

1 A No, but that -- that could be.

2 Q And you don't have any reason to -- if somebody  
3 else said that happened, you wouldn't have any reason to  
4 disagree with them.

5 A That's correct.

6 JUDGE SIPPEL: What was that date again?

7 MR. BECKNER: March 1995.

8 JUDGE SIPPEL: Thank you.

9 BY MR. BECKNER:

10 Q Now, the value of Liberty Cable as a company is in  
11 part a function of the number of subscribers it has, isn't  
12 that right?

13 A That's correct.

14 Q In other words, if it has more subscribers, it's  
15 worth more.

16 A Right.

17 Q If it's less, it's worth less.

18 A Right.

19 Q Okay. So wouldn't it be correct to say that  
20 Liberty had an extra incentive to bring the new subscribers  
21 quickly during the period that it was talking to Videotron  
22 about a possible sale of some or all the company?

23 A Well, you might say that. That wasn't our view at  
24 the time, but it might appear that way. The reason I say it  
25 wasn't our view is because in all of our businesses, we

1 build value for ourselves. So the fact that we're having a  
2 discussion about cashing in some value is not -- that's not  
3 the moment that we're focusing on. We're focusing on  
4 creating value in the business as if we're going to own it  
5 forever. And we do run businesses for very long time  
6 frames. So the fact that we might be selling an interest or  
7 might not be selling an interest would not change the way we  
8 run our business. Just -- that's not the way we function.

9 Q So are you saying that if it was your business  
10 that you weren't even thinking about selling, the fact that  
11 it might become bigger nine months from now as opposed to  
12 nine weeks from now is not something that's important to  
13 you?

14 A Well, when I cash in the value -- in other words,  
15 your -- what your hypothesis seems to be is that I had some  
16 additional sprint that I wanted to do in a rush to put on  
17 more customers because of a potential transaction. I was  
18 anxious to put on more customers all the time, not just  
19 because of a transaction. We want to have more customers.  
20 We want to get contracts. We want to have more customers.  
21 We want to have more revenue. I mean, that's how you build  
22 a business.

23 So it's not that -- it's not that -- the reason we  
24 would be anxious to have more customers was not because,  
25 hey, we might sell it tomorrow. We're always anxious.

1 That's the way you run any business. You want to increase  
2 your sales. And so we were anxious to increase our sales as  
3 any good business would be.

4 Q But if you're going to sell that business  
5 tomorrow, wouldn't it be better to have those new customers  
6 that you thought you were going to have two months from now,  
7 and have them come in the door tomorrow so you can get paid  
8 more for that business?

9 A It's just it wasn't -- that wasn't the nature of  
10 the discussion. Although the number of subscribers that you  
11 have is a relevant item of discussion, the way we were  
12 negotiating this transaction with the people from Canada  
13 involved their access to a platform in New York. We had the  
14 only other platform in New York as opposed to Time Warner.  
15 We're talking about in the past now. And so the unique  
16 value of that, whether it had 12,082 subscribers or 19,051  
17 subscribers -- you know, you could divide the number of  
18 subscribers into the price and come up with a number.

19 But because of the unique value of the platform,  
20 the greater the number, the less per subscriber you probably  
21 would get. In other words, the company was small enough  
22 that -- and whether it was ten, twelve, fifteen, 18,000  
23 subscribers, that the number of subscribers was not -- it  
24 was almost less important than having the platform to  
25 operate from.

1           And a lot of the discussions that we had with them  
2 -- we were only going to be selling a 60 percent interest in  
3 the company. And we were going to be highly motivated to  
4 put on new subscribers. So you could make the argument that  
5 I'd be better off, you know, not telling them of subscribers  
6 that I have and kind of keeping them on the side, and then  
7 later showing up and saying, hey, I have a lot of  
8 subscribers because I was going to be very highly  
9 compensated to get new subscribers. In any event, your  
10 theory is not -- is not the way the thinking went at the  
11 company at the time.

12           Q     Okay. It's not what happened.

13           A     Right.

14           Q     Was there anything about the possible sale to  
15 Videotron that would cause Liberty to check up on the status  
16 of its FCC licenses?

17           A     Well, we were warranting to them that we had done  
18 everything properly. That would have been one of the terms  
19 of the -- and I probably would have personally signed that  
20 warranty if the deal had gone through. And it was my  
21 impression that we were in full compliance with all FCC  
22 requirements.

23           Q     Do you remember then being at a meeting with the  
24 Videotron people where Peter Price or someone else from  
25 Liberty, maybe it was yourself, told Videotron's lawyer that

1 he could expect help from Liberty's FCC counsel in doing a  
2 due diligence about Liberty?

3 A No, I don't recall a specific conversation about  
4 it. No.

5 Q Well, do you --

6 A I'm sure we would have made our -- our lawyers  
7 available to them to find out what the story is on  
8 regulatory compliance and how we were handling it so they  
9 could satisfy themselves that we were doing everything  
10 properly. That would have been normal in a business  
11 transaction like this.

12 Q Okay. Now, I want to go back to a question that  
13 was first raised in the direct examination by Mr. Spitzer.  
14 And that is about when you knew or suspected that Liberty  
15 was operating unlicensed microwave facilities. Now, at  
16 several times in your testimony, you've made reference to  
17 your deposition in this proceeding. So I take it you  
18 remember the fact that you were deposed.

19 A Yes. That's a fair inference.

20 Q And I want to -- I'm going to read you a series of  
21 questions and answers, and I want you just to tell me  
22 whether or not you remember this series of questions and  
23 your answers. Question -- this is on page --

24 MR. SPITZER: Do you want to give us a page?

25 Thank you.

1 BY MR. BECKNER:

2 Q This is at page 28 of Howard Milstein's  
3 deposition.

4 A Is this an exhibit that I should be looking at?

5 Q No.

6 A Oh, this is going to be strictly oral. Okay.

7 Q This is from what's in your memory.

8 A From memory, okay.

9 Q All right. The question that was asked to you is  
10 as follows: "I want to change topics on you a little bit  
11 and ask you when it first came to your attention that  
12 Liberty was or might be operating microwave paths without  
13 FCC licenses. Do you remember when that was that you first  
14 learned that might be the case or was the case?" And your  
15 answer, "I don't have any -- it was a while ago; a year -- a  
16 year or two ago. I don't have a specific date in mind if  
17 that's what your question is."

18 Further questioning: "Sure. Do you remember who  
19 brought this to your attention or how it was brought to your  
20 attention the first time?" Answer: "I think it was brought  
21 to our attention because Time Warner made a complaint to  
22 some regulatory agency." Question: "And you were informed  
23 about that complaint I take it." Answer: "Yes."

24 Now, you recall those series of questions and  
25 answers, sir?

1           A     Yes, I do.

2           Q     Okay.  There's no mention in that series of  
3 questions or answers of your learning first from some  
4 independent source in the Time Warner allegation.  And I  
5 take it that your testimony today is is that in fact you  
6 learned at least of the possibility before Time Warner filed  
7 anything with the FCC.  Is that your testimony today?

8           A     No, I think you're confusing a few issues.  Time  
9 Warner started objecting to everything about our existence  
10 that they could think of some months earlier.  You presented  
11 the February '95 installation report.  And I infer from it  
12 that those objections had been successful in delaying our  
13 installations on some of these.  I'm assuming that happened  
14 in the same time frame, although I don't have any firm  
15 knowledge of the dates.  Someone would have to show me, you  
16 know, documents with dates on them for me to understand it.

17                     In -- in preparing to defend our position against  
18 Time Warner, our regulatory people, Peter Price, everybody  
19 was involved in responding to those complaints which were on  
20 a variety of issues.  Sometime in late April -- the reason  
21 I'm able to find that date is I've reviewed Lloyd  
22 Constantine's deposition where he says that's the time that  
23 I called him.  So if he says that's when it was, that's when  
24 it was.  I have no independent recollection of the precise  
25 date as I said in my deposition.

1 JUDGE SIPPEL: You don't mean Mr. Constantine's  
2 deposition. You mean his affidavit.

3 THE WITNESS: His affidavit, yes. Excuse me.

4 JUDGE SIPPEL: Is that the -- okay, fine.

5 THE WITNESS: Yes. So that's the way I placed it  
6 in late April. By then, I didn't personally read Time  
7 Warner's complaints. Those were being handled by our people  
8 that respond to the complaints. They say you did this  
9 wrong. They say we didn't do it wrong. And there's back  
10 and forth. In the meantime, no licenses are being granted  
11 as far as I knew. That was the -- the -- the problem as I  
12 understood it.

13 In dealing with those complaints from Time Warner,  
14 somehow they figured out that there was a problem with the -  
15 - there was a real problem or there might be a real problem  
16 with the licenses. And it was that news that came to me  
17 sometime in late April when I called Lloyd and said, you  
18 know, there might be a problem; we have to look into this  
19 immediately. In fact, I said come on over and he said, yes,  
20 okay, we'll look into this immediately. And that's when it  
21 got escalated above the Peter, Pepper & Corazzini, Behrooz,  
22 whatever that group was that was handling it.

23 It then got elevated to my focus of attention when  
24 it came about. Now, what you're talking about is when Time  
25 Warner complained that --- after the series of objections,

1 they specifically focused on two buildings which might be  
2 operated -- might have been operated without appropriate  
3 licenses or filings or STAs or whatever was required. That  
4 letter came evidently the first week in May. My memory has  
5 been refreshed on that by counsel.

6 So it was in response to what Time Warner was  
7 doing that our team found out there was a problem with the  
8 licenses. However, it was not in response to the letter  
9 about the licenses which came after. That's my  
10 understanding of what occurred.

11 BY MR. BECKNER:

12 Q Okay. So your -- your team -- and by the team,  
13 you meant your lawyers, correct?

14 A Yes.

15 Q Your team --

16 A Well, the team was Peter, Behrooz, Pepper &  
17 Corazzini and the Ginsberg firm at the time I think might  
18 have been involved in this, as well. I don't know if the --  
19 if the Wiley, Rein firm had gotten involved. I'm not sure  
20 to what degree this was all -- who was doing what. But that  
21 was the team.

22 But it didn't come to the point where it had to be  
23 an issue that I personally was going to deal with until  
24 somebody walked into my office or called me or somehow it  
25 was brought to my attention and said, hey, there really is a

1 problem Time Warner's talking about; this could be a real  
2 problem. I said, okay, we have to look into this right  
3 away. That was the -- the first time I heard about that was  
4 late April.

5 Q So the team -- the team then had already begun, I  
6 take it from your testimony, the process of checking up on  
7 the status of licenses and so on in April. And this was as  
8 a result of Time Warner's filings against Liberty at the  
9 FCC. Is that correct?

10 A Well, you could -- would be in a better position  
11 to know precisely which complaints Time Warner had made to  
12 the FCC and where this group was directing their attention.  
13 Somehow -- although during that period to my knowledge, Time  
14 Warner did not complain of this specific issue, somehow that  
15 team did come to focus on this issue and did come to  
16 discover that there could be a problem on the completeness  
17 of our having obtained licenses or STAs for all the paths  
18 that were currently in operation.

19 Q And -- and did --

20 A I don't know when or how that occurred.

21 Q Well, you mentioned a telephone conversation with  
22 Lloyd Constantine in late April.

23 A Well, it's after I found out that there was a  
24 concern that I called Lloyd and I said you better come over  
25 here right away; there's a problem.

1 Q Okay. You called Lloyd. Well, did you think you  
2 called him the same day that you found out there was a  
3 problem?

4 A I called him within a minute --

5 Q Okay.

6 A -- of finding that out.

7 Q So it's very likely that -- that --

8 A I was lucky he was in, by the way.

9 Q -- that the -- that the call --

10 A You can't always get your lawyer on the phone.

11 Q -- that the call to Lloyd Constantine was on the  
12 same day that you found out that there was really problem.

13 A Yes, that's correct.

14 Q Okay. And that was in late April?

15 A That's correct.

16 Q Okay.

17 A That's correct based on Lloyd's recollection of  
18 when it occurred. I have no -- I personally have no  
19 specific recollection of when it occurred. I got that from  
20 reading his affidavit.

21 Q Okay. So if he says it happens in late -- late  
22 April, then you don't have a reason to disagree with him?

23 A Then that's when it happened, yes.

24 Q Okay.

25 JUDGE SIPPEL: Can I interrupt for just a minute

1 here, just for clarification?

2 MR. BECKNER: Sure.

3 JUDGE SIPPEL: What person or persons or what  
4 document or combination of documented persons at Liberty  
5 prompted you to pick up the phone and call Mr. Constantine  
6 about this problem?

7 THE WITNESS: It would have been Peter Price  
8 coming into my office and saying, you know, this is what we  
9 understand is the situation now. Although I don't  
10 specifically recall him doing that, he would have been the  
11 only person who could have done that.

12 JUDGE SIPPEL: Well, you -- your testimony sounds  
13 like you're -- you're conjecturing that that's who it was.

14 THE WITNESS: That's correct.

15 JUDGE SIPPEL: But for reasons which to you seem  
16 logical. But there are -- there are some things that happen  
17 in the course of -- some significant things that happen in  
18 people's lives where, you know, you can remember -- say, I  
19 can remember where I was and I can remember who told me  
20 that. And this seems to be like this might be one of those  
21 kinds of situations that -- you know, whoever had to come in  
22 and give you this kind of news, you know, would maybe not  
23 want to do it with their back to the window or something  
24 like that. And yet you don't seem to -- that doesn't seem  
25 to be what I'm hearing. Your thinking that probably was him

1 because he's the guy that's got responsibility.

2 THE WITNESS: Well, I have reviewed this -- as you  
3 can imagine, I've mulled this over in my mind many times.  
4 And I have a few candidates in my mind of the way it could  
5 have happened. To the best -- the one that seems the most  
6 to resonate with me is that Peter probably came in and I  
7 called Lloyd. It's possible that Lloyd and Peter came in  
8 together. It's possible Lloyd came in alone. In any event,  
9 some combination of Peter and Lloyd was immediately present.  
10 And immediately, Lloyd was authorized to undertake a full  
11 investigation of what had occurred as -- the minute I heard  
12 about it.

13 JUDGE SIPPEL: Okay.

14 BY MR. BECKNER:

15 Q When you heard about this and you were talking  
16 about it with whomever it was who was present, Mr. Price,  
17 your lawyer or one or the other or both of them --

18 A Right.

19 Q -- was there any discussion about telling the FCC  
20 that you had this problem?

21 A No. Keep in mind that my first reaction when I  
22 was being told by whoever that there could be a problem was  
23 that I doubted that we actually had this problem. So my  
24 first response was, okay, I want a full investigation in the  
25 event that it might be true. But hopefully what this full

1 investigation would find out is that in fact we had all the  
2 licenses.

3 Q Okay. But you found -- you found out in late  
4 April, did you not, that there was a problem? Not a might-  
5 be problem, but --

6 A No.

7 Q -- a real problem.

8 A No. The first time I found out it was a might-be,  
9 I don't think I found out probably for another three, four,  
10 five days, a few days later. There could have been a  
11 weekend in the middle. I don't know what -- that there was  
12 a problem. By the time I found out there was a problem, the  
13 -- Time Warner had sent its letter about the problem,  
14 although I don't think the Time Warner letter -- the last  
15 letter about the licenses triggered our look into the  
16 problem. I think that's the way it occurred.

17 Q And you had been looking into the problem before  
18 the letter came in?

19 A Yes. Yes. Although I didn't believe that there  
20 really was a problem, but I wanted to find out if there was  
21 a problem. And then we found out a few days later, yes,  
22 there's a problem. And then we had to find out the true  
23 magnitude of the problem.

24 Q Well, didn't you understand that prior to May 5th,  
25 1995, Time Warner's complaints against Liberty at the FCC

1 were all based on one circumstance which was that Liberty  
2 was using coaxial cables to interconnect buildings that were  
3 not owned by the same company or person and that there was  
4 no charge made by Time Warner that Liberty was without the  
5 FCC licenses that it was supposed to have; but rather it was  
6 simply that Liberty needed to have a cable franchise from  
7 New York City and it didn't have one?

8 A Well, it actually is a much more clever complaint  
9 than that. Time Warner took the position that we were doing  
10 something that we shouldn't have been doing. And even  
11 though we didn't know that we shouldn't have been doing it,  
12 by not telling the FCC that we shouldn't have been doing it,  
13 we were not being candid with the FCC even though we didn't  
14 know we shouldn't have been doing it in the first place.  
15 And there were complaints, by the way, to the FCC and the  
16 state authorities going on. So this was a multi-front thing  
17 going on with this tiny company, you know, when we were  
18 trying to deal with it.

19 So I don't know that -- there were at least two  
20 arguments being made. One is that we had done something  
21 illegal with respect to hardwire connections and, therefore,  
22 formed a cable system. And hadn't -- also hadn't disclosed  
23 to the FCC that we had formed a cable system. Of course if  
24 we would have known it was a cable system, we would have  
25 never done it in the first place. So -- but you were trying

1 to get us between those two positions.

2 Q Well, I'm trying to see if we can understand why  
3 it is that a complaint that Time Warner was making about  
4 Liberty's alleged operation of a cable system without a  
5 franchise would cause Liberty to go back and pour through  
6 all of its microwave licenses.

7 A I don't know that it did. My inference is that in  
8 some way because of this pressure being applied by Time  
9 Warner to look at everything that we were doing, that it  
10 came out of that. It may have come out of just the fact  
11 that somebody looked at it and said, hey, there's a problem  
12 here. I really don't know.

13 Q But in any event, you're confident that the  
14 discovery of the problem of Liberty's microwave licenses was  
15 something that happened before Time Warner filed a paper  
16 with the FCC claiming that you were operating without the  
17 microwave licenses that you needed.

18 A Well, confident is overstating it a little bit.  
19 That's my belief.

20 Q Okay.

21 A And reconstructing it in my own mind the way it  
22 occurred, it's my belief that we -- we somehow discovered  
23 this before having had a letter of complaint or a copy of a  
24 letter of a complaint from Time Warner. That's my belief.  
25 I wouldn't say I'm confident about that, but that's my

1 belief.

2 Q Did you know in advance of Time Warner filing the  
3 paper with the FCC that they were going to make these  
4 charges that Liberty was operating without a license to the  
5 FCC?

6 A No, I didn't.

7 Q I think you testified at your deposition that you  
8 believed that Liberty's unlicensed operation of microwave  
9 facilities would not have happened if your FCC law firm,  
10 that's Pepper & Corazzini, had been doing their job. Do you  
11 remember saying that?

12 A Yes, I do.

13 Q Do you still believe that?

14 A Yes, I do.

15 Q Okay.

16 A When you say doing their job, you know, normally a  
17 client hires a law firm. And they do what they're asked to  
18 do. In this particular case -- assuming that's what they're  
19 equipped to do. In this particular case, they were  
20 instructed in writing by Peter Price -- although I didn't  
21 see -- I don't think I saw a copy of his instruction at the  
22 time, my understanding is it came out in the discovery  
23 process that he specifically instructed them to put in place  
24 a monitoring system and to audit it from time-to-time to be  
25 sure we'd be in compliance.

1           And if they had done that, then we wouldn't have  
2 run into this problem. I mean, maybe we would have run into  
3 it for a minute or a day or a week, but we wouldn't have run  
4 into it with a number of licenses for a long period of time  
5 as we did. So that's why I think that they're certainly  
6 partly to blame.

7           Q     Well, now, the control of the microwave system  
8 itself is -- is in Liberty's employees, not Pepper &  
9 Corazzini, right?

10          A     That's correct.

11          Q     In other words, if there's a switch that's flipped  
12 that turns on a microwave path, a Liberty person turns that  
13 switch; not somebody from the law firm.

14          A     That's right.

15          Q     Okay. So the best the law firm can do is to keep  
16 Liberty informed about applications that are pending or  
17 granted, isn't that right?

18          A     No, that's not true. They were asked to audit our  
19 system including our systems of controls. And they should  
20 have sent somebody up -- they should have been getting this  
21 piece of paper right here to do that, this installation  
22 report. They could have compared this installation report  
23 to their license report. And they would have been able to  
24 see the problem if they had followed their direction. There  
25 are a number of ways they could have done it. The point is

1 they were given the mandate to do it and they didn't do it.

2 Q So what you're saying is is that they -- the  
3 Pepper & Corazzini lawyers should have compared the  
4 installation progress report against their list of licenses.  
5 And if they found a building scheduled for installation that  
6 wasn't licensed, they should have called somebody.

7 A Right.

8 Q Okay.

9 A More than somebody. In other words, if they had  
10 discovered any problem, they should have called up the line  
11 to a minimum of Peter because that would mean that the  
12 system was not working as it should have worked. They  
13 either should have gotten back to us and said, look, we  
14 can't monitor this; we can't audit this; all we do is you  
15 give us the numbers, we file it; we don't know anything.  
16 They could have said that. Or they should have founded some  
17 system, one of which would have been to get a copy of this  
18 report or any other system.

19 Nothing's happening, you know, in a vacuum, you  
20 know, like in a mystery. Everything is written down that's  
21 happening in New York. They could have gotten a copy of it  
22 and they should have done it. The thing that they did do is  
23 they got the instruction; they received the mandate. They  
24 evidently did nothing about it than take whatever  
25 information Behrooz gave them. That's my complaint about

1 what they did.

2 That's not in any way to exonerate, you know,  
3 Behrooz and Peter. I mean, Behrooz and Peter were the ones  
4 who should have done it, also. But Pepper & Corazzini was  
5 specifically instructed -- and Peter had a right to think  
6 that they should have been monitoring this in a more  
7 aggressive way than they were.

8 Q Well, let's talk about monitoring here a second.

9 JUDGE SIPPEL: Can I interrupt you just one  
10 minute, Mr. Beckner?

11 MR. BECKNER: Yes.

12 JUDGE SIPPEL: Maybe I'm getting ahead of you.  
13 But I'd be interested in hearing from this Witness what is  
14 this -- what is the evidence of this mandate that he's  
15 referring to.

16 THE WITNESS: There is a written memorandum, Your  
17 Honor.

18 MR. BECKNER: And I think there's -- Your Honor,  
19 there's a document that we'll probably disagree about how to  
20 characterize it, but there is a document that Mr. Price  
21 sponsored which I assume will come in.

22 JUDGE SIPPEL: Is this that half page memorandum  
23 or something --

24 MR. BECKNER: Yes.

25 JUDGE SIPPEL: -- from Mr. Price?

1 MR. BECKNER: Yes.

2 JUDGE SIPPEL: All right. We'll get to that. Go  
3 ahead.

4 MR. BEGLEITER: Exhibit 2, Your Honor.

5 JUDGE SIPPEL: I beg your pardon?

6 MR. BEGLEITER: Exhibit 2.

7 JUDGE SIPPEL: Your Exhibit 2?

8 MR. BEGLEITER: Yes. That's correct, Your Honor.

9 MR. BECKNER: But since this Witness said he had  
10 never seen it, I didn't feel that there was any point in  
11 bringing it up to him.

12 THE WITNESS: Right.

13 BY MR. BECKNER:

14 Q To go back a second, let's talk about who was  
15 monitoring what. Did you know that Pepper & Corazzini sent  
16 Mr. Price and Mr. Nourain an inventory of FCC licensings --  
17 licenses and pending applications on or about February 24th,  
18 1995?

19 A No, I didn't.

20 Q You didn't know that? Why don't you take a look  
21 at -- I think it's the other notebook -- at Liberty/Bureau  
22 Exhibit 1. I think that may be in the other notebook.

23 A The thin notebook or the thick notebook?

24 Q The thin notebook.

25 A The thin notebook, Exhibit 1.

1 Q Yes, sir.

2 A "Joint Exhibits re: Liberty Cable Co. submitted by  
3 Liberty Cable and WTV."

4 Q Will you turn to Tab 1 on that?

5 A Okay. "Inventory of 18 GHz Licenses." Right.

6 Q Now, I just -- you can take whatever time you want  
7 to look at it. But the only thing I want to know is whether  
8 or not you remember having seen this document.

9 A No, I didn't.

10 Q Okay. Now, if this document was in fact sent to  
11 the people to whom it's addressed, wouldn't you have  
12 expected them, at least one of them to compare the inventory  
13 of licenses that it contains with a list of Liberty's own  
14 addresses that are activated?

15 A Yes, I would

16 Q Okay. And you would not expect, for example, Mr.  
17 Price to simply toss this thing in a file somewhere without  
18 reading it.

19 A Well, let me just focus on what the cover sheet  
20 says. It says, "The redesign" -- in the second paragraph --  
21 "of this inventory reflects the major changes that have  
22 occurred at the Commission within the six months." So what  
23 that means to me is they were giving him some other form  
24 before this. And I would have assumed that that other form  
25 was being reviewed regularly. If this is merely a recap of

1 other forms that he has been reviewing, then he might not  
2 review this. He might sort of look at it for form, but say,  
3 oh, okay; you know, this is the same stuff in a new form.

4 So depending on how he read this, you know, he  
5 might or might not have reviewed this in this detail. So  
6 that's something you'll have to ask him about. But  
7 certainly this kind of information did have to be reviewed  
8 regularly by both Behrooz and Peter. That's true. Whether  
9 or not this document warranted that attention I don't know  
10 the answer to. If it's simply reformatting information they  
11 already had, maybe it was already reviewed.

12 Q But as far as -- as far as your own personal  
13 policy and expectation of Mr. Price --

14 A Yes.

15 Q -- you would expect him to review this document  
16 when he got it unless it was giving him information that he  
17 had already received in some other form.

18 A Yes.

19 Q Okay.

20 A I mean, certainly Pepper & Corazzini expected them  
21 to. They addressed it to him.

22 Q As a general rule, at least through February of  
23 1995, did Mr. Price appear to you to be a person who  
24 followed your wishes and instructions generally?

25 A Yes, absolutely.

1 Q And if he hadn't been that kind of person, you  
2 wouldn't have kept him on the job, would you?

3 A That's correct. Not just the question of my  
4 wishes and instructions. On this kind of a matter, he's a  
5 senior executive who is very highly paid in the mid-six  
6 figures whose judgement is what you're paying for. I mean,  
7 yes, he knows things and knows how to do things.

8 But when you have a -- a senior executive who gets  
9 paid in the mid-six figures, one of the things you're paying  
10 for is judgement. And his own internal judgement without me  
11 needing to tell him would have been sufficient for him to  
12 know that he has to review this. So I didn't have to give  
13 him any specific wishes on this. I mean, he's a senior  
14 seasoned business executive. And he knows this has to be  
15 done. It's not mysterious.

16 Q So would it -- would it surprise you then to know  
17 that this document identifies as the subject of pending  
18 applications a number of these addresses that are identified  
19 as current projects on Time Warner/Cablevision Exhibit 14,  
20 that's the installation progress report?

21 A What do you mean by current projects? Do you mean  
22 completed projects, in-progress projects or projected  
23 installation dates?

24 Q Well, some of each.

25 A Okay. Well, at the time, it would have surprised

1 me for it to include -- or for it to not include any of the  
2 addresses in the in-progress or complete zone. If I had  
3 looked at this at the time and not found licenses for  
4 anything in the complete or in-progress category, that would  
5 have more than surprised me. That would have gotten an  
6 immediate reaction from me.

7 Q Well, in fact, Mr. Milstein, this report  
8 specifically identified as pending applications, as opposed  
9 to granted -- one, two, three, four, five, six, seven --  
10 eight of the addresses under current projects, all but five  
11 of which are either identified as being complete or in-  
12 progress.

13 A So three are complete or in-progress or --

14 Q Five are -- five are --

15 A Five are identified as complete or in-progress and  
16 they only have pending applications.

17 Q That's correct.

18 A That's the status that this reflects.

19 Q That's right.

20 A And what's your question?

21 Q The question is would that have surprised you if  
22 you had discovered that?

23 A Yes, it would have shocked me.

24 Q Okay.

25 A Completely shocked me.