

1 A No, I couldn't.

2 Q How much documentation do you receive for DLB
3 and/or Metroplex on a monthly basis?

4 A I guess what specific information I receive? To
5 do --

6 Q Well, we can do it that way, and then I would like
7 to know the volume, also, approximately, of how much
8 information you receive.

9 A Okay. We receive the bank statements for the
10 operating account and the payroll account.

11 Q Now, let me interrupt you. By operating account,
12 which account is that?

13 A It's the DLB Enterprises operating account that
14 they pay all their payables through.

15 Q Okay. And the payroll account is a separate
16 account?

17 A Yes, it is.

18 Q And what is the name on that account, do you know?

19 A It is DLB Enterprises, as well.

20 Q There are two accounts, but they have the same
21 name?

22 A Yes.

23 Q They just have different numbers?

24 A Right.

25 Q Okay. I am sorry, I did not mean -- so you

1 receive bank statements, and what else?

2 A We receive a copy of handwritten checks. Actually
3 I believe it's the check stubs, we receive a copy of the
4 check stubs for the checks that they write manually.

5 We receive a print-out of checks that they
6 generate on some type of payables system that they have.
7 And we receive copies of all their payroll checks, as well
8 as a print-out from their payroll system that shows the
9 various tax categories and so on for each check.

10 We receive a list of items that, or actually it's
11 a total of the items that they have invoices for that have
12 not been paid. In other words, their outstanding payables.

13 And we receive a ledger book that has print-outs
14 from their accounts receivable system that lists each
15 invoice for that month, which are broken down by type of
16 revenue that it represents. And I think also in there there
17 is a summary report that shows their total outstanding
18 receivables at the end of the month.

19 Q Anything else?

20 A That's all that I can recall that we normally
21 receive, yes.

22 Q Okay. And you receive that monthly?

23 A Yes.

24 Q Is there a certain day that you receive it on?

25 A Not a specific day. Generally they would send it

1 over to me sort of after they receive the bank statements
2 and get it all put together for me.

3 Q Approximately when during a month would that be?

4 A It would generally be between about the 6th or 7th
5 of the month, and the, oh, say the 15th of the month.

6 Q So you receive information twice a month.

7 A No, just once a month.

8 Q Okay.

9 A For the prior month, they would, at the end of the
10 month they would start putting this stuff together for me.
11 And then they would send it over to my office somewhere, you
12 know, around the, you know, 8th, 9th, 10th of the month.

13 Q Okay. Do you ever, have you ever received
14 anything called a T-Band Manual?

15 A No, I haven't.

16 Q Have you ever received documents from which you
17 could calculate the revenue of each individual repeater?

18 A No.

19 Q Have you ever received documentation from which
20 you could calculate the expenses associated with each
21 repeater?

22 A No.

23 Q Do you know how they assign expenses to a
24 particular repeater?

25 A No, I don't.

1 Q Do you know if an account, when you see these
2 account numbers, does that mean, is that the same thing as a
3 repeater? Does an account mean that 1007 refers to a
4 particular repeater? Or does 1007 refer to a customer?

5 A What I understand, it pertains to a customer.

6 Q Okay. Do you know how they refer to repeaters in
7 their records?

8 A No, I don't.

9 Q Do you keep ledgers as to the total amounts paid
10 by each particular customer that they have?

11 A No, I don't.

12 Q Do you have any idea how they assign a value to a
13 particular repeater? Do you understand my question?

14 A I think I do, but I don't know.

15 Q Okay. For example, if you look on page four,
16 which you pointed out. Account number 2451, I believe, is
17 the second entry on that page.

18 A Right.

19 Q You see a \$10 under Dallas. I assume that is
20 supposed to be a \$10.

21 A Yes.

22 Q Is that what you assumed, also?

23 A Yes.

24 Q Okay. And then you see a three, I assume that is
25 supposed to be three dollars, under -- what is that supposed

1 to be under?

2 A I think that is probably Forth Worth.

3 Q And I see two dollars under Allen. Do you know
4 how they determined that Forth Worth is three dollars, and
5 Allen is two dollars, and Dallas is \$10?

6 A No, I don't.

7 JUDGE STEINBERG: Whose writing is it on page
8 four, do you know?

9 THE WITNESS: For the most part, I think it's Pat
10 Brasher's writing.

11 JUDGE STEINBERG: Do you know for sure?

12 THE WITNESS: I don't know for sure. These are
13 documents that she handed to me, so --

14 JUDGE STEINBERG: When she handed those to you,
15 you assumed that she wrote it?

16 THE WITNESS: Yes.

17 JUDGE STEINBERG: And you assumed that she
18 compiled it? Would that be true for pages four through the
19 end?

20 THE WITNESS: Yes. There are some markings on
21 these pages I see that someone in my office did. Some of
22 the totalling down in the bottom right-hand corners.

23 JUDGE STEINBERG: Yes.

24 THE WITNESS: But for the most part, the numbers,
25 you know, were already there.

1 JUDGE STEINBERG: You have that page two, is
2 that -- excuse me, I meant page three. Do you know whose
3 writing that is?

4 THE WITNESS: Not specifically. That was handed
5 to me by Pat, again. The totals there are, those are my,
6 that is my writing on the totals. But --

7 JUDGE STEINBERG: Right. Okay, you do not know.

8 THE WITNESS: No.

9 MS. LANCASTER: Your Honor, we just were presented
10 some documents that Mr. Hill brought at our request, and we
11 have not had an opportunity to --

12 JUDGE STEINBERG: Okay. I have another question.
13 Page four, for discount 2451. I think in the first column
14 under amount at 17.

15 THE WITNESS: Mm-hmm.

16 JUDGE STEINBERG: And then Dallas is 10, Forth
17 Worth is three, and Allen is two, which adds up to 15. Do
18 you know where the other two went? If it is 17. I mean,
19 what does 17 mean? Maybe I should ask you that.

20 THE WITNESS: As I understand the schedule, 17
21 refers to that particular account, 17 units.

22 JUDGE STEINBERG: Okay.

23 THE WITNESS: Seventeen times the two dollars
24 under Allen gets you the 34 in the far-right column.

25 JUDGE STEINBERG: Oh, I see. Okay. So the 17 is

1 not a dollar amount.

2 THE WITNESS: No.

3 JUDGE STEINBERG: Okay. Let's go off --

4 BY MS. LANCASTER:

5 Q And you were told that by Ms. Brasher, Pat
6 Brasher?

7 A Right. Yes.

8 Q Did you actually go, sit down and go through these
9 documents with Pat Brasher?

10 A Yes.

11 Q To what detail? How much detail did you go over
12 with her?

13 A Enough detail to understand how to add up the
14 numbers to come up with the schedule that I prepared on page
15 two.

16 Q Okay. She could have added these numbers up
17 herself, couldn't she? As far as you know?

18 A Could have.

19 Q She is capable of doing that, right?

20 A I would think so.

21 MS. LANCASTER: Yes, sir, I would like to request
22 a short break.

23 JUDGE STEINBERG: Okay. Let's go off the record.

24 (Whereupon, a brief recess was taken.)

25 JUDGE STEINBERG: Ms. Lancaster.

1 MS. LANCASTER: Yes, sir. Your Honor, I had asked
2 Mr. Hill to bring financial documents of DLB, the Brashers,
3 so that we could get more accurate figures as to revenues,
4 expenses, that sorts of thing.

5 We have no desire to put their tax returns on the
6 record. But I would like an opportunity to question him
7 about it. And since we only have one set of documents at
8 this time, we will be happy to make additional copies if
9 there, you know, if we need them. But we do not anticipate
10 putting them into evidence.

11 Nevertheless, I would ask permission to be able to
12 just set this in front of the witness and question him that
13 way. I just tabbed what each thing is so I can quickly
14 reference what I want to ask him about.

15 JUDGE STEINBERG: Let me ask you a question. This
16 is a procedural question.

17 If Mr. Hill were on the stand by DLB or by the
18 Brashers, by Ron and Pat Brasher, and they only thing they
19 just -- well, I cannot say the only thing -- was, the only
20 thing introduced through them was Exhibit Number 8. So
21 right now you are making Mr. Hill your witness for the
22 purpose of these questions?

23 MS. LANCASTER: Yes, sir. We also listed him as a
24 witness.

25 JUDGE STEINBERG: Okay. So then, now, so your

1 cross-examination is finished now.

2 MS. LANCASTER: Unless he brings up the subject
3 that they brought up, I would be able to, I think the
4 Government can ask him questions about it. But I am simply
5 going to, on direct I am just going to ask him the various
6 gross amount, you know, gross income figures, salary
7 figures, that sort of thing.

8 JUDGE STEINBERG: Okay. So this is your direct
9 now. I just want to, I think it is important for this
10 witness to make -- for the other witnesses it was not so
11 important, but for this witness -- maybe I view numbers
12 differently than I do words.

13 But, okay, so this is your direct of Mr. Hill,
14 pursuant to your sponsorship of Mr. Hill.

15 MS. LANCASTER: Yes, sir.

16 JUDGE STEINBERG: Okay. Anybody have any
17 objection to that? And then, or unless you want to complete
18 this round, and then go to direct.

19 MS. LANCASTER: That would be fine if you would
20 prefer to do it that way, Your Honor.

21 JUDGE STEINBERG: Why don't we do that?

22 MS. LANCASTER: Okay.

23 JUDGE STEINBERG: And that way -- because I
24 basically want to limit, I want to limit your testimony as
25 much as possible. And I do not want it going all over the

1 place. So that we will finish this, and then we will start
2 again.

3 Sorry about that, Mr. Hill. Okay. So your
4 cross-examination is finished? Or do you want to think
5 about that?

6 MS. LANCASTER: I am through with
7 cross-examination, Your Honor.

8 JUDGE STEINBERG: Okay. Mr. Pedigo?

9 MR. PEDIGO: Yes, Your Honor.

10 CROSS-EXAMINATION

11 BY MR. PEDIGO:

12 Q Good morning, Mr. Hill.

13 A Morning.

14 Q I want to ask, you talked about the Brasher
15 account versus a DLB account. Do you recall that testimony?

16 A Yes.

17 Q Okay. Do you know if these repeaters, or in fact,
18 do you know what a repeater is?

19 A I couldn't give you a good definition of a
20 repeater, no.

21 Q Let me share mine with you, see if it helps. It
22 is a, it is a box that is a piece of radio equipment. Do
23 you understand it to be that? A physical asset.

24 A Yes.

25 Q And do you also understand that the repeaters used

1 in DLB Enterprises, those are assets owned by the Brashers,
2 is that correct?

3 A Yes.

4 Q And they are made available for use in DLB
5 operations, is that correct?

6 A They are rented to DLB Enterprises, yes.

7 Q And so that, for the purposes of that transaction,
8 if we were to look at a financial statement of DLB
9 Enterprises, or if you could tell the Court what -- is there
10 a financial statement of DLB Enterprises that appears on
11 their income tax return?

12 A Not an income statement as such. I mean, the face
13 of the income statement does show their income. I mean, the
14 face of the tax return shows their income.

15 Q Okay. Does it also show, if you are familiar with
16 schedule L of form 1120? Do you know what that is?

17 A Yes. Yes.

18 Q And what is that, Mr. Hill?

19 A It is a balance sheet.

20 Q The balance sheet lists the asset of DLB
21 Enterprises, is that correct?

22 A Yes.

23 Q So if we were to look at the schedule L on form
24 1120 of DLB Enterprises, we would not see any repeaters
25 listed as assets of DLB Enterprises, is that correct?

1 A That is correct.

2 Q But because DLB Enterprises is renting those, the
3 use of those assets, we would see rent expense as one of the
4 line items on the first page of the form 1120, where they
5 talk about the different corporate expenses. Is that
6 correct?

7 A Either on the front page or on the supporting
8 schedule you would see rent expense.

9 Q Someplace it would be listed as, would be deducted
10 as an ordinary necessary expense of the business, is that
11 correct?

12 A That is correct.

13 Q And when those, when those payments are made for
14 the use of the assets, is it your understanding that a DLB
15 Enterprises check is made payable to the Brashers, and
16 deposited into the Brasher account, to complete that
17 transaction?

18 A Yes, that is my understanding.

19 Q So in that case there would be income that would
20 have to be picked up by the Brashers when they received the
21 rental income. Is that correct?

22 A Yes.

23 Q And so therefore, the bank account that that rent
24 check goes into would be the Brasher account. And would you
25 agree that that would not be an asset listed on the DLB

1 balance sheet?

2 A Yes, that is correct.

3 Q Are you familiar, or what method of accounting
4 does DLB Enterprises use?

5 A They use the accrual method.

6 Q Accrual method. And what about on their tax
7 returns?

8 A Their tax return is accrual-based.

9 MS. LANCASTER: Your Honor, if I might object. Is
10 this a direct, or is it cross-exam by Mr. Pedigo?

11 JUDGE STEINBERG: This is a cross-examination, is
12 it not?

13 MR. PEDIGO: Yes, Your Honor.

14 MS. LANCASTER: I believe he is asking questions
15 outside the scope of cross. And that is why, since I was
16 told I could not do that, I want to know what he, if he is
17 allowed to do it.

18 MR. PEDIGO: Well, objection, Your Honor. I
19 fundamentally disagree that I am outside the matter she
20 raised. I am trying to clear some of those things up, so
21 that it is clear to everybody how some of these simple
22 accounting concepts work.

23 JUDGE STEINBERG: I think we worked through the
24 accounting and the revenues and expense. I think this is
25 all fair.

1 MR. PEDIGO: Pardon me?

2 JUDGE STEINBERG: This is all fair. So let's
3 overrule the objection.

4

5 BY MR. PEDIGO:

6 Q Okay, you just said that you, as the accountant,
7 are familiar with that DLB Enterprises prepared its books
8 and records using the accrual method of accounting, is that
9 correct?

10 A Yes.

11 Q Could you tell us what the other form of
12 accounting is that you can use to prepare financial
13 statements?

14 A Cash method would be the other most popular
15 method.

16 Q Okay. And how, if you were using the cash method
17 to prepare financial statements, just generally how would
18 you use that method?

19 A You would recognize revenue that is actually
20 received by the company, not billings that had not been
21 collected yet. You would also only deduct those items that
22 have actually been paid. In other words, your payables at
23 the end of the year would not be a deductible item.

24 Q So it is basically keeping a checkbook, and using
25 whatever is left at the end of it as cash as the profit.

1 A More or less.

2 Q More or less. Now, for example, is it your
3 knowledge that the cash basis method of accounting can be
4 used by corporations even to fill out an income tax return?

5 A Yes.

6 Q So in your page one of Exhibit 8, when you talk
7 about using the cash flows to determine this net profit
8 number on page two of your exhibit, what did you mean by
9 talking about the cash flows?

10 A That would be more a matter of revenues actually
11 received, expenses actually paid is what that would refer
12 to.

13 Q And is that using the cash basis method to compute
14 this profit and loss number?

15 A A statement like that would refer to using the
16 cash basis.

17 Q Okay. Again, that is acceptable, even to the IRS,
18 for income tax returns filed on behalf of corporations, is
19 that true?

20 A Not in all cases, but there are like revenue
21 limits. I think it is \$5 million. Over that you have to,
22 have to do the accrual basis.

23 Q Well, the -- do you know how these rent expenses
24 appearing on page three, how they were actually paid? Was
25 it a reimbursement to the Brashers? Or was a particular

1 vendor paid?

2 A Actually, I don't know the answer to that.

3 Q Okay. Would either way be acceptable, though?

4 A Yes.

5 Q In other words -- and let me be more specific --
6 if the check was actually written to the landlord, that
7 would be a rent expense of DLB Enterprises, is that correct?

8 A Yes.

9 Q And if it was a reimbursement to the Brashers, who
10 actually incurred the expense, then that would still qualify
11 as an expense of the company, is that correct?

12 A Yes.

13 Q It is your understanding that these are the direct
14 expenses that were incurred by DLB Enterprises to pay the
15 rent, is that right?

16 A Yes.

17 Q When Ms. Lancaster asked you if you knew the
18 expenses that were included in this compilation that is
19 Exhibit 8, remember that testimony?

20 A Yes, I do.

21 Q You do know that one of these, or is it your
22 understanding from the representation by the client that the
23 direct expense appearing on page three is the rent expense,
24 is that correct?

25 A Yes.

1 Q When you do an income tax return, are you allowed
2 to rely on the representations of the client?

3 A Yes, I am.

4 Q And in this case, you actually did some
5 confirmation of some of the figures appearing in the
6 information provided by the client, is that correct?

7 A Are you referring to this exhibit?

8 Q Yes.

9 A Only to the extent of looking at schedules that
10 the client provided. I did not look at any source
11 documents.

12 Q Okay. And could you follow that same pattern or
13 professional practice in terms of preparing an income tax
14 return that would be submitted to the IRS?

15 A Yes, I could, you know, provide everything within
16 reason. You know, I don't have to see actual source
17 documents to do a tax return.

18 Q So to do a compilation, or even an income tax
19 return as somebody signs as under the penalties of perjury,
20 you do not have to actually examine the source documents.
21 Is that not true?

22 A That is true.

23 Q You were asked some questions about trying to
24 assign values to the repeaters. Do you recall that
25 testimony?

1 A Yes.

2 Q Now, it is your understanding that the repeaters
3 were in fact owned by the Brashers, is that not true?

4 A Yes.

5 Q So is it fair that in your performance of your
6 duties as the DLB Enterprises accountant, you would never
7 need to assign a value to those repeaters to do their income
8 tax returns or their financial statements. Is that not
9 true?

10 A That is true.

11 Q Now, when you do the Brashers' income tax returns,
12 that is a form 1040, is that not correct?

13 A Correct.

14 Q And 1040s are different from corporate tax
15 returns, form 1120s, at least to the extent that a 1040 does
16 not need a balance sheet on it, is that true?

17 A That is true.

18 Q So you would never need to, even doing the
19 Brashers' tax returns, come to any kind of value for these
20 repeaters to do their income tax returns.

21 A I wouldn't have to come up with any type of value.
22 The one item, they are allowed to deduct depreciation for
23 the repeaters. Depreciation is based on the cost.

24 Q Right.

25 A So in that sense, I mean, at the time they

1 purchased the repeater, I guess that would be a value. And
2 I would have to have that number in order to deduct a
3 depreciation.

4 Q And have they purchased any repeaters that you are
5 aware of since you have been their accountant in 1998?

6 A Yes, I believe so.

7 Q Okay. What about the T-Band repeaters? Are you
8 familiar if, when they purchased some of those repeaters?

9 A No, not specifically.

10 Q Did it occur prior to your coming on the scene?

11 A I can't say that for sure. I just know the cost
12 of repeaters. If you, the supporting statement where we
13 calculate depreciation for each repeater, it simply says
14 repeater. It doesn't say which type or identify it so
15 specifically.

16 Q Okay. If there were repeaters purchased in 1997
17 by the Brashers, then the -- or 1996, for that matter -- the
18 accurate reporting of those amounts would have been the
19 responsibility of Mr. Sumpter, is that your understanding?

20 A Yes.

21 Q And once that value, which in this case would be
22 their tax basis, are you familiar with that term?

23 A Yes.

24 Q Would that be roughly equivalent to their, the
25 price they paid for the repeater?

1 A Yes. Their initial tax basis is the price they
2 paid.

3 Q And once, for example, if Mr. Sumpter was
4 satisfied he understood the tax basis for that repeater, the
5 amount that was paid for it, then is that the number that
6 each tax return must then use?

7 MS. LANCASTER: Objection, Your Honor. He cannot
8 testify as to what Mr. Sumpter would know. He is asking him
9 what Mr. Sumpter would know.

10 JUDGE STEINBERG: No, I think he is asking
11 whether, he is asking what the methodology would be.

12 MR. PEDIGO: That is right.

13 JUDGE STEINBERG: And as a CPA, I think Mr. Hill
14 could answer what the methodology would be, regardless of
15 who used it. Or what the appropriateness. Was that not
16 what you are asking?

17 MR. PEDIGO: Oh, exactly, Your Honor. This is
18 just fundamental accounting issues. Okay.

19 MS. LANCASTER: Fundamental accounting issues for
20 a former tax attorney, Your Honor.

21 BY MR. PEDIGO:

22 Q Well, I would go it is a lot broader than that, if
23 you want to know. But anyway. All right,
24 Mr. Hill, once the purchase price is computed and the
25 depreciation schedule is set, is that something that is then

1 modified because the fair market value of an asset might
2 have gone up or down?

3 A No, it is not.

4 Q Now, let me make sure I understand. On page three
5 of your exhibit, if you could take a look at that, please.
6 There are, under each of the headings with a year at the
7 top, there are 12 entries appearing below that. Do you
8 understand that?

9 A Yes.

10 Q Okay. And is it your understanding those are the
11 monthly rentals for each of those repeater sites?

12 A Yes, it is.

13 Q And then has that number been footed on this
14 schedule?

15 A Yes, it has.

16 Q And for example, for 1997, what is the total?

17 A The total is \$31,889.

18 Q So that would appear on the 13th line down below
19 the heading of this schedule, is that correct?

20 A Yes, sir.

21 Q Okay. If we take that \$31,000 number, does that
22 appear anywhere on page two of that exhibit?

23 A I hope so.

24 (Laughter.)

25 Q I can assure you I looked before -- I learned

1 never to do math in public.

2 A Yes, it does. It is under 1997 for expenses.

3 Q Okay. So when we look at the 1997 computation of
4 a \$22,000 loss, we know that that includes the \$31,000
5 approximately of rent expense, is that correct?

6 A Yes.

7 Q Okay. Now, the revenue number there, were you
8 able to determine a direct payment, or a revenue item that
9 is directly attributable to the Allen Repeater site?

10 A Yes.

11 Q And when I say you, I will just say would somebody
12 who is familiar with their books and records be able to
13 determine that number.

14 A I'm sorry, could you repeat it?

15 Q Okay, let me take you back to the invoice that
16 goes to the customer.

17 A Okay.

18 Q And I think if you would look at page four of your
19 exhibit. Do you see that?

20 A Yes.

21 Q If somebody is familiar with the DLB books and
22 records, would they be able to determine the specific dollar
23 amount that each customer paid for each, for the privilege
24 of having a particular coverage by the Allen Repeater site,
25 for example?

1 A Yes, they would.

2 Q And that two dollar number, would that, is that
3 something, then, that the customer has to pay, is that
4 correct?

5 A That's my understanding, yes.

6 Q And are the, the invoicing is done on a monthly
7 basis, is that correct?

8 A That is my understanding, yes.

9 JUDGE STEINBERG: Let me interrupt. The question
10 was based, a couple questions back, someone familiar with
11 the bookkeeping system of DLB would be able to determine the
12 monthly rental? Let's say account 2451.

13 MR. PEDIGO: Yes, Your Honor.

14 JUDGE STEINBERG: And the monthly rental would be
15 17?

16 MR. PEDIGO: Well, there is several ways --

17 JUDGE STEINBERG: Oh, I am sorry. That 17 is not
18 the month, 17 is the number of units.

19 MR. PEDIGO: Number of units in vehicles.

20 JUDGE STEINBERG: Okay. But let me ask, do you
21 know if the books and records of DLB would allow someone to
22 determine the revenues for each separate repeater site, for
23 each separate repeater site?

24 MR. PEDIGO: And Your Honor, if I may, I was going
25 to have him look at RB/PB Exhibit 7.

1 JUDGE STEINBERG: That is fine, but we have not
2 gotten to any of it.

3 MR. PEDIGO: Well, okay, this directly relates to
4 that invoice. All right, I was just trying to help.

5 JUDGE STEINBERG: Okay. Did you remember the
6 question?

7 MR. PEDIGO: You helped me yesterday.

8 THE WITNESS: Would someone be able to tell the
9 actual rent applicable to a particular repeater?

10 JUDGE STEINBERG: A site.

11 THE WITNESS: A site.

12 JUDGE STEINBERG: Would somebody be able to look
13 at the books and records related to account 2451 and be able
14 to tell, from looking at the books and records kept by DLB,
15 what the, that the company is paying, that 2451 is paying
16 \$10 for Dallas, three dollars for Forth Worth, and two
17 dollars for Allen?

18 THE WITNESS: I would say that they would be able
19 to do that. I have not actually seen the invoices.

20 JUDGE STEINBERG: Well, I want to know what you
21 have seen.

22 THE WITNESS: What I have seen?

23 JUDGE STEINBERG: What you know from your personal
24 knowledge.

25 THE WITNESS: From my personal knowledge, I can't

1 actually testify to that, no.

2 JUDGE STEINBERG: Okay. And from your personal
3 knowledge, what if I told you that Allen, the Allen site had
4 several repeaters up there? A, B, C, D, E, F, G. I mean,
5 would you know from your own personal knowledge whether from
6 the books and records kept by DLB, someone could determine
7 how much revenue A had, how much revenue B had, et cetera?

8 THE WITNESS: From my personal knowledge I could
9 not say that.

10 JUDGE STEINBERG: Okay.

11 BY MR. PEDIGO:

12 Q Okay. Along those lines, Mr. Hill, if you could
13 look at -- is Exhibit 7 before you?

14 JUDGE STEINBERG: No.

15 THE WITNESS: No, it's not.

16 JUDGE STEINBERG: You would have to fish through
17 the reporter's copies. And then you are responsible for
18 getting it back.

19 THE REPORTER: It should be -- may I help you,
20 Your Honor?

21 JUDGE STEINBERG: Sure, of course. You can go off
22 the record and help me.

23 (Whereupon, a brief recess was taken.)

24 MR. PEDIGO: It looks like that. Do you have
25 yours?

1 MS. LANCASTER: No, I do not, but go ahead.

2 MR. PEDIGO: Well, I was hoping you would follow
3 along.

4 MS. LANCASTER: I would love to follow along,
5 but -- here it is, I found it.

6 MR. PEDIGO: Oh, okay.

7 BY MR. PEDIGO:

8 Q All right, Mr. Hill, if you could take a look at
9 Exhibit 7, please. Do you see it? Are you looking at that?

10 A Yes, sir.

11 Q And what is the customer account that has been
12 assigned to North Texas Commercial Roofing?

13 A Looks like account number 2347.

14 Q And if I could now ask you to turn to page 89 of
15 Exhibit 8. And it is about the last page, it is not the
16 last page. Do you see that, Mr. Hill?

17 A Yes.

18 Q And on that page, do you see account number 2347?
19 That is the first entry, I believe.

20 A Yes, I do.

21 Q I would like you to look at the information on the
22 schedule provided by the client, and compare that to the
23 first page of Exhibit 7, and see if this helps you respond
24 to the Court's inquiry of whether revenue directly tied to
25 repeater sites can be determined.

1 I will tell you there is one typographical error
2 on the Exhibit 7, where the rates, it is supposed to say \$18
3 per unit for two sites.

4 A Instead of three?

5 MS. LANCASTER: Would you say that again, please?

6 MR. PEDIGO: Yes. Where it says rates, it is
7 supposed to be \$18 per unit per two sites, rather than \$15.

8 MS. LANCASTER: There has been no --

9 JUDGE STEINBERG: Well, I know there has not been
10 any testimony as to that, but we will assume that for the
11 purposes of the question.

12 MS. LANCASTER: So this is -- I am sorry, Your
13 Honor.

14 JUDGE STEINBERG: Oh, I said we will, I do not
15 believe there has been any testimony that that was a typo.
16 But for the purposes of the question, we will just assume it
17 was.

18 MS. LANCASTER: And you are talking about the, on
19 page 89, is that correct?

20 MR. PEDIGO: That is correct.

21 MS. LANCASTER: So you are, so 89 is inaccurate?
22 Is that what you are basically saying?

23 MR. PEDIGO: Not at all. Let me -- I am ready to
24 start talking to the witness again.

25 JUDGE STEINBERG: Okay. Where should the \$18 be?