

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF FLORIDA

3 CASE NO.: 02-23662-CIV-GOLD

4 ARMANDO SARIOL,
5 Plaintiff,

ORIGINAL

6 vs.

7 FLORIDA CRYSTALS CORPORATION,
8 FLORIDA CRYSTALS FOOD CORPORATION,
9 and SUGAR FARMS CO-OP,

Defendants.

NIGHT BOX
FILED

MAY 17 2003

CLARENCE MADDOX
CLERK, USDC / SDFL / MIA

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12
13 One North Clematis Street
14 Suite 200
15 West Palm Beach, Florida
16 Monday, April 28, 2003
17 11:10 o'clock a.m.

18 -----
19 DEPOSITION
20 OF
21 RICHARD BLOMQVIST
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APPEARANCES:

J.H. ZIDELL, P.A.
BY: J.H. ZIDELL, ESQUIRE
300 71st Street, Suite 605
Miami Beach, FL 33141
Appearing on behalf of the Plaintiff.
(VIA SPEAKERPHONE)

STEEL, HECTOR & DAVIS, LLP
BY: NORMAN DAVIS, ESQUIRE
200 South Biscayne Boulevard
Miami, FL 33131
Appearing on behalf of the Defendants.

FLORIDA CRYSTALS CORPORATION
BY: WILLIAM TARR, ESQUIRE
One North Clematis, Suite 200
West Palm Beach, FL 33401
Appearing on behalf of the Defendants.

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I N D E X

WITNESS	DIRECT	CROSS	RE-DIRECT	RE-CROSS
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RICHARD BLOMQVIST

By MR. ZIDELL	4		
By MR. DAVIS		33	
By MR. ZIDELL			35
By MR. DAVIS			39

FURTHER
RE-
DIRECT

By MR. ZIDELL 40

1 Deposition of RICHARD BLOMQVIST, a Witness
2 herein, taken pursuant to the Rules and Notice heretofore
3 filed before Jesse L. Srebro, Court Reporter and Notary
4 Public in and for the State of Florida at Large, at One
5 Clematis Street, Suite 200, West Palm Beach, Palm Beach
6 County, Florida, on April 28, 2003, commencing at or about
7 11:10 a.m.

8 THEREUPON:

9 RICHARD BLOMQVIST
10 a Witness herein, having been first duly sworn by the
11 court reporter and cautioned to tell the truth of his
12 knowledge as to the within matters, was thereupon examined
13 and testified under oath as follows:

14 DIRECT EXAMINATION

15 BY MR. ZIDELL:

16 Q Mr. Blomqvist, good morning.

17 A Hi. How are you?

18 Q Hi. How you doing today?

19 A Good.

20 Q Good.

21 You work for Florida Crystals Food Corporation.

22 Correct?

23 A I'm employed by Agro Industrial
24 Management, Inc.

25 Q So are you employed by Florida Crystals

1 Food Corporation, yes or no?

2 A No, no.

3 Q You did sign an affidavit in this case.

4 Correct?

5 A I don't recall.

6 MR. ZIDELL: Counsel, you have a copy of
7 Mr. Blomqvist's affidavit in front of him?

8 MR. DAVIS: I do not.

9 BY MR. ZIDELL:

10 Q Have you ever been employed by Florida
11 Crystals Food Corporation?

12 A No.

13 Q What position do you hold with you said
14 Agro what?

15 A Agro Industrial Management, Inc.

16 Q What is the relationship between that
17 entity and Florida Crystals Corporation?

18 A Agro Industrial Management, Inc. is a
19 management company that I am employed by and it oversees
20 various activities of Florida Crystals Corporation.

21 Q Are the activities of Sugar Farms Co-op.
22 Correct?

23 A Yes.

24 Q That's the way it's been over the last
25 three to four years. Right?

1 A Yes.

2 Q Let me ask you this:

3 Just to make absolutely sure, you've never been
4 employed as the vice president of Florida Crystals Food
5 Corporation. Correct?

6 A I may be the vice president of Florida
7 Crystals Food Corporation.

8 Q You just don't know?

9 A I don't remember.

10 Q Do you know what Florida Crystals Food
11 Corporation does or not?

12 A At this time, I don't recall.

13 Q Do you know whether Florida Crystals
14 Corporation owns any farmland?

15 A Florida Crystals Corporation does not own
16 any farmland.

17 Q Does Florida Crystals Corporation engage
18 itself at all in any farming operations whatsoever?

19 A Not that I recall.

20 Q Does Florida Crystals Corporation perform
21 any type of agriculture all or horticultural services that
22 you're familiar with?

23 A Not that I recall.

24 Q Does Florida Crystals Corporation conduct
25 any type of agriculture all or horticultural activities

1 that you're familiar with over the last four years?

2 (Thereupon, Mr. Tarr exited the conference
3 room.)

4 MR. DAVIS: Objection, asked and answered.

5 THE WITNESS: I don't know.

6 (Thereupon, Mr. Tarr entered the
7 conference room.)

8 BY MR. ZIDELL:

9 Q Or not that you recall. Correct?

10 A I don't know.

11 Q Are you an attorney?

12 A No, I'm not.

13 Q The way that I understand Sugar Farms
14 Co-op and its operations is that it has provided
15 management by Florida Crystals Corporation. Correct?

16 MR. DAVIS: Object to the form.

17 THE WITNESS: Could you ask the question
18 again.

19 BY MR. ZIDELL:

20 Q Yes.

21 Has Sugar Farms Co-op provided management by
22 Florida Crystals Corporation?

23 MR. DAVIS: Object to the form.

24 THE WITNESS: I don't understand the
25 definition of management.

1 BY MR. ZIDELL:

2 Q Well, how is Sugar Farms Co-op managed in
3 your opinion or to your knowledge?

4 A I believe it's managed by Modesto Ulloa, I
5 believe.

6 Q Is that a guess, or do you know that?

7 A That's a guess.

8 Q I don't want you to guess.

9 Do you know who or what entity manages Sugar
10 Farms Co-op, yes or no?

11 A I don't know.

12 Q Do you know who or what entity manages
13 Florida Crystals Food Corporation, yes or no?

14 A I don't know.

15 Q Do you know what type of business Florida
16 Crystals Food Corporation conducts, yes or no?

17 A No.

18 Q Are you familiar that Sugar Farms Co-op
19 actually provides services to a variety of different
20 farms?

21 A Farms in what sense?

22 Q Well, farms like Kendall Sugar Cane Farm,
23 Adrienne Sugar Cane Farm, Lucie River, New Hope Sugar,
24 Vandegrift, New Hope Farm, South Florida Industrial, and
25 Closter Farm.

1 A It provides farming services for those
2 farms.

3 Those are companies, though, I believe.

4 Q Do you know how Sugar Farms Co-op is
5 compensated monetarily for the services that it provides
6 for those different companies or farms?

7 A Not exactly.

8 Q Do you know who Oscar R. Hernandez is?

9 A Yes, I do.

10 Q How do you know him?

11 A He is employed by Agro Industrial
12 Management, Inc.

13 Q Is Agro Industrial Management, Inc. a
14 subsidiary of Florida Crystals Corporation?

15 A No.

16 Q What does Oscar Hernandez do?

17 A Which Oscar Hernandez?

18 Q Oscar R. Hernandez.

19 A Oscar Hernandez is a vice president of
20 Agro Industrial Management, Inc.

21 Q Is one of his functions to sign employees'
22 paychecks that work for Sugar Farms Co-op?

23 A I don't recall.

24 Q Do you know if Oscar Hernandez has ever
25 signed an employee's paycheck who works for Sugar Farms

1 Co-op?

2 A I don't recall.

3 Q Do you know how employees that work for
4 Sugar Farms Co-op are actually paid?

5 A They are paid either by check or by
6 automatic deposit into their -- into a designated account,
7 into their designated account.

8 Q Who would issue the checks that are paid
9 to the employees of Sugar Farms Co-op?

10 A Sugar Farms Co-op.

11 Q Aren't the employees' checks that work for
12 Sugar Farms Co-op paid out of Florida Crystals Corporation
13 service center?

14 A I don't know.

15 Q So you don't know whether Sugar Farms
16 Co-op actually pays its employees their checks or not.
17 Correct?

18 A Could you ask the question again?

19 Q Yeah.

20 So you don't know whether Sugar Farms Co-op
21 actually pays its own employees' paychecks or not.
22 Correct?

23 MR. DAVIS: Object to the form.

24 THE WITNESS: Sugar Farms Co-op is a -- is
25 an entity who pays its paychecks to its

1 employees.

2 BY MR. ZIDELL:

3 Q Do you know whether the checks are issued
4 from --

5 A No.

6 Q Do you know who signs the checks that are
7 paid --

8 A I don't recall.

9 Q -- to the employees of Sugar Farms Co-op?

10 A I don't recall.

11 Q Are you responsible for paying any debts
12 whatsoever that are incurred by Sugar Farms Co-op?

13 A I'm not personally responsible for paying
14 checks or debts of Sugar Farms Co-op.

15 Q Do you pay debts that are incurred by
16 Sugar Farms Co-op in your job capacity?

17 A I personally don't.

18 Q Have you ever paid any debts that are
19 incurred by Sugar Farms Co-op?

20 A Personally?

21 Q As part of your job, as part of your work
22 duties?

23 A Do I personally pay? I don't personally
24 pay.

25 Q Have you ever caused to be paid any debts

1 that are incurred by Sugar Farms Co-op?

2 A Yes.

3 Q Tell me how you've done that?

4 A In my responsibility, I may have signed a
5 check. I may have authorized a wire to be made for
6 payment of an obligation.

7 Q What types of obligations?

8 A It might be any debt which Sugar Farms
9 Co-op owes.

10 Q Have you done that over the last four
11 years?

12 A I can't recall a specific instance, but I
13 may have.

14 Q How do you go about authorizing payment of
15 debts that are incurred by Sugar Farms Co-op?

16 A I would review documentation supporting
17 the -- a debt or obligation of Sugar Farms Co-op, and I
18 would authorize the payment or sign a check within my
19 capacity.

20 Q So you would make the final call whether
21 any debt is going to get paid or not that is incurred on
22 behalf of Sugar Farms Co-op. Correct?

23 A That is not necessarily correct.

24 Q Well, who would make the final call on
25 that debt?

1 A It would depend upon the circumstances and
2 the amount of monies involved.

3 Q Does your authorization kick in over a
4 certain dollar amount?

5 A Yes, it does.

6 Q What is that dollar amount?

7 A The dollar amount is \$25,000.

8 Q Who makes the call on the payment of debts
9 incurred by Sugar Farms Co-op that are left at \$25,000?

10 A I don't recall.

11 Q You just know that you make the final call
12 on the debts to be paid for Sugar Farms Co-op that are
13 valued at \$25,000 or more. Correct?

14 A Correct.

15 Q That's the way it's been over the last
16 four years?

17 A I don't recall the length of time.

18 Q Has it at least been that way over the
19 last three years?

20 A I don't recall a length of time.

21 Q Has a debt ever been given to you on
22 behalf of Sugar Farms Co-op that is worthless than \$25,000
23 for review?

24 A Yes.

25 Q What do you do with those?

1 A I don't recall.

2 Q Does anybody else that you know of have
3 the authority to make the final call on payments of any
4 debts in spite of value on behalf of Sugar Farms Co-op?

5 A Ask the question again.

6 Q Yeah.

7 Besides yourself, are you familiar with any
8 other living individual who is authorized to make the
9 final call on the payment of any debts incurred by Sugar
10 Farms Co-op irrespective of amount?

11 A Yes.

12 Q Who?

13 A Oscar R. Hernandez.

14 Q Would Oscar R. Hernandez be the one that
15 is responsible for signing the paychecks for the employees
16 of Sugar Farms Co-op?

17 A I don't recall.

18 Q You don't know who would be responsible
19 for signing the paychecks for the employees of Sugar Farms
20 Co-op. Correct?

21 A That is correct.

22 Q Do you know whether Florida Crystals Food
23 Corporation has ever employed Armando Sariol directly or
24 indirectly?

25 A I don't know.

1 Q Do you know if Florida Crystals Food
2 Corporation has ever had anything to do with Armando
3 Sariol's work for his compensation directly or indirectly?

4 A Could you repeat the question.

5 Q Yes.

6 Do you know whether Florida Crystals Food
7 Corporation has ever had anything to do with Armando
8 Sariol's work or his compensation directly or indirectly?

9 A I don't recall.

10 Q Do you know if Florida Crystals Food
11 Corporation has a legal or operational relationship with
12 Sugar Farms Co-op?

13 A I don't know.

14 Q You don't know?

15 A I do not know.

16 Q Do you know if Florida Crystals Food
17 Corporation packages and sells natural sugar and rice
18 products?

19 A Did that company previously have a
20 different name?

21 Q You're asking the wrong person.

22 I'm just asking if you know.

23 A Then I don't know.

24 Q Does Florida Crystals Food Corporation own
25 any farmland at all or do you know that?

1 A I don't know.

2 Q Do you know if Florida Crystals Food
3 Corporation is engaged in farming operations?

4 A I don't know.

5 Q And your full name is Erik, E-R-I-K, J.
6 Blomqvist. Correct?

7 A Correct.

8 Q Let me ask you this question,
9 Mr. Blomqvist:

10 Tell me how you go about authorizing debts to be
11 paid on behalf of Sugar Farms Co-op that are valued at
12 \$25,000 or more.

13 A I would review documentation, making sure
14 it has the appropriate approvals from individuals that are
15 associated with the operation of Sugar Farms Co-op, and
16 that it was properly received as designated by individuals
17 who are concerned with the operations of Sugar Farms Co-op
18 and to the extent the documentation appears to be correct
19 and I may compare the expenditure to budgeted amounts. At
20 that point in time, I would approve the expenditure for
21 payment.

22 Q Would you approve the expenditure to in
23 order that the payment be issued?

24 A To an accounts payable department.

25 Q Would Mr. Hendi be in charge of that?

1 A Mr. Hendi is -- oversees the accounts
2 payable function.

3 Q Do you know who or what company Mr. Hendi
4 works for?

5 A Mr. Hendi works for Florida Crystals
6 Corporation.

7 Q He's worked for Florida Crystals
8 Corporation over the last three to four years that you
9 know of?

10 A Yes.

11 Q When you authorize payment of a debt more
12 than \$25,000 that is incurred by Sugar Farms Co-op, you
13 actually direct some employees of Florida Crystals
14 Corporation to pay that debt. Correct?

15 A That is correct, because Florida Crystals
16 Corporation oversees the accounts payable function for
17 various subsidiaries, direct and indirect, of Florida
18 Crystals Corporation.

19 Q Which would at least include Sugar Farms
20 Co-op employees. Correct?

21 A That would include Sugar Farms Co-op
22 expenditures.

23 Q And employee paychecks. Correct?

24 A Paychecks are not made from the accounts
25 payable department. Paychecks are directed by the

1 directed by the human resource department.

2 Q What human resource department?

3 A Sugar Farms Co-op has a human resource
4 department.

5 Q So is it your testimony that the human
6 resource department at Sugar Farms Co-op is the one that
7 issues the employees' paychecks for Sugar Farms Co-op, or
8 do you not know?

9 A I do not know.

10 Q What is your understanding of the function
11 or the services that Florida Crystals Corporation provides
12 for Sugar Farms Co-op?

13 A It provides services that are back office
14 to a large extent that would be common to all -- to any
15 group of companies and they bring those together in the
16 most efficient way to save money for individual companies
17 and individual operations.

18 Q Specifically, does Florida Crystals
19 Corporation provide management for its subsidiaries?

20 A Define management.

21 Q Well, does Florida Crystals Corporation
22 oversee the day-to-day operations of its subsidiaries?

23 A I would say it does not oversee the
24 operations of the subsidiaries.

25 Q What does Florida Crystals Corporation

1 oversee in regards to its subsidiaries' business
2 functions?

3 A I think it monitors how businesses are
4 performing, it gives advice to the extent solicited, and
5 it provides for the basic functions of the back office of.

6 A business, in my case, the people I direct
7 provide the accounting and treasury and finance services
8 to various members of the affiliated group of companies.

9 Q Would you consider to be your boss?

10 A I would consider the board of directors of
11 the company.

12 Q Of Florida Crystals Corporation?

13 A Of Florida Crystals Corporation and the
14 board of directors of Agro Industrial Management, Inc.

15 Q Do those two companies share any directors
16 in common?

17 A I'm not sure. I don't know.

18 Q Who do you consider to be in charge of the
19 day-to-day operations of Sugar Farms Co-op?

20 A Modesto Ulloa. I believe that's how you
21 pronounce his last name.

22 Q Who is Modesto Ulloa's boss?

23 A I don't recall.

24 Q Do you have any idea?

25 A No.

1 MR. DAVIS: Objection, asked and answered.

2 BY MR. ZIDELL:

3 Q When you make an approval for a debt to be
4 paid on behalf of Sugar Farms Co-op in the amount of
5 \$25,000 or more, you direct somebody from the accounts
6 payable department of Florida Crystals Corporation to
7 carry that out. Correct?

8 A It may -- to the extent a check is made,
9 yes.

10 Q Who would you direct over at Florida
11 Crystals Corporation to cut the check for that debt to be
12 paid on behalf of Sugar Farms Co-op?

13 A The department.

14 Q Which department?

15 A The accounts payable department.

16 Q The one that Mr. Hendi runs?

17 A The one that he oversees.

18 Q Anybody particular in that department?

19 A No.

20 Q Who signs the checks for the debt that's
21 being paid on behalf of Sugar Farms Co-op that's \$25,000
22 or more?

23 A A person with the authority.

24 Q Who would that be?

25 A I don't recall all that have authority. I

1 know I have authority and I -- I -- and Oscar R. Hernandez
2 has the authority and there are others, but I don't recall
3 them.

4 Q Does Mr. Ulloa have the authority to do
5 that?

6 A I don't recall.

7 Q Does Mr. Hernandez, the one that was
8 deposed before you today, have that authority?

9 A Which Mr. Hernandez that was deposed
10 before me?

11 Q Mr. What was his first name again?

12 MR. DAVIS: Oscar F.

13 BY MR. ZIDELL:

14 Q Yeah, Oscar?

15 A Oscar F. Hernandez?

16 Q Yeah.

17 A I don't recall.

18 Q Do you know of anybody else besides
19 yourself and Oscar R. Hernandez that have authority to pay
20 debts on behalf of Sugar Farms Co-op that are valued at
21 \$25,000 or more?

22 A Yes. Medhi Hendi.

23 Q That's Mr. Hendi. Correct?

24 A Mr. Hendi.

25 Q Right.

1 A Rolando Valdivieseo.

2 Q Who is he?

3 A He is a -- he works for Mr. Hendi.

4 Q Over at Florida Crystals Corporation?

5 A I believe he is employed by Florida
6 Crystals Corporation.

7 Q Who else besides that?

8 A And I must say that checks require two
9 signatures.

10 Q Who are the two signatures that are
11 required on those checks?

12 A Any of -- any two of the individuals I
13 described. As far as others, I don't recall the others
14 that are authorized to sign checks.

15 Q Are any employees of Sugar Farms Co-op
16 authorized to sign any checks to pay any debts on behalf
17 of Sugar Farms Co-op?

18 A I don't recall.

19 Q The people that you've just mentioned,
20 meaning yourself, Oscar R. Hernandez, Mr. Hendi, and
21 Mr. Valdivieseo, you said --

22 A Valdivieseo.

23 Q -- all of you are certainly empowered to
24 sign checks for debts less than \$25,000 incurred by Sugar
25 Farms Co-op. Correct?

1 A That is correct. I need two signatures.

2 Q On employee paychecks, do you also need
3 two signatures?

4 A I don't recall.

5 Q Is it just for \$25,000 or more for Sugar
6 Farms Co-op that requires two signatures for all debts
7 irrespective of the amount requires two signatures to be
8 paid?

9 A Debt under ten thousand dollars requires
10 at least a facsimile signature.

11 Q By whom?

12 A Anything -- I don't recall the -- the
13 facsimiles signors. At least that or any two. Anything
14 ten thousand dollars or over requires two signatures.

15 Q Is there somebody who's in charge of
16 reviewing the debts that are incurred by Sugar Farms Co-op
17 that are ten thousand to twenty five thousand dollars?

18 A Yes.

19 Q Who?

20 A The person -- I don't recall.

21 Q Who were you about to say?

22 MR. DAVIS: Objection, asked and answered.

23 BY MR. ZIDELL:

24 Q Go ahead.

25 A Could you repeat the initial question

1 again.

2 (Thereupon, Mr. Tarr exited.)

3 BY MR. ZIDELL:

4 Q Is there somebody responsible for
5 reviewing debts to be paid on behalf of Sugar Farms Co-op
6 that are valued between ten to twenty five thousand
7 dollars?

8 A Yes.

9 Q Who?

10 A I don't recall.

11 Q Who is Cathy Campbell?

12 A Cathy Campbell is a -- is a payroll
13 manager.

14 Q Who does she work for?

15 A She works for Jose Perez.

16 Q I mean, what company does she work for?

17 A I believe Florida Crystals Corporation,
18 but I am not sure.

19 Q Did you ever remember Oscar F. Hernandez
20 signing any checks on behalf of Sugar Farms Co-op?

21 (Thereupon, Mr. Tarr entered the
22 conference room.)

23 BY MR. ZIDELL:

24 A I don't recall.

25 Q Can you remember Mr. Ulloa, U-L-L-O-A,

1 ever signing any checks on behalf of Sugar Farms Co-op?

2 A I don't recall.

3 Q Can you remember anybody who is employed
4 by Sugar Farms Co-op ever signing a check to pay a debt on
5 behalf of Sugar Farms Co-op?

6 A I don't recall.

7 Q Do you know how or who are the signatories
8 to the bank account held by Sugar Farms Co-op?

9 A I don't recall.

10 Q Are you one of them?

11 A I don't recall.

12 Q So you don't know whether you have the
13 authority to sign off on checks issued from Sugar Farms
14 Co-op bank account or not?

15 A I believe I do, but I am not sure.

16 Q Do you know of anybody else besides
17 yourself that would have that authority?

18 A I haven't looked at the resolution in
19 years, so I cannot be sure.

20 Q Part of your authorization process to get
21 debts paid on behalf of Sugar Farms Co-op that are valued
22 at \$25,000 or more, that you go through and you make sure
23 that the item has been properly approved before getting to
24 you, is that what you said before?

25 A Yes. We have a -- an accounting system

1 which all the -- all the various operations and companies
2 use called S.A.P., and part of the S.A.P. system requires
3 requisitions or for any expenditures to be put through the
4 system, and anything over \$25,000 for anything in my
5 oversight capacity, I'm to -- I approve those.

6 Q Who do you make sure looks at the item
7 before you give it your final stamp of approval for
8 payment on behalf of Sugar Farms Co-op?

9 A In some cases, the documentation has that
10 on and the system is -- the system is such we have --
11 there are lists of people within the system that have
12 different authority levels.

13 Q Like who, for example?

14 A I don't recall.

15 Q Any of them?

16 A Excuse me?

17 Q You don't recall any of them?

18 A I recall the people. However, I do not
19 recall the exact dollar amounts.

20 Q Who are the people that you're familiar
21 with that are have the authority to preapprove the item
22 before you give it your final stamp of approval for
23 payment?

24 A I know Modesto is one of them.

25 Q Who else besides him?

1 A I don't recall.

2 Q Do you recall anybody else?

3 A No, I don't. No, I don't.

4 Q Do you know who actually places the order
5 for equipment that is utilized by Sugar Farms Co-op?

6 A Ordered in what sense?

7 Q Who places the orders for big tractor
8 machinery that Sugar Farms Co-op needs to perform its
9 business functions?

10 A Are you speaking of purchasing, or are you
11 speaking of procuring services of that equipment through a
12 lease or some other means?

13 Q Well, give me the answer to both of those,
14 if you can.

15 A I know Modesto, he has the authority to do
16 that.

17 Q To place an order for equipment?

18 A That's correct, through the requisition
19 process.

20 Q How would he go about doing that?

21 A I'm -- I don't recall.

22 Q You just know that it would come by your
23 desk for final approval if indeed that equipment is
24 purchased. Correct?

25 A That is correct.

1 Q Have you ever called Modesto up and asked
2 him why he really needs that piece of equipment that he's
3 requesting or questioned the need basis for the equipment?

4 A Yes.

5 Q Does that happen often?

6 A No.

7 Q What do you do in regards to making sure
8 that the annual budget is complied with by Sugar Farms
9 Co-op?

10 A With the budgets, the accounting
11 department records the actual amounts in accordance with
12 budgets and presents it to Modesto.

13 Q What does he do with it?

14 A I don't know.

15 Q Are you also responsible for approving the
16 purchase of diesel fuel by Sugar Farms Co-op?

17 A I don't recall.

18 Q Do you know that Sugar Farms Co-op
19 purchases diesel fuel?

20 A I would imagine they do.

21 Q Are any gas invoices ever passed by your
22 desk for final approval?

23 A Yes.

24 Q Do you know what the diesel fuel is used
25 for by Sugar Farms Co-op?

1 A No.

2 Q Does Florida Crystals Corporation receive
3 a fee or payment directly from the farms that Sugar Farms
4 Co-op renders its services to?

5 A I don't recall.

6 Q Do you know anything about that?

7 A No.

8 Q Do you know who bills out for Sugar Farms
9 Co-op services to the respective farms that it provides
10 services to?

11 A No, I don't.

12 Q Do you know what company is responsible
13 for setting the annual budget for Sugar Farms Co-op?

14 A Sugar Farms Co-op.

15 Q Who gives the final approval as to how
16 much its annual budget is going to be?

17 A I don't know.

18 Q Who is responsible for making sure that
19 Sugar Farms Co-op has its employees comply with its budget
20 restrictions for any given year?

21 A Modesto.

22 Q Are you saying that because you know it,
23 or do you not know that and are guessing?

24 A I know he is responsible for his budget.

25 Q You said that part of your job function is

1 to make sure that the purchase or the payment of any debts
2 over \$25,000 is within the budget of Sugar Farms Co-op.

3 Correct? For that particular year?

4 A That's correct.

5 Q So aren't you the one that's in charge of
6 making sure that Sugar Farms Co-op complies with its
7 budget every year?

8 A Absolutely not. I'm just a check and
9 balance.

10 In other words, to give Modesto the information
11 so that he can explain any overages or underages to his
12 budget.

13 Q Then you make the final call whether to
14 approve that purchase or not. Correct?

15 A I only make the approval whether the
16 documentation is in place that supports the purchase.

17 Q Aren't you also in charge of evaluating
18 Modesto's explanation as to whether or not a certain item
19 is needed for the Sugar Farms Co-op operation and whether
20 or not you think that that's justified vis-a-vis the
21 budget?

22 A No. I may question an item on the budget
23 to an actual. Since I'm not familiar with farming, you
24 know, to any extent, I can't really differentiate between
25 a tractor being a -- I don't know a DM5 tractor if there

1 is such a thing -- and a DM4 tractor and what tractor may
2 be in his budget or what may not be to make sure I have a
3 proper matching on a particular purchase that they're
4 suggesting to make.

5 Q Have you ever seen that Sugar Farms Co-op
6 is going outside of its budget for any given year over the
7 last four years?

8 A I don't recall. I don't recall if they've
9 been going outside their budget or not, but I do monitor
10 their budget and make sure the information is received by
11 Modesto since he is the one that is responsible for the
12 budget.

13 Q Are there any adjustments that are ever
14 made to Sugar Farms Co-op budget on an annual basis or
15 does Sugar Farms Co-op bind itself from the inception of
16 the year to the end regarding its budget?

17 A There are have been modifications to the
18 budget after the initial budget.

19 Q Who approves the modification?

20 A I don't know.

21 Q Do you?

22 A No.

23 Q Does Oscar R. Hernandez do that?

24 A I don't know.

25 Q You don't know whether Jose Perez does

1 What?

2 A No, I don't.

3 Q Familiar with a pension plan that is
4 offered by Florida Crystals Corporation to Sugar Farms
5 Co-op employees?

6 A No, I'm not.

7 Q Do you know anything about the pension
8 plan that is offered by Florida Crystals Corporation to
9 the employees of Sugar Farms Co-op?

10 A No, I don't.

11 Q Are you part of the pension plan of
12 Florida Crystals Corporation?

13 A Yes, I am.

14 Q Have you been part of that pension plan
15 over the last four years?

16 A Yes, I have.

17 Q Do you know are why you're part of Florida
18 Crystals Corporation pension plan if you work for Agro
19 Industrial Association?

20 A I understand that ERISA allows that.

21 Q How have you come to understand that?

22 A I've been told that.

23 Q By whom?

24 A I don't recall.

25 MR. ZIDELL: I don't believe I have

1 anything further.

2 Thank you.

3 THE WITNESS: Thank you.

4 MR. DAVIS: I have a couple of questions.

5 CROSS-EXAMINATION

6 BY MR. DAVIS:

7 Q Mr. Blomqvist, is it correct or fair to
8 characterize FCC as a holding company?

9 MR. ZIDELL: Object to the form.

10 THE WITNESS: From my opinion, it is a
11 holding company.

12 BY MR. DAVIS:

13 Q In your experience and in terms of your
14 knowledge, is it different from other large holding
15 companies in American business?

16 MR. ZIDELL: Object to the form as well as
17 an improper predicate.

18 BY MR. DAVIS:

19 Q You can answer.

20 A It's -- it's -- it's typical to have a
21 holding company in America.

22 Q Do you know how many subsidiaries or
23 affiliates are connected with FCC, Florida Crystals
24 Corporation?

25 A Not exactly.

1 Q Are there more than 20?

2 A Yes.

3 Q Are there more than 30?

4 A Yes.

5 Q Are the kinds of management services that
6 FCC provides generally the same to all of those affiliates
7 and subsidiaries?

8 A That is correct, yes.

9 Q Do you know make a distinct between the
10 provision of management services to these subsidiaries and
11 affiliates as contrasted with an involvement of the
12 management of those affiliates and subsidiaries.

13 Do you distinguish the two?

14 A Yes, I do.

15 Q Does FCC involve itself in the management
16 of any of its affiliates or subsidiaries?

17 A No.

18 Q When FCC takes part in the purchase of
19 equipment for a subsidiary such as Sugar Farms Co-op, does
20 FCC purchase the equipment itself or does it acquire the
21 equipment as an agent for Sugar Farms Co-op?

22 MR. ZIDELL: Object to the form.

23 THE WITNESS: It -- it pays for -- it may
24 pay for it as an agent for Sugar Farms
25 Co-op.

1 BY MR. DAVIS:

2 Q But in so doing, is FCC purchasing that
3 purchasing that piece of equipment for FCC.

4 A No, it isn't.

5 MR. DAVIS: No further questions.

6 REDIRECT EXAMINATION

7 BY MR. ZIDELL:

8 Q Just a couple follow-ups on Mr. Blomqvist.
9 When you say that in your opinion that Florida
10 Crystals Corporation is a holding company, is that a
11 guess, or do you know that for a fact?

12 A I don't know the true definition of a
13 holding company, but that's why, in my opinion, it is
14 because Florida Crystals does not have any operational
15 responsibility.

16 Q Isn't employee payroll processed through
17 Florida Crystals Corporation?

18 A Florida Crystals does process payroll.

19 Q Florida Crystals also oversees the
20 management and provides management to various
21 subsidiaries, does it not?

22 MR. DAVIS: Object to the form.

23 BY MR. ZIDELL:

24 Q Go ahead.

25 A I don't know what Florida Crystals does.

1 I can only refer to what I do.

2 Q So, therefore, you don't know whether
3 Florida Crystals Corporation is a holding company or not.
4 Correct?

5 You're basically speculating. Right?

6 A Under my definition, it is because it
7 doesn't have operations.

8 In my definition and I don't know what the
9 definition of holding company is in a legal sense or an
10 accounting sense or a whatever sense, but in my
11 definition, if it does not have operations, it is a
12 holding company.

13 Q When you say that Florida Crystals
14 Corporation doesn't involve itself in the management of
15 its subsidiaries, is that also based on your personal
16 definition of management as opposed to what Florida
17 Crystals Corporation really does?

18 A No, it's -- that's based on my definition
19 of what I do.

20 Q So you don't really know whether Florida
21 Crystals Corporation involves itself in the management of
22 its subsidiaries or not. Correct?

23 A Ask that again.

24 Q You don't know whether Florida Crystals
25 Corporation involves itself in the management of its

1 subsidiaries. Correct?

2 A From -- from -- as far as I'm concerned,
3 no.

4 Q What do you mean, as far as you're
5 concerned, no?

6 A Myself personally.

7 Q In other words, you don't really know
8 whether Florida Crystals Corporation involves itself in
9 the management of its subsidiaries. Correct?

10 A It's a -- in my definition, it's a holding
11 company. It would not involve itself in the operations of
12 its subsidiaries.

13 Q What do you call the payroll the fact that
14 it's paying the checks for the employees that are working
15 for the for the subsidiaries?

16 A I would call that a service that's
17 performed.

18 Q What would you call providing legal
19 counsel to its subsidiaries?

20 A I would consider that as a service.

21 Q What would you call making the final
22 approval whether or not purchases or debts can be incurred
23 by its subsidiaries?

24 A Call that a service.

25 Q What would you call the exclusive right to

1 handle funds on behalf of its subsidiaries?

2 MR. DAVIS: Object to the form.

3 THE WITNESS: I don't understand what
4 exclusive right.

5 BY MR. ZIDELL:

6 Q In other words, if its subsidiaries have
7 no something access to the funds that they generate by
8 their services and only Florida Crystals Corporation does
9 have that access to those funds, then in your opinion,
10 that doesn't constitute operation or management either.
11 Correct?

12 A I -- I don't understand the question the
13 question.

14 Q Let me ask you this:

15 Is it fair to say that Florida Crystals
16 Corporation has the exclusive access to the funds that are
17 generated by the business activities of Sugar Farms Co-op?

18 A That's -- that's not correct.

19 Q Why not?

20 A Sugar Farms Co-op has access to its own
21 funds.

22 Q But my question to you is:

23 Who at Sugar Farms Co-op is allowed to sign
24 checks and to access the funds that are generated by Sugar
25 Farms Co-op?

1 A I don't know.

2 Q So, therefore, you don't know whether
3 Sugar Farms Co-op has access to the funds that it
4 generates or not. Correct?

5 A Sugar Farms Co-op has its own bank
6 accounts.

7 Q Right. But you just don't know who's
8 allowed to access those bank accounts. Correct?

9 A I don't recall.

10 Q The fact that Florida Crystals Corporation
11 is the final approval to any annual budget established for
12 Sugar Farms Co-op, that doesn't meet your definition of
13 management either. Correct?

14 A I never said that Florida Crystals has
15 final approval over a budget.

16 Q Who does have final approval over the
17 budget to be established by Sugar Farms Co-op?

18 MR. DAVIS: Objection, asked and answered.

19 THE WITNESS: I believe I said I didn't
20 know.

21 MR. ZIDELL: Nothing further.

22 Thank you.

23 RECROSS-EXAMINATION

24 BY MR. DAVIS:

25 Q Let me ask you a couple more, please.

1 To your knowledge, does Florida Crystals involve
2 itself in any way in the day-to-day farming operations at
3 Sugar Farms Co-op?

4 A Not to my knowledge.

5 Q There's been discussion here about a
6 payroll for employees at Sugar Farms Co-op.

7 Is that a Sugar Farms Co-op payroll or a Florida
8 Crystals payroll?

9 A I don't know what's being referred to in
10 these discussions. However, Sugar Farms Co-op has its own
11 payroll and it has its own operating account.

12 Q Are you saying, then, that the employees
13 of Sugar Farms Co-op are paid on funds drawn from a Sugar
14 Farms Co-op payroll account?

15 MR. ZIDELL: Object to the form.

16 BY MR. DAVIS:

17 Q You can answer.

18 A Yes.

19 MR. DAVIS: I have no further questions.

20 FURTHER REDIRECT EXAMINATION

21 BY MR. ZIDELL:

22 Q One final question here.

23 Do you know who administers the payroll for
24 Sugar Farms Co-op or who signs the checks for the
25 employees that work for Sugar Farms Co-op?

1 A I do not recall who signs the checks.

2 Q Do you know if the person who is signing
3 those checks works for Sugar Farms Co-op, yes or no?

4 A I don't know who signs the checks, so I
5 can't -- I have no opinion on it.

6 MR. ZIDELL: I don't have anything
7 further.

8 MR. DAVIS: We'll read.

9 MR. ZIDELL: I'll order this.

10 MR. DAVIS: I'll take a copy.

11 MR. ZIDELL: Due to certain deadlines, I
12 need this by 10:00 on Wednesday morning.

13 MR. DAVIS: I'll also take a mini and
14 index, please.

15 (Thereupon, the deposition was concluded
16 at 12:15 p.m.)

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WITNESS

SWORN AND SUBSCRIBED before me, this ____
day of _____, 2003, in the County of Dade, State
of Florida.

NOTARY PUBLIC

My Commission Expires:

CERTIFICATE


1
 2 STATE OF FLORIDA)
) SS
 3 COUNTY OF DADE)

4
 5 I, JESSE L. SREBRO, Court Reporter and Notary
 Public in and for the State of Florida at Large, do hereby
 6 certify that pursuant to Notice of Taking Deposition in
 the above-entitled cause, that I was authorized to and did
 7 stenographically report the foregoing deposition as
 hereinabove shown, and the testimony of said witness was
 8 reduced to computer transcription under my personal
 supervision.

9
 10 I further certify that the said deposition was
 taken at the time and place specified hereinabove, and
 11 that I am neither of counsel nor solicitor to either of
 the parties in said suit not interested in the event of
 12 the cause.

13 I further certify that I have delivered the
 14 original copy of said deposition to J.H. ZIDELL, Esquire,
 to be retained by him pending further order of the Court.

15
 16 WITNESS my hand and official seal in the City of
 Fort Lauderdale, County of Dade, State of Florida, this
 17 29th day of April, 2003.

18

 19 _____
 JESSE L. SREBRO
 Notary Public
 State of Florida
 Commission No.: CC 949452
 20 Expiration Date: 6/26/04
 21
 22
 23
 24
 25

KAPLAN, SODERBERG & ASSOCIATES, INC.,
1320 South Dixie Highway - Suite 775
Coral Gables, Florida, 33146
(305) 740-7121

April 29, 2003

RICHARD BLOMQVIST
c/o Norman Davis
200 South Biscayne Boulevard, Suite 4000
Miami, FL 33131

RE: ARMANDO SARIOL,
-V-
FLORIDA CRYSTALS CORPORATION, FLORIDA CRYSTALS FOOD
CORPORATION, and SUGAR FARMS CO-OP.

Dear Mr. Blomqvist:

Your deposition which was taken in the above-styled cause
on April 28, 2003, is now ready for reading and signing.

You may come to 1320 South Dixie Highway, Suite 775, Coral
Gables, FL 33146 at any time between the hours of 9:00
a.m. and 5:00 p.m., Monday through Friday, and read and
sign your deposition. If for any reason you wish to waive
this right or you wish not to read and sign your
deposition, please so advise.

Your deposition transcript will be held in this office
until May 30, 2003, after which time it will be delivered
to J.H. ZIDELL, Esquire, to be retained by him pending
further order of the Court.

Sincerely,



Jesse L. Srebro,
Court Reporter and Notary Public,
State of Florida at Large.
KAPLAN, SODERBERG & ASSOCIATES, INC.

KAPLAN, SODERBERG & ASSOCIATES, INC. (305) 740-7121