum?

10 BY MR. GREENEBAUM:

11 Q Since 1991 when you filed your challenge to
12 Channel 2 in Baltimore, has Sinclair or its subsidiaries
13 entered into program service agreements with two other
14 television stations?

15 A Yes.

16 Q And that would be WNUV in Baltimore and WVTM in
17 Milwaukee. Is that correct?

18 A Yes.

19 Q And do you play any role in the acquisition of the
20 programming for these stations?

21 MS. SCHMELTZER: For what stations? What stations?

22 BY MR. GREENEBAUM:

23 Q The ones that you have the program service
24 agreements for, WNUV and WVTM?

25 A Yes.

1 Q What role do you play?

2 A Same role that I play in the acquisition of
3 programming for all of our television stations.

4 Q Do your brothers play any role in those programming
5 agreements for those two stations?

6 A They play a role to the extent that they're involved
7 in the ultimate decision making, yes.

8 Q Are you paid a salary by Sinclair?

9 A Yes.

10 Q And are you paid a set -- a specific amount every
11 two weeks?

12 A Generally, I think that's correct, yes.

13 Q And that's deposited automatically into your
14 checking account?

15 A Yes.

16 Q And that's the same procedure for all other people
17 who work at Sinclair. Is that correct?

18 A It's an elective procedure.

19 Q So, to the extent that they wish to have that done
20 it's done?

21 A Yes.

22 Q And is everybody at Sinclair paid every two weeks?

23 A As far as I know.

24 MR. GREENEBAUM: Your Honor, we would like to show
25 the witness Exhibit 40, Tab 13.

1 JUDGE SIPPEL: Tab 13?

2 BY MR. GREENEBAUM:

3 Q Yeah. Do you have that in front of you, Mr. Smith?

4 A Yes, sir.

5 Q That's called Auto-Pay Payroll Register?

6 A Um-hum.

7 Q And can you tell me what that document is?

8 A It's an Auto-Pay Payroll Register.

9 Q And that's for Sinclair Broadcasting. Is that
10 correct?

11 A It actually -- let me just check the names here.

12 Q Look in the top left-hand corner where it says
13 "Company Name."

14 A Yes, I am. What year is this for?

15 Q I don't know.

16 A The reason I ask is because on the second page --
17 MR. LEADER: The year 9/24/93.

18 JUDGE SIPPEL: Mr. Smith was saying something.

19 WITNESS: The reason I ask is because on the second
20 page there's a name there, Darren Shapiro who now works for
21 Channel 45 so that's the reason I asked for the time frame on
22 it.

23 BY MR. GREENEBAUM:

24 Q Well, the front page -- and again, these are
25 documents furnished to us by your counsel -- if you look right

1 next to Sinclair Broadcast Mr. Leader has indicated that it
2 would be 9/24/93.

3 A Right.

4 Q If you look below that it would be 12/31/92, and two
5 pages down -- 12/20/91. So it looks like it's for '91, '92
6 and '93.

7 A Um-hum.

8 Q Don't you recognize this as the record of the
9 automatic payroll procedure at Sinclair?

10 MR. ZAUNER: Your Honor, may I have an objection?
11 What is the purpose of this examination on this document?

12 MR. GREENEBAUM: I'm trying to show he's an employee
13 by using this document.

14 MR. ZAUNER: Your Honor, then I object on the ground
15 for one thing it's redundant. The witness has already
16 testified that Sinclair records would indicate that he was an
17 employee of the company so we're going over something that
18 he's already admitted to. The second point is, that he's
19 already testified that he receives pay that's directly
20 deposited to his account every two weeks. Given this two
21 pieces of testimony, why is it necessary to go through an
22 Auto-Pay Payroll Register? It seems to me we already have in
23 evidence what this examination would be designed to prove in
24 accord with the statement just made by counsel.

25 MR. GREENEBAUM: I don't believe so, Your Honor.

1 Mr. Zauner -- and let me say, Mr. Zauner has been very helpful
2 in keeping here focused and motivating us to stipulate but
3 I've got to go beyond that because what this witness is saying
4 is that although I'm carried as an employee I'm not an
5 employee and the records will one by one show that his
6 conclusion may not be right. For example, I want to ask him
7 about things where which already are different than what he's
8 testified to. I don't want to say more because I don't want
9 to --

10 JUDGE SIPPEL: I was just going to say we could
11 excuse the witness and proceed on this if this is --

12 MS. SCHMELTZER: Can we excuse the witness for a
13 moment? All right. We don't have to.

14 JUDGE SIPPEL: I'm not going to ask Mr. Greenebaum
15 to commit himself to anything further. This is cross-
16 examination and to the extent that it is not -- there's no
17 delay or confusion being caused at this point, I'm going to
18 permit these questions to be asked. Now, there may reach a
19 point when I will agree with you, Mr. Zauner. Go ahead,
20 Mr. Greenebaum.

21 BY MR. GREENEBAUM:

22 Q Do you see your name listed on this payroll
23 register?

24 A Yes.

25 Q And if you look at the top after -- in the column

1 next to the name of the employee it's got "Hours." Do you see
2 that in the heading?

3 A I see name -- is that -- "Name," "Hours."

4 Q If you look under "Hours" it's got the word
5 "Regular." Is that correct?

6 A Yes.

7 Q And there was some number there opposite your name
8 in that column, is that correct, been x'd out?

9 A Yes.

10 Q And also the word "Rate," there's been a number x'd
11 out there as well. Is that correct?

12 A Yes.

13 Q And it shows earnings and gross pay for you. Does
14 it not?

15 A Yes.

16 Q And it shows statutory deductions for you. Is that
17 correct?

18 A Yes.

19 Q And those statutory deductions among other things
20 are federal tax, Social Security tax, think that's medical
21 tax, I'm not sure, and state and city tax. Do you see those?

22 A I don't see any Social Security tax.

23 Q Look right under the word "Statutory."

24 A I am. I'm looking under Social Security and I don't
25 see -- black line --

1 Q No, I'm talking about the heading.

2 A Yeah, I see the heading "Social Security Tax," but I
3 see statutory deductions. Immediately in the center of that I
4 see Social Security tax and I don't see anything there by my
5 name. So, presumably no Social Security taxes have been taken
6 out for whatever reason. Is there a question there,
7 Mr. Greenebaum?

8 Q Yeah. Do you know when you reached your maximum
9 Social Security deduction during the course of the year?

10 MR. LEADER: I'm going to object to that, Your
11 Honor. That's got nothing to do with this.

12 MR. GREENEBAUM: Well, I'm trying to explain why
13 nothing was taken out, Your Honor.

14 JUDGE SIPPEL: I'll permit the question, if he
15 knows.

16 WITNESS: No idea, Mr. Greenebaum.

17 MR. ZAUNER: Is that it on that document?

18 BY MR. GREENEBAUM:

19 Q And to the extent that FJC0010 refers to 1993,
20 you're also listed on FJC0012 which refers to 1992. Is that
21 correct?

22 MR. LEADER: Objection. The document speaks for
23 itself.

24 WITNESS: Back on Tab 13 again?

25 JUDGE SIPPEL: Tab 13 again.

1 MS. SCHMELTZER: There's an objection pending.

2 MR. ZAUNER: There's an objection. The document
3 speaks for itself, Your Honor.

4 JUDGE SIPPEL: I'll sustain the objection.

5 BY MR. GREENEBAUM:

6 Q Would you look at Tab 5? See that, sir?

7 A Yes.

8 Q And do you recognize Tab 5 and tell us what they
9 are?

10 MR. LEADER: Didn't we stipulate to what they are
11 and their authenticity?

12 JUDGE SIPPEL: Well, I think he's just asking the
13 witness if the witness understands what the document is. Is
14 that your question, Mr. Greenebaum?

15 MR. GREENEBAUM: Yes, Your Honor.

16 WITNESS: I presume it's a W-2, Wage and Tax
17 Statement from 1991. I think that's what it says it is.

18 BY MR. GREENEBAUM:

19 Q And also for 1992?

20 A Yes.

21 Q 1993?

22 A Yes.

23 Q And did you receive those from Sinclair?

24 A I think as I may have mentioned earlier in either
25 deposition or -- is these things are normally sent right to my

1 accountant. I wouldn't necessarily see them except to the
2 extent that I wish to read my tax returns. I think I
3 addressed that issue. So, I've seen them as a function of
4 this proceeding.

5 Q You mean you never saw your W-2 statements before
6 this proceeding when I showed them to you at your deposition?

7 A I have no recollection of really paying attention to
8 them to tell you the truth, no.

9 Q You know you received W-2 statements from Sinclair
10 don't you?

11 A Absolutely. I said I did. They're sent to my tax
12 accountant.

13 Q And they're attached to your federal tax return are
14 they not?

15 A I believe they are, yes.

16 Q Don't know that for sure?

17 A No. I don't read my tax returns. I think I've
18 indicated that.

19 Q You don't even read them. Is that correct?

20 A They're too complicated for me, believe me.

21 Q But you know you sign them?

22 A Yes, I sign them --

23 Q You sign them under penalty --

24 A -- pages of stuff I'm not qualified to understand.

25 Q You know you sign them under penalty of perjury

1 don't you?

2 A That's correct.

3 Q And if you look at Tab 5 at your W-2s it shows that
4 there was federal income tax withheld. Is that correct?

5 MR. ZAUNER: Objection. Document speaks for itself.

6 JUDGE SIPPEL: Well, that's permitted on cross-
7 examination.

8 BY MR. GREENEBAUM:

9 Q Is that correct?

10 A Yes.

11 Q Social Security tax was withheld?

12 A Yes.

13 Q And Medicaid tax was withheld?

14 A Yes.

15 Q And you received a -- for wages, tips and other
16 compensation. Is that correct?

17 A Yes.

18 Q Social Security wages?

19 A Yes.

20 Q And Medicare wages --

21 A Yes.

22 Q Now, look at Tab 6. Sorry.

23 A Pardon me?

24 Q Tab 8.

25 MR. ZAUNER: Which tab?

1 BY MR. GREENEBAUM:

2 Q Tab 8. Would you identify Tab 8 for us, please?

3 A Says its "Employee Withholding Allowance
4 Certificate" signed in 1984 when I was an employee at WPTT in
5 Pittsburgh.

6 Q And that's your signature?

7 A Yes, it is.

8 Q Have you ever signed another W-4?

9 A Don't think so, no.

10 Q And do you know whether or not on your personal
11 income tax you report your compensation from Sinclair as wages
12 or self-employment income?

13 MR. LEADER: We stipulated to that, Your Honor.

14 JUDGE SIPPEL: He's asking the witness what the
15 witness knows.

16 MR. LEADER: Why did we go through and spend hours,
17 hours on stipulations? It's a stipulated fact. I mean, if
18 somebody could explain --

19 JUDGE SIPPEL: Wait a minute, Mr. Leader. You've
20 reserved and I have agreed with you, you've reserved your
21 objections on relevancy as to some or --

22 MR. LEADER: Not on -- not on 39. We said that 39
23 which was we stipulated that the income reported on the return
24 -- yeah, we stipulated that was prepared by Scripps Howard
25 that one, reported wages as employees of Sinclair, two, did

1 not report in any manner self-employment taxes in connection
2 with Sinclair. That's why we spent hours trying to stipulate
3 at your urging, at Mr. Zauner's urging and now it was all for
4 nothing.

5 JUDGE SIPPEL: All right, Mr. Leader, I hear your
6 objection. Go ahead, Mr. Greenebaum.

7 MR. GREENEBAUM: I believe there was string tied to
8 both stipulations. If he's letting go of that string and
9 saying this is a factual stipulation that we can rely on same
10 as live testimony then I don't need to ask these questions
11 again.

12 MR. LEADER: We never said otherwise. We said that
13 we reserved the right on this book because we thought that
14 there were a lot of irrelevant and immaterial -- but the whole
15 purpose of this was to --

16 JUDGE SIPPEL: Of 39.

17 MR. LEADER: -- 39 was we didn't produce the tax
18 return and we said we'll stipulate to these things because
19 that's what the returns say.

20 MR. GREENEBAUM: What he said before was it was only
21 a stipulation in lieu of producing the tax returns but we are
22 not admitting it's relevant.

23 MR. LEADER: No, that's not --

24 JUDGE SIPPEL: Whatever it is, he's let go of the
25 string if there was a string.

1 MR. LEADER: I think the record -- there was no
2 string. When the reporter was given the stipulation it was
3 made clear that 39 was going in without a string and that 40
4 we questioned the relevancy and materiality of certain of the
5 documents.

6 JUDGE SIPPEL: I agree with Mr. Leader's
7 recollection and I think that I specifically said it that way.

8 MR. GREENEBAUM: Okay. I apologize. Then I
9 apologize for my misrecollection --

10 JUDGE SIPPEL: It's in for all purposes on 39.
11 We've been here since 9:30. We'll come back at 20 minutes
12 after 11:00.

13 (Off the record. On the record.)

14 JUDGE SIPPEL: We're on the record which is fine. I
15 was going to say we're going to break -- we will go until 2:30
16 and break for lunch and come back at quarter of 2:00. Mr.
17 Leader?

18 MR. LEADER: We would be amenable to a shorter
19 luncheon break in order that Mr. Greenebaum or Scripps Howard
20 can complete its cross-examination of Mr. Smith today.

21 MR. GREENEBAUM: As Your Honor knows from the last
22 time, I was as efficient as I could be and I gave you a time
23 when I thought I would end and I met that commitment and I
24 remember you saying it was the best run railroad in town
25 and --

1 JUDGE SIPPEL: Did I say that?

2 MR. LEADER: I have no recollection.

3 MR. GREENEBAUM: And I really don't know because I
4 don't know what's going to be objected to. At lunch I'll have
5 a better idea. This witness necessarily takes a little longer
6 than the others so --

7 JUDGE SIPPEL: I know you alerted us to that last
8 week.

9 MR. GREENEBAUM: And I hope that things -- and I'm
10 going to do the best I can.

11 JUDGE SIPPEL: Well, would there be any objection to
12 coming back at 1:30?

13 WITNESS: Why don't we just eat here, judge, and
14 just go right on through.

15 MR. GREENEBAUM: I don't think it makes a big
16 difference.

17 JUDGE SIPPEL: We're going to let you -- well, let's
18 see how it goes and I'll decide at 12:30.

19 MR. GREENEBAUM: Are we off the record?

20 JUDGE SIPPEL: We're on the record.

21 BY MR. GREENEBAUM:

22 Q Mr. Smith, as an executive officer of the company
23 have you participated in the capacity as the director in
24 deliberations of the company's board of directors concerning
25 executive officer compensation for all officers did you not?

- 1 A Yes.
- 2 Q And your brothers did the same?
- 3 A Yes.
- 4 Q Let me refer you to Exhibit 40, Tab 2, please.
- 5 Mr. Smith, to simply things -- if you'll look at page FJC0004,
6 that and page FJC0005 pertaining to the year 1993, FJC0006 and
7 FJC0007. The first one pertains to the year '94, second
8 pertains to the year '93 and the -- FJC0008 and FJC0009 refer
9 to the year 1991. Do you see those?
- 10 A Yes.
- 11 Q Do you recognize those to be the Maryland State
12 unemployment insurance forms filed by Sinclair with the State
13 of Maryland?
- 14 A I don't see any designate -- but if that's what you
15 say it is I'm sure not going to argue. I can't read it.
- 16 Q Look at FJC0005, second page, see that?
- 17 A Yes.
- 18 Q Bottom of the page. Is that a check signed by you
19 to the Maryland Unemployment --
- 20 A Yes, it is, yeah.
- 21 Q Does that --
- 22 A That's not signed by me.
- 23 Q -- refresh your recollection as to these forms?
- 24 A Pardon me?
- 25 Q Does that refresh your recollection as to these

1 forms?

2 A No, because that's a stamped signature.

3 Q Is -- signature also stamped?

4 A It looks like it may be, yes.

5 Q Who has your authority to use your stamp for
6 purposes of --

7 A Generally --

8 MR. LEADER: Objection. That's a check, not --

9 JUDGE SIPPEL: Sustained. Sustained.

10 MR. LEADER: -- government form.

11 BY MR. GREENEBAUM:

12 Q Signing checks?

13 A For signing checks?

14 Q Yes.

15 A It's normally my secretary or my controller.

16 Possibly one of his assistants from time to time depending on
17 the event.

18 Q Will you accept my representation that this is a
19 filing with the Maryland State Unemployment?

20 A Yes.

21 Q And if you look at page FJC0004, block 1 comes with
22 the number of covered workers. Do you see that?

23 A Yes.

24 Q And then it's got 11 --

25 A Right.

1 Q If you'll turn to the second page, FJC0005, there
2 are 11 people listed under names of employees. Is that
3 correct?

4 A Yes.

5 Q And you see your name listed there?

6 A Yes.

7 Q And that's your Social Security number opposite?

8 A Yes.

9 Q And that's the same on FJC0007 and FJC0009. Is that
10 correct?

11 A 07 is correct in terms of my name and Social
12 Security number. 09, yes.

13 Q And the people that you refer to in your written
14 direct as the true employees of Sinclair, are they listed on
15 FJC0005?

16 A FJC0005. You say are they true employees?

17 Q People you referred to as the true employees of
18 Sinclair in your written direct. My question is, are they
19 listed on this document FJC0005 filed on behalf of Sinclair
20 with the Maryland State Unemployment?

21 A Well, again I would only suggest that my brothers
22 and myself are officers and directors. The extent to which
23 the state considers us an employee -- arguing with them about.

24 Q My question is, the people you said were the true
25 employees of Sinclair listed on this form?

1 A The true employees, yes, in terms of everybody I
2 guess excluding my brothers and myself which aren't
3 necessarily true employees. Does that answer your question?

4 Q Yes, it does. So that everybody other than you and
5 your brothers would be the true employees you had in mind. Is
6 that what you're saying?

7 A In the conventional sense, yes.

8 Q But for purposes of Maryland State Unemployment, you
9 were treated as an employee by Sinclair were you not?

10 A That's correct. I might add, Mr. Greenebaum, really
11 not left with much alternative in that regard in terms of what
12 the form says or doesn't say.

13 Q Well, we've got kind of a loose comment. You want
14 to explain your comment that you just made for the record?

15 A Yeah. I would only suggest that the forms from the
16 state kind of categorize everybody as an employee regardless
17 of whether, you know, they may be considered to be done or
18 not. In other --

19 Q Where does it say that?

20 A In other words -- well, it says right here. What
21 tab was it under? What tab was it under?

22 Q Tab 2. It says --

23 A Says employee's Social Security number. There is no
24 category for officers, directors or owners or operators.

25 Q It asks you to list the employees does it not?

1 A Yes.

2 Q And you made the decision or you --

3 A I didn't make the decision.

4 Q Somebody on behalf of Sinclair --

5 A One of my financial --

6 Q -- made the decision to list you as an employee on

7 that filing.

8 A That's correct.

9 Q And that's the only way you could get the benefit of

10 Maryland unemployment coverage. Isn't that correct?

11 A That's correct.

12 Q And you were writing the checks or at least giving

13 your stamp so somebody could sign it in your name, right?

14 A That's correct.

15 Q And this is an official document filed by Sinclair

16 with the Maryland state government. Is that right?

17 A Yes, it is.

18 Q And you were intending to convey by that that you

19 were an employee with a Social Security number for coverage of

20 unemployment, were you not?

21 A What I intended to suggest was is that, that I

22 received compensation from Sinclair Broadcast Group.

23 Q If you receive dividends you don't need a W-2 or a

24 W-4 do you?

25 A I don't know what the form is.

1 Q If you receive payment as an independent contractor
2 there's a way to report that other than through a W-2 or W-4
3 isn't there?

4 A I don't know the answer to that.

5 Q Well, on what do you base your statement in your
6 direct statement that Sinclair's W-2 and W-4 -- because the
7 law requires tax withholding for persons receiving money from
8 the company?

9 A Was there a question there?

10 Q Yeah, what do you base that statement on if you
11 don't know anything about the tax law?

12 A I don't --

13 MR. LEADER: He didn't say he didn't know anything
14 about the tax law.

15 BY MR. GREENEBAUM:

16 Q Well, do you know anything about the tax law?

17 MR. LEADER: Well, wait a minute, wait a minute.

18 His questions -- you ought to answer -- let him answer the
19 question. You said where did you base the statement if you
20 said you don't know anything about the tax law. I don't think
21 -- if you play back the last few minutes he said he didn't
22 know anything about the tax law.

23 JUDGE SIPPEL: Well, I sustained the objection but
24 he say that he didn't know -- I heard the context of what he
25 was saying that he was unable to draw distinctions between

1 reporting income as an employee and as dividends or as an
2 independent contractor. He just didn't know technically how
3 to do it.

4 MR. LEADER: Well, he didn't know what the form was
5 I think is what his testimony was, Your Honor, with all due
6 respect. He didn't know --

7 JUDGE SIPPEL: All right.

8 MR. LEADER: -- what the form was for reporting it.
9 Now, Mr. Greenebaum --

10 JUDGE SIPPEL: Well, I'm going to --

11 MR. LEADER: -- has jumped light years ahead.

12 JUDGE SIPPEL: I'm going to permit Mr. Greenebaum to
13 pursue the witness's answer. I sustained your objection. And
14 I want to caution the witness that the reason we're into this
15 line of questioning right now is because you volunteered
16 information that wasn't asked of you. I think you ought to
17 listen to the questions and answer the questions and then let
18 the lawyers go forward.

19 WITNESS: All right.

20 JUDGE SIPPEL: Go ahead, Mr. Greenebaum.

21 BY MR. GREENEBAUM:

22 Q Do you know what a W-2 is intended to reflect?

23 A It's intended to reflect, at least my impression is,
24 money that I received from the company.

25 Q Any money?

1 A Any money.

2 Q Even dividends?

3 A As I said, I don't know what form a dividend would
4 come out in.

5 Q How about compensation as an independent contractor?

6 A What's the question?

7 Q To you from Sinclair? How would that be reflected?

8 A I don't have any idea.

9 Q Do you know what a W-4 is intended to reflect?

10 A No.

11 Q On what do you base your statement in your direct
12 testimony that Sinclair has W-2 and W-4 tax forms for my
13 brothers and me because the law requires tax withholding for
14 persons receiving money from the company?

15 MR. LEADER: Turned them over to you.

16 MR. GREENEBAUM: No, that's not --

17 JUDGE SIPPEL: Let him answer the question,
18 Mr. Leader. You either have an objection or you don't, but
19 these comments are not helping anything.

20 WITNESS: What's the question again,
21 Mr. Greenebaum?

22 BY MR. GREENEBAUM:

23 Q I'm asking on what you base your statement --

24 A What was the statement I made?

25 JUDGE SIPPEL: It's in your testimony -- it's in

1 your --

2 MR. GREENEBAUM: Has to do with what the law
3 requires.

4 JUDGE SIPPEL: Direct him to the paragraph and page.

5 MR. GREENEBAUM: Paragraph 7, the last sentence on
6 page 3.

7 WITNESS: Page 3, paragraph 7? Says Sinclair -- do
8 you want me to read this, Your Honor?

9 MR. GREENEBAUM: Just read it to yourself.

10 JUDGE SIPPEL: Read it to yourself. Mr. Greenebaum
11 will ask you a question.

12 BY MR. GREENEBAUM:

13 Q On what do you base the statement in that sentence,
14 especially your knowledge of --

15 JUDGE SIPPEL: Direct him to the statement you're
16 referring to, Mr. Greenebaum.

17 BY MR. GREENEBAUM:

18 Q "Sinclair has W-2 and W-4 tax forms for my brothers
19 and me because the law requires tax withholding for persons
20 receiving money from the company."

21 A Right.

22 Q What do you base that statement on?

23 A I base it on the fact that I get one every year, or
24 at least I get a W-2 every year. I think if I remember
25 correctly, the W-4 was signed in 1984 was it?

1 Q Do you know of any requirement -- withholding of
2 federal income tax on any compensation you receive from the
3 company other than for wages?

4 MR. LEADER: I'm going to object because that's a
5 very confusing question.

6 MR. GREENEBAUM: I don't think --

7 JUDGE SIPPEL: Does the witness understand it?

8 WITNESS: I'm really not sure what, what the
9 question is, no. Do you want to ask it again, Mr. Greenebaum?

10 JUDGE SIPPEL: Would you rephrase it,
11 Mr. Greenebaum, or ask it again?

12 BY MR. GREENEBAUM:

13 Q Do you know of any requirement to withhold federal
14 income tax on monies paid from a company to an individual
15 other than as wages by an employer being paid to an employee?

16 A I'm not sure I understand the question.

17 MR. LEADER: I still don't understand the question.

18 JUDGE SIPPEL: Let's try it once more. Try it once
19 more, Mr. Greenebaum.

20 BY MR. GREENEBAUM:

21 Q Do you understand -- are you familiar with Section
22 3402 of the Internal Revenue Code?

23 A No.

24 Q Do you understand the definition of wages for
25 federal tax purposes?