

EXHIBIT 7

1 MR. BLACKERT: Objection. "Loss," vague
2 and ambiguous.

3 THE WITNESS: If you have -- I'm not a tax
4 specialist. All I can tell you, if you have a
5 business that loses money and you make money,
6 let's say, by something else, I'm assuming
7 all -- it's very common in corporations that
8 one lose money, one make money.

9 BY MR. GINGRAS:

10 Q I totally and completely agree with you.
11 I don't think there's anything wrong at all with
12 doing that. Okay? I just want to be clear with
13 you.

14 But to the extent that the author claims
15 that that's what you were doing, I want to know if
16 that statement's true.

17 A It's not true.

18 Q So you never used any losses from AEI to
19 reduce taxable income for yourself, Ms. Llaneras or
20 any other business that you were involved in?

21 A No, sir.

22 Q And are you prepared to produce tax
23 returns that would show that?

24 A Yes --

25 MS. BORODKIN: Objection. Privacy.

1 BY MR. GINGRAS:

2 Q Do you object to producing tax returns
3 that relate to the truth of whether or not AEI's
4 losses were ever used to produce taxable income for
5 yourself, Ms. Llaneras or --

6 MR. BLACKERT: Objection. Privacy.

7 MS. SPETH: Who is defending this?

8 MR. GINGRAS: First of all, one lawyer per
9 objection. And secondly --

10 MS. SPETH: If you want me to ask
11 questions, I will.

12 BY MR. GINGRAS:

13 Q Do you have any objection to producing tax
14 returns that would show whether or not any losses
15 from AEI were applied to anyone else, yourself,
16 Ms. Llaneras or any of your other businesses?

17 A That's very common that one business --
18 you can buy two houses. One of them you lose money,
19 and the other one you have a capital gain.

20 Q I completely agree with you. I completely
21 agree it's a harmless thing to do. It's a smart
22 thing to do.

23 A Are you doing taxations here?

24 Q Me?

25 A I mean, if you buy two houses and you lose