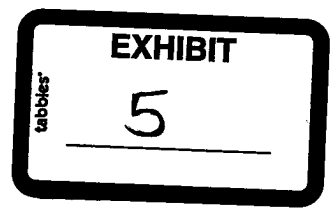


IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RIDGE CHRYSLER JEEP LLC, d/b/a)
MARQUETTE CHRYSLER JEEP, et al.,)
Plaintiffs,)
vs.) 03 C 760
DAIMLER CHRYSLER SERVICES NORTH)
AMERICA, LLC,)
Defendant/Counterclaim Plaintiff)
vs.)
RIDGE CHRYSLER PLYMOUTH, LLC, d/b/a)
MARQUETTE CHRYSLER JEEP, SALES,)
INC., d/b/a DODGE OF MIDLOTHIAN,)
GERALD W. GORMAN, and ELIZABETH A.)
GORMAN,)

The continued deposition of GERALD GORMAN, called for examination pursuant to the Rules of Civil Procedure for the United States District Courts pertaining to the taking of depositions, taken before Shelly S. Rubas, a notary public within and for the County of Cook and State of Illinois, at 190 South LaSalle, Chicago, Illinois, on the 7th day of October, 2004, at the hour of 9:30 o'clock a.m.

Reported by: Shelly S. Rubas, CSR
License No.: 084-004298



09:08:05

1 APPEARANCES:

2
 3 HAGENS BERMAN, LLP, by
 4 MR. CHRISTOPHER A. O'HARA
 5 1301 Fifth Avenue, Suite 2900
 6 Seattle, Washington 98101
 7 (206) 623-7292
 8 Representing dealerships in the Ridge
 9 case and plaintiffs in the Coburn
 10 case;

11
 12
 13 THE WEXLER FIRM, by
 14 MR. EDWARD ANTHONY WALLACE
 15 One North LaSalle Street, Suite 2000
 16 Chicago, Illinois 60602
 17 (312) 346-2222
 18 Representing the class plaintiffs in
 19 the Coburn case;

1 APPEARANCES (Continued):

2
 3
 4 DAIMLER CHRYSLER SERVICES NORTH AMERICA,
 5 LLC, by
 6 MR. MATTHEW E. ROY
 7 27777 Inkster Road
 8 Farmington Hills, Michigan 48334-5326
 9 (248) 427-2566
 10 Representing Daimler Chrysler.

11
 12
 13
 14 ALSO PRESENT: Mr. Theriot
 15 Shawn Temple

1 APPEARANCES (Continued):

2
 3
 4 JAMES J. ROCHE & ASSOCIATES, by
 5 MR. JAMES J. ROCHE
 6 642 North Dearborn Street
 7 Chicago, Illinois 60610
 8 (312) 335-0044
 9 Representing plaintiffs;

10
 11
 12 THOMPSON COBURN, LLP, by
 13 MR. WILLIAM BAY
 14 MR. JEFFREY FINK
 15 One US Bank Plaza
 16 St. Louis, Missouri 63101
 17 (314) 552-6000
 18 Representing Defendants;

1 INDEX		
2 WITNESS	EXAMINATION	
2 GERALD GORMAN		
By Mr. Bay		1,715
3 EXHIBITS		
Gorman Exhibit No.		
4 69		1,715
70		1,722
5 71		1,725
72		1,731
6 24 (previously marked)		1,735
73		1,777
7 74		1,779
75		1,791
8 76		1,799
77		1,803
9 78		1,806
79		1,807
10 80		1,809
81		1,812
11 82		1,814
83		1,817
12 84		1,821
22 (previously marked)		1,822
13 85		1,827
86		1,835
14 87		1,838
88		1,842
15 89		1,862
90		1,877
16 91		1,879
92		1,882
17 93		1,886
94		1,888
18 95		1,891
96		1,912
19 97		1,920
98		1,928
20 99		1,940
100		1,943
21 101		1,959
102		1,971
22 103		1,986
104		1,994
23 105		2,003
106		2,009
24 107		2,023

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1 (Whereupon, the witness was
2 duly sworn.) 10:01:23
3 MR. BAY: We are prepared to go forward in the 10:01:24
4 deposition and the lawyers have had some 10:01:27
5 discussions out in the hallway because Mr. Gorman's 10:01:28
6 company wants to have an additional corporate 10:01:33
7 representative in addition to himself which is 10:01:36
8 Mr. Shawn Temple. It's our position that's not 10:01:37
9 appropriate, it's improper. It hasn't been done by 10:01:40
10 our side and it hasn't been done in the deposition 10:01:42
11 earlier taken of Mr. Strickland -- Mr. Gorman. 10:01:44
12 The -- what we are prepared to do, having 10:01:51
13 discussed it with counsel, just to get the thing 10:01:54
14 going so we don't have to go to Judge Keys about 10:01:56
15 another item, is to go ahead and allow Mr. Temple 10:02:00
16 to be here for the next hour. If we find -- the 10:02:03
17 attorneys have said that if we find Mr. Gorman 10:02:07
18 looking over to Mr. Temple or there is motioning or 10:02:10
19 gesturing or things like that, that that's going to 10:02:13
20 stop. 10:02:16
21 We are agreeing without prejudice to our 10:02:16
22 right to make an objection timely to Judge Keys. 10:02:18
23 And in addition, Mr. O'Hara is going to represent 10:02:21
24 that Mr. Temple is not going to talk to Mr. Gorman 10:02:23

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1 during the breaks except to say hi or how are you 10:02:28
2 doing, but no questions or discussions about any of 10:02:31
3 the substantive facts. I think that is the right 10:02:32
4 way to proceed, and I think Mr. O'Hara is going to 10:02:35
5 represent that. 10:02:37
6 Under those circumstances, we are prepared 10:02:38
7 to go forward. 10:02:39
8 MR. O'HARA: That's fine. I would just state 10:02:40
9 for the record that it's our position that we don't 10:02:43
10 think that there is anything wrong with having 10:02:45
11 Mr. Temple here as a corporate representative 10:02:47
12 despite the fact that Mr. Gorman is here and he is 10:02:50
13 the owner.
14 That being said, I understand your 10:02:55
15 concerns and we are willing to play under the 10:02:56
16 ground rules we just discussed, that you just 10:02:59
17 stated. 10:03:02
18 MR. BAY: And you are going to represent that
19 Mr. Temple is not going to talk to Mr. Gorman 10:03:04
20 during the breaks about anything involved in the 10:03:05
21 case? 10:03:07
22 MR. O'HARA: That is correct. 10:03:08
23 MR. BAY: And that is acceptable to you, 10:03:10
24 Mr. Temple? 10:03:12

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1 MR. TEMPLE: Of course. 10:03:13
2 MR. BAY: Mr. Gorman?
3 THE WITNESS: Yes, sir.
4 GERALD GORMAN,
5 called as a witness herein, having been first duly
6 sworn, was examined and testified as follows:
7 EXAMINATION
8 BY MR. BAY:
9 Q. You are still under oath today?
10 A. Yes, sir.
11 Q. I want to continue on with the deposition 10:03:15
12 in the dealer case which we took for about a 10:03:18
13 day-and-a-half or whatever the hours were some time 10:03:20
14 ago as you recall I think in June, July? 10:03:23
15 A. Yes, sir. 10:03:26
16 Q. In connection with your purchase of 10:03:26
17 Suburban Dodge, did you do an application to 10:03:28
18 Chrysler Motors? 10:03:31
19 A. Yes, sir. 10:03:32
20 (Whereupon, Gorman Deposition
21 Exhibit No. 69 was marked for
22 identification.) 10:04:07
23 BY MR. BAY: 10:04:07
24 Q. Mr. Gorman, let me hand you what's been 10:04:07

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1 marked as Exhibit 69 and ask you if you can tell me 10:04:08
2 what that is. 10:04:10
3 A. It's the application for Suburban Dodge. 10:04:12
4 Q. This is an application that you filled 10:04:14
5 out? 10:04:15
6 A. Yes, sir. 10:04:15
7 Q. This is your handwriting on each of the 10:04:16
8 four pages? 10:04:18
9 A. Yes, sir. 10:04:19
10 Q. You signed it on February 12th, 1990? 10:04:19
11 A. Yes, sir. 10:04:22
12 Q. As part of the signing, I assume that you 10:04:23
13 have read it and answered these questions fully and 10:04:27
14 completely? 10:04:29
15 A. Yes, sir. 10:04:30
16 Q. And that's why on Page 4 in the middle of 10:04:30
17 the paragraph, it says for the purpose of securing 10:04:32
18 credit and other considerations, the undersigned 10:04:37
19 furnishes the above information which fully and 10:04:40
20 truthfully sets forth my personal financial 10:04:42
21 condition, education, and business background? Is 10:04:46
22 that right, sir? 10:04:51
23 A. What am I supposed to read, number four? 10:04:55
24 Q. I was looking at Page 4 which is SD 10:04:57

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1 capital, they knew then we put in the 1.9 million. 12:41:02
2 So they really weren't concerned about it. Okay? 12:41:02
3 Q. Yeah. I'm -- 12:41:02
4 A. Let's take a break here. I am getting 12:41:02
5 confused and I want to go to lunch. 12:41:04
6 MR. O'HARA: Can you finish this up quickly? 12:41:08
7 MR. BAY: I just wanted to kind of -- I want to 12:41:11
8 move to strike the answer as not responsive. 12:41:14
9 BY MR. BAY:
10 Q. But let me get back. I just wanted to 12:41:17
11 know I thought you said you had a conversation with 12:41:18
12 someone in which you said I'm going to give some 12:41:21
13 money to my wife's political campaign out of these 12:41:24
14 proceeds. I just want to follow that piece. I 12:41:28
15 know we had other questions, but if I could just 12:41:31
16 follow that one to ground here. 12:41:31
17 A. I told you that I had a conversation where 12:41:33
18 they knew that my wife was running for office and 12:41:35
19 that some of the money I had gotten was going to go 12:41:37
20 to her campaign. 12:41:39
21 Q. They didn't say anything one way or the 12:41:41
22 other in response to that? 12:41:43
23 A. No. 12:41:44
24 Q. You took their silence as approval? 12:41:44

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1 A. Correct. 12:41:47
2 Q. But just so we are clear, you specifically 12:41:47
3 told Falcon that you were going to take some of the 12:41:50
4 proceeds of this loan and use them as a 12:41:54
5 contribution from your dealership to your wife's 12:41:57
6 political campaign? 12:42:00
7 A. Correct. 12:42:02
8 Q. But you didn't tell them the amount? 12:42:03
9 A. Correct. 12:42:05
10 MR. BAY: Do you want to take a break for a 12:42:08
11 couple of minutes? 12:42:10
12 THE WITNESS: I'd like to go to lunch.
13 (Whereupon, lunch recess taken.) 13:14:40
14 (Whereupon, Gorman Deposition
15 Exhibit No. 89 was marked for
16 identification.) 13:50:56
17 BY MR. BAY: 13:50:57
18 Q. Mr. Gorman, what I wanted to do was take 13:50:57
19 up where we left off. 13:51:01
20 You indicated that the \$1.9 million, 13:51:03
21 instead of 1 million, 1.9 million was deposited 13:51:06
22 into Sales Inc.? 13:51:10
23 A. Approximately. 13:51:12
24 Q. And it's about the time the Falcon close 13:51:13

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1 which was on October, November, 2001, something in 13:51:15
2 that range? 13:51:17
3 A. Right. 13:51:18
4 Q. What I have handed you here is Exhibit 13:51:19
5 89 which is documents from your dealership, May 13:51:22
6 2002 bank information and particularly on Page 13:51:28
7 M-437266 -- 13:51:35
8 A. Okay. 13:51:37
9 Q. -- through M-437278, the Dodge of 13:51:37
10 Midlothian May 2002 operating accounts 13:51:41
11 reconciliation. 13:51:44
12 Agree? 13:51:46
13 A. Yes, sir. 13:51:46
14 Q. And I am looking at Page M-437266. 13:51:48
15 A. Okay. 13:51:53
16 Q. You've seen documents like this before? 13:51:53
17 A. Yes. 13:51:55
18 Q. This is what Kathy Mannheim and Judy 13:51:56
19 Gilmartin work with? 13:52:00
20 A. Right. 13:52:02
21 Q. They use this to reconcile what is on the 13:52:03
22 bank statement with what's on the company books? 13:52:06
23 A. Correct. 13:52:09
24 Q. As I understand it, as I am looking down 13:52:10

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1 on the entry on Page M-437266, there is listed 13:52:12
2 under the adjustments, the EFT from Falcon 13:52:16
3 Financial to Manufacturer's Bank, correct? 13:52:20
4 A. Yes, sir. 13:52:23
5 Q. It's still being carried on the books in 13:52:24
6 May of 2002, but it was deposited sometime before 13:52:26
7 that? 13:52:29
8 A. Yes, sir. 13:52:30
9 Q. I'm sorry. Strike that. 13:52:30
10 It's not carried on the books. That's why 13:52:32
11 on this item. It's a reconciliation item. It's 13:52:34
12 deposited in the bank account? 13:52:38
13 A. Not being an accountant, I don't 13:52:40
14 understand this. But yes, it was deposited and 13:52:42
15 yes, it's still here. 13:52:46
16 Q. And that's why it's -- and just like you 13:52:49
17 told me, the 1.98 number, it's 1.9, it's almost 13:52:49
18 2 million just as you told me? 13:52:53
19 A. Right. 13:52:55
20 Q. And it was deposited sometime back in 13:52:56
21 Manufacturer's Bank -- I'm sorry. It was deposited 13:52:57
22 in manufacturer's Bank sometime in the fall of 13:53:02
23 2001 after the Falcon loan closed? 13:53:03
24 A. Yes, sir. 13:53:06

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1 Q. And what's happening here is that it 13:53:06
 2 hasn't been booked yet on the company books which 13:53:08
 3 is why it's on this reconciliation? 13:53:10
 4 A. Correct. 13:53:13
 5 Q. Do you know why -- and you may not. Do 13:53:13
 6 you know why it hasn't been put on the books of the 13:53:15
 7 company yet? 13:53:19
 8 A. To the best of my recollection, it had 13:53:20
 9 something to do with the accountants and how they 13:53:22
 10 had to make entries for it. 13:53:25
 11 Q. The Mulcahy firm? 13:53:28
 12 A. Yes, sir, right. 13:53:33
 13 Q. And then right underneath this, it's --
 14 there's an entry wire transfers and checks 13:53:35
 15 Manufacturer's Bank not booked at 5/31/02, correct? 13:53:37
 16 A. Yes, sir. 13:53:42
 17 Q. And that's in an amount very much similar 13:53:42
 18 to the amount that was deposited from Falcon 13:53:46
 19 Financial. They are just 7 grand apart it looks 13:53:49
 20 like. 13:53:53
 21 A. You are talking about the 1.981 and then 13:53:58
 22 the 1.988?
 23 Q. Right. I think one of them is a 13:54:04
 24 \$1.981 million deposit -- 13:54:04

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1 A. Right.
 2 Q. -- to Manufacturer's Bank. 13:54:07
 3 A. Right.
 4 Q. And then this next item is wire transfers 13:54:09
 5 and checks that are not booked that is a 13:54:11
 6 1.988 negative or was taken out of the bank 13:54:14
 7 account, but isn't on the books yet, right? 13:54:17
 8 A. I don't know what that means, but 13:54:25
 9 1.988 was not taken out like that, so if that is 13:54:28
 10 your question -- 13:54:34
 11 Q. I was just trying to get that the entry 13:54:37
 12 was there. 13:54:40
 13 A. Right, yes. 13:54:40
 14 Q. First of all, we know the entry is there, 13:54:41
 15 correct? 13:54:43
 16 A. Correct. 13:54:44
 17 Q. And then it reflects items that total 13:54:44
 18 1.988 million that have been taken out of the bank 13:54:56
 19 account, but aren't yet accounted for in the 13:54:56
 20 company books? 13:54:56
 21 A. I don't know if that is what that means. 13:54:57
 22 Q. Because it looked like there was a reverse 13:54:59
 23 item. It looked like it was the mirror image of 13:55:00
 24 the item above it which was money deposited in the 13:55:04

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1 bank account -- 13:55:08
 2 A. Right. 13:55:09
 3 Q. -- but not yet accounted for in the 13:55:09
 4 company books. 13:55:11
 5 A. Correct. 13:55:12
 6 Q. And this one looked like money taken out 13:55:12
 7 of the bank account, but not yet accounted for in 13:55:14
 8 the company books. 13:55:17
 9 A. I know where your question -- but I don't 13:55:21
 10 know if that's what that is. 13:55:24
 11 Q. Do you know what not booked in the 13:55:26
 12 company's books means? 13:55:28
 13 A. No, sir. 13:55:31
 14 Q. That is just something you would rely on 13:55:31
 15 Shawn Temple, Judy Gilmartin, or Kathy Mannheim to 13:55:33
 16 tell you or the accountants? 13:55:37
 17 A. Right, more the accountants. 13:55:39
 18 Q. Now, if you could turn to the next page of 13:55:42
 19 this document which is M-437267. At the top, there 13:55:43
 20 is something called adjustments to books. 13:55:49
 21 Do you see that? 13:55:51
 22 A. Right. 13:55:52
 23 Q. Do you know whose handwriting this is by 13:55:52
 24 the way? 13:55:55

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1 A. I think it's Judy's. 13:55:56
 2 Q. And that would be appropriate as far as 13:55:58
 3 you understand from her job description to do 13:56:00
 4 something like this? 13:56:03
 5 A. Yes, sir. 13:56:04
 6 Q. And then on line 11 of this document, it 13:56:04
 7 says checks and wire transfer dollars Manufacture's 13:56:07
 8 Bank 5/31/02. 13:56:13
 9 Do you see that particular line? 13:56:15
 10 A. Right. 13:56:17
 11 Q. And it says 1.98828832? 13:56:17
 12 A. Correct. 13:56:21
 13 Q. Which is the same line as the page before, 13:56:21
 14 correct? 13:56:24
 15 A. Yes, sir. 13:56:25
 16 Q. And this would appear to be the detail of 13:56:26
 17 what is encompassed in the 1.988 million, correct? 13:56:30
 18 A. Again, not knowing accounting, I don't 13:56:38
 19 know if it is or it isn't. It would be something 13:56:41
 20 that they would have to explain, but this does look 13:56:44
 21 like there's -- for some accounting, right. 13:56:50
 22 Q. Either Judy Gilmartin or Mulcahy could 13:56:54
 23 explain this, correct? 13:56:58
 24 A. Probably Mulcahy, but yes. 13:57:00

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1 Q. But at least it looks like the detail of 13:57:03
 2 the 1.988 is -- I mean, I was looking at the 13:57:05
 3 numbers kind of adding them up. That is what it 13:57:08
 4 looks like? 13:57:09
 5 A. Right. 13:57:11
 6 Q. And I was just going to try to make sure I 13:57:11
 7 understood some of these entries. And if you don't 13:57:13
 8 know, I understand. Let me just run through them. 13:57:15
 9 The entries from 2001 start November 13:57:17
 10 5th, '01, \$15,000 to SPT. 13:57:22
 11 Do you know who that is or what that is? 13:57:28
 12 A. No, sir. 13:57:29
 13 Q. That wouldn't be Shawn Temple? 13:57:30
 14 A. I don't know if that would be Shawn or 13:57:33
 15 not. 13:57:35
 16 Q. Then 11/20/1 MCJ 300,000. Is that 13:57:35
 17 Marquette Chrysler Plymouth? 13:57:41
 18 A. If that says MCJ, I would say that 13:57:44
 19 probably it is, but -- on mine it's hard to read, 13:57:48
 20 Bill. It's almost blacked out. 13:57:51
 21 Q. It's not easy to read. I acknowledge 13:57:54
 22 that.
 23 A. If it says MCJ, it probably stands for 13:57:56
 24 Marquette Chrysler Jeep, yes, sir. 13:57:58

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1 Q. The next one is November 27th, '01, and 13:58:01
 2 says GG DR memo with the word lot. And that 13:58:02
 3 says -- first of all, that is what it says, right? 13:58:08
 4 A. Right, correct. 13:58:09
 5 Q. And then it has 232,000 and some odd 13:58:10
 6 dollars in that line? 13:58:12
 7 A. Correct. 13:58:13
 8 Q. Does that mean anything to you? 13:58:14
 9 A. Yeah. That was a lot I bought and then 13:58:15
 10 right after that, I put a mortgage on it and put 13:58:18
 11 the money back in the company. 13:58:21
 12 Q. When you say a lot, you mean like a piece 13:58:23
 13 of property? 13:58:25
 14 A. Right, right. 13:58:25
 15 Q. So then where was that piece of property? 13:58:27
 16 A. In Orland. 13:58:29
 17 Q. So you bought -- did it have a house on it 13:58:31
 18 or was it a vacant lot? 13:58:33
 19 A. Vacant. 13:58:34
 20 Q. And so you bought a piece of vacant 13:58:34
 21 property for 232,000 and then mortgaged it? 13:58:37
 22 A. Mortgaged it and put the money right back 13:58:39
 23 into the store. 13:58:41
 24 Q. And who was the mortgage with? 13:58:42

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1 A. I believe Manufacture's Bank. 13:58:46
 2 Q. And that would have been in the full 13:58:49
 3 amount of the 232,000? 13:58:51
 4 A. I think I actually mortgaged it for 13:58:52
 5 300 and put that back in. 13:58:54
 6 Q. So somewhere else we could see an entry -- 13:58:56
 7 A. Yeah, I can get that for you. 13:58:59
 8 Q. -- that would show -- okay. But let me -- 13:59:00
 9 somewhere else we'd see an entry -- 13:59:00
 10 A. Right.
 11 Q. -- showing a deposit of \$300,000 after 13:59:03
 12 this date? 13:59:04
 13 A. Yes, sir. 13:59:05
 14 Q. Into the company's accounts? 13:59:06
 15 A. Yes, sir. 13:59:08
 16 Q. The next entry December 3rd, '01, says 13:59:08
 17 MCJ. At least it looks like it does to me. Does 13:59:11
 18 it to you? 13:59:15
 19 A. Yes, sir. 13:59:16
 20 Q. And that is a transfer to Marquette 13:59:16
 21 Chrysler Plymouth, Chrysler Jeep? 13:59:18
 22 A. Right. 13:59:20
 23 Q. And then the next entry December 13:59:21
 24 26th, '01, it says to ERV Florida 13:59:23

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1 150,000? 13:59:29
 2 A. Yes, sir. 13:59:29
 3 Q. Is that the condominium down payment you 13:59:30
 4 told me about? 13:59:32
 5 A. Right. Yes, sir. I would assume that is, 13:59:33
 6 yes, sir. 13:59:35
 7 Q. And then December 7th, '01, I see KZ and 13:59:35
 8 LJ 23,500. 13:59:40
 9 Do you know what that is? 13:59:43
 10 A. No, sir. 13:59:44
 11 Q. Do you know who Kevin Zarimba (phonetic) 13:59:44
 12 is? 13:59:47
 13 A. Yes, sir. 13:59:48
 14 Q. Who is Kevin Zarimba? 13:59:48
 15 A. He's a neighbor of mine. He's a 13:59:59
 16 contractor. 13:59:59
 17 Q. And did he do some work to require you to 13:59:59
 18 pay him? 13:59:59
 19 A. I don't recall if he did or didn't. I 13:59:59
 20 mean, he's done work for me, built the house I live 13:59:59
 21 in. He works on houses. 14:00:00
 22 Q. Would this be a personal item or a company 14:00:01
 23 item if you know? 14:00:04
 24 A. I don't know. 14:00:06

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1 Q. Then December 14th, 2001 -- and the LG, is 14:00:08
 2 that Liz Gorman or is that somebody else? 14:00:11
 3 A. That would probably be Liz Gorman. 14:00:13
 4 Q. What was the payment to Liz Gorman? 14:00:17
 5 A. It says \$10,000. 14:00:20
 6 Q. Do you know what it was for? Is that some 14:00:22
 7 salary she earns, is it a bonus, or is it a 14:00:25
 8 political contribution? I am just trying to -- if 14:00:28
 9 you know. 14:00:32
 10 A. I don't know if -- I don't think it would 14:00:33
 11 be a political contribution because her campaign 14:00:34
 12 wasn't really up and gearing at that time. 14:00:37
 13 Q. So as you sit here today, you are just not 14:00:39
 14 sure what that is? 14:00:43
 15 A. No, sir. 14:00:44
 16 Q. Then the December 14th, 2001, shows SP and 14:00:44
 17 JK in separate amounts. 14:00:47
 18 Do you know what that is? 14:00:53
 19 A. It could be, and, again, I'm not sure if 14:00:56
 20 it is, but it could be Steve Phillipos and John 14:01:00
 21 Kaye. 14:01:04
 22 Q. Would that be Christmas bonuses, something 14:01:04
 23 like that? Do you something like that to your key 14:01:06
 24 people? 14:01:08

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1 A. Yes, sir. 14:01:09
 2 Q. Do you think that's what it is? 14:01:09
 3 A. It could be. I don't want to say for
 4 sure, but I might have given it to them ahead of 14:01:12
 5 time so they'd have it, but I don't want to say for 14:01:14
 6 sure that's what it is, but it could be Steve 14:01:16
 7 Phillipos and John Kaye, yes, sir. 14:01:19
 8 Q. And it looks like those payments in 14:01:21
 9 December -- I'm sorry -- in 2001 total 14:01:23
 10 938,827.57 at least according to what 14:01:24
 11 Ms. Gilmartin has written? 14:01:30
 12 A. Yes, sir. 14:01:32
 13 Q. Then there's entries in January '02. The 14:01:32
 14 first one is to Malinson Law Office for 14:01:34
 15 96,000. 14:01:39
 16 Do you see that? 14:01:40
 17 A. Yes, sir. I don't know what -- 14:01:41
 18 Q. What is that about? 14:01:41
 19 A. I don't know. 14:01:42
 20 Q. Are those lawyers that you've ever either 14:01:43
 21 you or your companies have ever retained for 14:01:46
 22 anything? 14:01:49
 23 A. No, I don't think we have retained them. 14:01:50
 24 Q. So that is a surprise to you? 14:01:52

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1 A. Yes, sir. 14:01:55
 2 Q. There are a variety of BNY entries here. 14:01:56
 3 Do you see those? 14:02:00
 4 A. Yes, sir. 14:02:02
 5 Q. What is BNY? 14:02:03
 6 A. That's Falcon. 14:02:05
 7 Q. So there are six payments to Falcon of 14:02:06
 8 105,000 --
 9 A. Yes.
 10 Q. -- \$424.50 each? 14:02:07
 11 A. Yes, sir. 14:02:12
 12 Q. And that I assume is why Ms. Gilmartin has 14:02:12
 13 written over on the side 105,000, 424.50 times six 14:02:16
 14 equals January through May '02 to June '02? 14:02:20
 15 A. Yes, sir. 14:02:22
 16 Q. There are two entries I see here with no 14:02:27
 17 info received, January 18th and February 22nd. 14:02:29
 18 Do you know what those are? 14:02:33
 19 A. No, sir. 14:02:35
 20 Q. And then I see a Gorman Good Government 14:02:36
 21 February 7th, '02, for \$50,000 -- 14:02:40
 22 A. That would be -- I'm sorry. I know you 14:02:44
 23 didn't stop asking a question. 14:02:47
 24 Q. That's okay. 14:02:48

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1 Just do you see that entry? 14:02:48
 2 A. Yes. 14:02:50
 3 Q. Is that the political campaign of your 14:02:50
 4 spouse? 14:02:55
 5 A. Yes. 14:02:56
 6 Q. Is that also true of the entries March 14:02:56
 7 4th, '02, for 15,000 and March 8th, '02, for 14:02:58
 8 125,000? 14:03:02
 9 A. Yes, sir. 14:03:04
 10 Q. And April 22nd, '02, for 40,000? 14:03:04
 11 A. Yes, sir. 14:03:09
 12 Q. So all of those entries were contributions 14:03:10
 13 -- I'm sorry. 14:03:21
 14 Were they loans or contributions? 14:03:22
 15 A. Loans. 14:03:24
 16 Q. So they were loans by the company Sales, 14:03:25
 17 Inc., to your wife's political campaign which was 14:03:27
 18 called Gorman Good Government? 14:03:31
 19 A. Correct. 14:03:34
 20 Are we done with this? 14:03:35
 21 Q. Yeah.
 22 And at some point in time then -- at some 14:03:45
 23 point later than this, these disbursements out of 14:03:46
 24 the Manufacturer's Bank account and the cash coming 14:03:49

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

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RIDGE CHRYSLER JEEP LLC, d/b/a)
MARQUETTE CHRYSLER JEEP, et al.,)
Plaintiffs,)
vs.) 03 C 760
DAIMLER CHRYSLER SERVICES NORTH)
AMERICA, LLC,)
Defendant/Counterclaim Plaintiff)
vs.)
RIDGE CHRYSLER PLYMOUTH, LLC, d/b/a)
MARQUETTE CHRYSLER JEEP, SALES,)
INC., d/b/a DODGE OF MIDLOTHIAN,)
GERALD W. GORMAN, and ELIZABETH A.)
GORMAN,)

The continued deposition of GERALD GORMAN,
called for examination pursuant to the Rules of
Civil Procedure for the United States District
Courts pertaining to the taking of depositions,
taken before Shelly S. Rubas, a notary public
within and for the County of Cook and State of
Illinois, at 190 South LaSalle, Chicago, Illinois,
on the 8th day of October, 2004, at the hour of
9:30 o'clock a.m.

Reported by: Shelly S. Rubas, CSR
License No.: 084-004298

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 24

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2	WITNESS	EXAMINATION
3	GERALD GORMAN	
4	By Mr. Bay	2,075
5	EXHIBITS	
6	Number	Identified
7	Gorman Exhibit No.	
8	109	2,075
9	110	2,082
10	111	2,085
11	112	2,086
12	113	2,087
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1 (Whereupon, the witness was
2 duly sworn.) 09:44:07
3 MR. BAY: We, for the record, still object to 09:44:07
4 having Mr. Temple here, but I assume that you want 09:44:10
5 to have him here pursuant to the same agreement and 09:44:13
6 based on the same representations you are making on 09:44:17
7 behalf of Mr. Temple and Mr. Gorman? 09:44:20
8 MR. O'HARA: Correct. 09:44:24
9 (Whereupon, Gorman Deposition
10 Exhibit No. 109 was marked for
11 identification.)
12 GERALD GORMAN,
13 called as a witness herein, having been first duly
14 sworn, was examined and testified as follows:
15 EXAMINATION
16 BY MR. BAY: 09:45:19
17 Q. Mr. Gorman, let me hand you what's been 09:45:19
18 marked as Exhibit 109 and ask you if know -- can 09:45:22
19 tell me what that is. 09:45:27
20 A. It's a letter from Mr. Buckley to Sales, 09:45:28
21 Inc., and myself and my wife. 09:45:32
22 Q. A letter you received personally and as 09:45:33
23 president of the company? 09:45:35
24 A. Yes, sir. 09:45:36

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1 Q. This was dated September 20, 2002? 09:45:36
2 A. Yes, sir. 09:45:38
3 Q. And Mr. Buckley was writing on behalf of 09:45:39
4 Chrysler Financial about certain things that are 09:45:42
5 contained in the letter? 09:45:45
6 A. Pardon me? Yes, sir. 09:45:47
7 Q. I'm sorry? 09:45:48
8 A. Yes, sir, I said. 09:45:51
9 Q. I didn't hear the word before that. 09:45:53
10 A. I said pardon me and then I said, yes, 09:45:55
11 sir, because you were like -- 09:45:57
12 Q. This letter indicates that Sales had cash 09:46:01
13 needs of \$2.1 million, correct? 09:46:04
14 A. Yes, sir. 09:46:07
15 Q. Did you agree with that? 09:46:07
16 A. No, sir. 09:46:08
17 Q. It also indicates that there were certain 09:46:12
18 monies due under the loan documents as of September 09:46:15
19 18th; is that correct? 09:46:18
20 A. That might have been correct, yes. 09:46:29
21 Q. You are not for sure, but it seems correct 09:46:31
22 to you? 09:46:34
23 A. Yes, sir. 09:46:35
24 Q. And, of course, this letter gave notice 09:46:36

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1 that Sales was in default of certain obligations, 09:46:40
2 correct? 09:46:43
3 A. Yes, sir. 09:46:44
4 Q. And at this point, Chrysler Financial was 09:46:45
5 asking -- strike that. 09:46:49
6 Chrysler Financial was demanding that 09:46:51
7 there be an additional investment of \$2.1 million, 09:46:53
8 correct? 09:46:58
9 A. Yes, sir. 09:46:59
10 Q. And also provide an accurate consolidated 09:47:01
11 financial statement? 09:47:04
12 A. Yes, sir. 09:47:05
13 Q. And was an accurate consolidated financial 09:47:06
14 statement ever provided as requested in this 09:47:08
15 letter? 09:47:12
16 A. I don't believe it was. 09:47:14
17 Q. Was \$2.1 million in the form of a true 09:47:16
18 capital investment or a subordinated loan put into 09:47:21
19 the company as a result of this letter? 09:47:25
20 A. The 2 point million that I don't agree 09:47:28
21 needed was not put in, but there was money put in. 09:47:32
22 Q. That was the 925,000 was put in? 09:47:35
23 A. Yeah, and subsequent money after that from 09:47:40
24 the proceeds of the sale of Marquette. 09:47:44

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1 Q. Proceeds from the sale of -- I didn't 09:47:45
2 hear.
3 A. Of Marquette. 09:47:47
4 Q. So during the calendar year 2002 at the 09:47:49
5 end of the year, another \$925,000 was put in? 09:47:51
6 A. Yes, sir. 09:47:56
7 Pardon me? 09:47:56
8 Q. By the end of the calendar year 2002, an 09:47:57
9 additional \$925,000 was -- 09:48:00
10 A. Yes -- 09:48:03
11 Q. -- placed in the dealership as paid in 09:48:04
12 capital? 09:48:06
13 A. Yes, sir. 09:48:07
14 Q. And then your testimony is that sometime 09:48:08
15 in 2003 after Marquette was sold, there was 09:48:10
16 additional proceeds put over into Midlothian? 09:48:13
17 A. Yes, sir. 09:48:16
18 Q. Have you ever been a shareholder of the 09:48:25
19 First Suburban Bancorp? 09:48:28
20 A. Yes, sir. 09:48:30
21 Q. When did you become a shareholder of the 09:48:31
22 First Suburban Bancorp? 09:48:34
23 A. I bought some stock in the company 09:48:35
24 sometime in 2000 or 2001. 09:48:41

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1 club bill. 14:45:06

2 Again, is that a personal item 14:45:06

3 attributable to you and your spouse or is it a 14:45:09

4 company expense? 14:45:12

5 A. To me and my spouse. 14:45:13

6 Q. Lake Effect Marina? 14:45:15

7 A. Me and my spouse. 14:45:17

8 Q. The MEPIA Gorman property insurance in 14:45:20

9 Michigan? 14:45:25

10 A. Me and my spouse. 14:45:26

11 Q. The Orland Open MRI? 14:45:28

12 A. Me and my spouse. 14:45:31

13 Q. University of Chicago? 14:45:35

14 A. Me and my spouse. 14:45:38

15 Q. Verizon North, Gorman Michigan phone? 14:45:43

16 A. Me and my spouse. 14:45:45

17 Q. And the last one to Shawn Temple, again, a 14:45:48

18 \$1,683, you don't know what that is as you sit here 14:45:51

19 today? 14:45:55

20 A. No, sir. 14:45:56

21 Q. Go to October. The first entry is Barry 14:46:02

22 Landscaping. 14:46:07

23 Is that one attributable to you and your 14:46:07

24 spouse personally or to the company? 14:46:10

Page 2300

1 A. Myself and my spouse. 14:46:12

2 Q. The November statement. There is only one 14:46:30

3 new one I see there which is towards the bottom of 14:46:32

4 November, tax collector Gordon Hammer or Hamer 14:46:35

5 (phonetic) Real Estate tax. 14:46:42

6 Do you see that, sir? 14:46:43

7 A. Yes, that's got to be some tax bill on 14:46:45

8 some property we own. 14:46:48

9 Q. So that is a personal item? 14:46:50

10 A. Right. 14:46:51

11 Q. So all of these personal items, if your 14:46:52

12 accountants were here, all of these items that 14:46:54

13 appear on Exhibit 124, which you've told me about, 14:46:57

14 or any other place they appear on the records, you 14:46:59

15 would tell your accountants, Mr. Mulcahy, these are 14:47:02

16 personal items not chargeable to the company, 14:47:04

17 please fix the records in that regard, correct? 14:47:07

18 A. Correct. 14:47:09

19 Q. Thank you. 14:47:10

20 MR. BAY: Take a break for a second? 14:47:12

21 (Whereupon, recess taken.) 14:52:14

22 BY MR. BAY: 14:52:14

23 Q. Mr. Gorman, did your business, Midlothian, 14:52:15

24 pay payroll taxes on all of the payments that were 14:52:20

Page 2301

1 made on behalf of Mr. Temple? 14:52:22

2 A. I don't know. 14:52:25

3 Q. They should have, correct? 14:52:26

4 A. I don't know. That would be -- I don't 14:52:28

5 know. 14:52:30

6 Q. Did your business withhold taxes on all 14:52:31

7 the payments that were made on Mr. Temple's behalf? 14:52:34

8 A. I don't know. 14:52:38

9 Q. Again, that is something they should have, 14:52:38

10 shouldn't they? 14:52:40

11 A. I don't know. I am not an accountant. 14:52:41

12 Q. You have been a business owner for 14:52:43

13 14 years. I would assume you know you withhold 14:52:44

14 taxes and pay payroll taxes on compensation paid to 14:52:48

15 your employees. 14:52:51

16 A. I know you do payroll taxes. I don't know 14:52:52

17 the other part of what you are talking about. You 14:52:54

18 would have to talk -- you know, I don't know. 14:52:57

19 (Whereupon, Gorman Deposition 14:52:57

20 Exhibit No. 125 was marked for 14:52:57

21 identification.) 14:53:33

22 BY MR. BAY: 14:53:33

23 Q. Mr. Gorman, let me hand you Exhibit 14:53:34

24 125 and ask you if you can tell me what that is. 14:53:37

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1 A. It's a form D2 for the Gorman Good 14:53:40

2 Government Group. 14:53:43

3 Q. This is the one that was as of -- or filed 14:53:44

4 March 12, 2003, correct? 14:53:45

5 A. Yes. 14:53:51

6 Q. So that was after the lawsuit was filed, 14:53:53

7 correct? 14:53:55

8 A. Correct. 14:53:56

9 Q. I would ask you to turn towards the back. 14:53:56

10 I think that is the second to last page, CF-58889. 14:54:00

11 Do you see that, sir? 14:54:07

12 A. Yes, sir. 14:54:11

13 Q. Does this set out \$395,000 in loans from 14:54:12

14 Sales, Inc., and Dodge of Midlothian to the Gorman 14:54:18

15 Good Government Group? 14:54:21

16 A. Does this what? 14:54:23

17 Q. Does this set out loans in the amount of 14:54:26

18 \$395,000 that were made by Sales, Inc., and Dodge 14:54:29

19 of Midlothian to the Gorman Good Government Group? 14:54:33

20 A. Yes, it does. 14:54:36

21 Q. And this accurately sets out those loans, 14:54:37

22 correct? 14:54:40

23 A. Yes. 14:54:41

24 Q. And they were made by your company, 14:54:41

Page 2303

1 correct? 14:54:43
 2 A. Yes. 14:54:43
 3 Q. Have they been -- have they been repaid? 14:54:44
 4 A. No. 14:54:49
 5 Q. I thought earlier you told me something 14:54:53
 6 had happened with regard to these. Let me go back. 14:54:56
 7 The Gorman For Good Government Group has 14:55:01
 8 never repaid these loans to Dodge of Midlothian or 14:55:03
 9 to Sales, Inc., correct? 14:55:07
 10 A. No. The loans are still outstanding. 14:55:08
 11 Q. That is what I meant, the loans are still 14:55:12
 12 outstanding. In other words, the Gorman Good 14:55:14
 13 Government Group still owes \$395,000 to Dodge of 14:55:17
 14 Midlothian or Sales, Inc., correct? 14:55:21
 15 A. No. Actually, it owes it to me. It was 14:55:23
 16 my money. 14:55:32
 17 Q. How does it owe it to you since the 14:55:32
 18 statement says it was a loan from the company? 14:55:32
 19 A. Because it's been amended I believe 14:55:32
 20 because the money came out of the store which was 14:55:35
 21 my money from Falcon. 14:55:38
 22 Q. So did you pay the store \$395,000? 14:55:40
 23 A. No. Falcon gave me the money that I put 14:55:42
 24 in, so we rearranged it that the money was owed to 14:55:46

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1 me. 14:55:50
 2 Q. Could you explain that for me, how it was 14:55:51
 3 rearranged after March of 2003? 14:55:53
 4 A. You just go in and you make changes in the 14:55:57
 5 -- there is a way to go about it. I don't know how 14:56:02
 6 you do it, but it's been done. 14:56:05
 7 Q. Well, to begin with, and I don't want to 14:56:07
 8 dig all these out because I kind of skipped over 14:56:09
 9 this because I thought we agreed on that, but the 14:56:11
 10 business, Sales, Inc., had written checks to the 14:56:15
 11 Gorman Good Government Group, correct? 14:56:18
 12 A. Correct. 14:56:20
 13 Q. In the amount of \$395,000, several checks, 14:56:21
 14 right? 14:56:24
 15 A. Correct. 14:56:24
 16 Q. And it's accurately reported on this 14:56:25
 17 Exhibit 125, correct? 14:56:27
 18 A. Correct. 14:56:29
 19 Q. As of March 2003? 14:56:30
 20 A. Correct. 14:56:32
 21 Q. And I can get all the checks out, but I 14:56:34
 22 don't think you disagree with me on that, right? 14:56:37
 23 A. No. 14:56:39
 24 Q. Now, I think at this point, you are 14:56:40

Page 2305

1 telling me that the Gorman Good Government Group 14:56:42
 2 did not repay the dealership, correct? 14:56:44
 3 A. Correct. They haven't repaid anybody. 14:56:47
 4 Q. And as I understand it, you are now saying 14:56:50
 5 that the loans are not from the dealership, they 14:56:53
 6 are from you? 14:56:56
 7 A. Correct. 14:56:56
 8 Q. And how did -- did you acquire the loans, 14:56:57
 9 the right to payback, you personally as opposed to 14:57:02
 10 the company? 14:57:05
 11 A. Because it was money I got from Falcon 14:57:06
 12 that I borrowed, that Gorman Family Holdings 14:57:08
 13 borrowed from Falcon. It was my money. 14:57:11
 14 Q. Was there -- I thought originally the 14:57:16
 15 Falcon money, the 1.9 million was placed into the 14:57:19
 16 dealership? 14:57:23
 17 A. It was put into Sales, Inc., but it was 14:57:24
 18 never lent to Sales, Inc. 14:57:26
 19 Q. Well, wasn't one of the purposes of the 14:57:29
 20 loan to provide working capital for Sales, Inc., 14:57:32
 21 according to the Falcon documents? 14:57:35
 22 A. If -- that is one of the purposes of it, 14:57:37
 23 but -- that is one of the purposes, but according 14:57:40
 24 to Ralph Miller and Vernon Schwartz, we were 14:57:43

Page 2306

1 allowed to take money out of it ourselves. The 14:57:47
 2 money was actually lent to Gorman Family Holdings, 14:57:49
 3 not to Sales, Inc. 14:57:53
 4 Q. I think I understand that from reading the 14:57:54
 5 documents, but there were only very circumscribed 14:57:56
 6 purposes for the cash, weren't there, sir? Didn't 14:58:00
 7 we talk about that yesterday?
 8 A. Yeah, we talked about it yesterday and you 14:58:03
 9 asked me who told me, you know, that I could take 14:58:04
 10 the money out personally, and I remembered that I 14:58:07
 11 spoke to both Vernon Schwartz and Ralph Miller. 14:58:09
 12 And I could take that money out as long as I met 14:58:12
 13 their ratios. So the money technically should have 14:58:16
 14 never even went into the Sales, Inc., account. It 14:58:19
 15 should have went into a separate account for Gorman 14:58:22
 16 Family Holdings. 14:58:25
 17 Q. And your testimony was that the people 14:58:26
 18 from Falcon, Vernon and Ralph, specifically agreed 14:58:27
 19 that you could take their proceeds and use it to 14:58:32
 20 give to your wife's political campaign? 14:58:35
 21 A. No. What I said is that Vernon and Ralph 14:58:38
 22 were aware that some of the money we got from them 14:58:42
 23 were to go to certain personal things such as my 14:58:44
 24 wife's campaign. 14:58:47

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1 Q. So they were aware of that, that it was 14:58:49
 2 going to go -- 14:58:51
 3 A. Ralph -- 14:58:52
 4 Q. I'm sorry. Let me finish. My apologies. 14:58:53
 5 The Falcon people were aware that you were 14:58:55
 6 going to take some of their proceeds and contribute 14:58:58
 7 it to your wife's political campaign? 14:59:02
 8 A. I don't know if they were specifically 14:59:05
 9 aware of the campaign. Ralph told us we can do 14:59:06
 10 whatever we want with the money as long as we met 14:59:09
 11 the requirements. 14:59:13
 12 Q. And I really don't -- I am not trying to 14:59:14
 13 argue. I just want to know whether they knew the 14:59:15
 14 money was going to your wife's political campaign 14:59:17
 15 or they didn't. 14:59:20
 16 Tell me one way or the other. 14:59:21
 17 A. I don't know specifically if they knew or 14:59:22
 18 not, but they knew that we -- I could do whatever I 14:59:24
 19 want with the money personally as long as I met the 14:59:26
 20 requirements. 14:59:29
 21 Q. Well, weren't there specific limited 14:59:29
 22 purposes? I thought the limited purposes we talked 14:59:32
 23 about were that it was used to buy the real estate 14:59:34
 24 for \$4 million, correct? 14:59:38

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1 A. Right. 14:59:39
 2 Q. A million dollars for working capital for 14:59:40
 3 Sales, Inc.? 14:59:42
 4 A. Right. 14:59:43
 5 Q. And \$4 million to retire the LaSalle and 14:59:44
 6 Manufacturer's Bank debt? 14:59:47
 7 A. Right. 14:59:49
 8 Q. Well, \$5 million. \$5 million to make a 14:59:49
 9 total of 10, right? 14:59:53
 10 A. Yes. But even if you take that number -- 14:59:56
 11 Q. Then it was -- I'm sorry.
 12 Then it turned out that the payoff amount 15:00:01
 13 for Manufacturer's and LaSalle was less than 15:00:04
 14 \$5 million, correct? 15:00:15
 15 A. Correct. 15:00:15
 16 Q. So there was \$1.9 million? 15:00:15
 17 A. Correct. 15:00:15
 18 Q. And the \$1.9 million, as I thought you 15:00:15
 19 told me, was then contributed to Midlothian; is 15:00:15
 20 that right? 15:00:16
 21 A. No. If that is what I told you, that's 15:00:16
 22 not what I meant. It was deposited in Midlothian's 15:00:19
 23 account, but the money was never lent to Midlothian 15:00:23
 24 or Sales, Inc. Where it said 1 million in capital, 15:00:26

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1 we walked with a million 9. They paid out -- they 15:00:32
 2 gave us an additional 1.9 more than we would need 15:00:36
 3 after we paid off LaSalle and everybody else. That 15:00:40
 4 1.9 was if we wanted to use it for whatever 15:00:42
 5 purposes we wanted as long as we stayed within our 15:00:45
 6 guidelines, and we could use it for personal 15:00:49
 7 reasons. That is why we ended up with the 15:00:52
 8 additional money. We were free to do what we 15:00:54
 9 wanted to do with it. 15:00:57
 10 Q. Your company was never within their 15:00:58
 11 guidelines. 15:01:00
 12 A. Pardon me? 15:01:02
 13 Q. Your company was never within the 15:01:02
 14 guidelines, were they? 15:01:03
 15 A. Was in the beginning. They came in and 15:01:05
 16 did a Deloitte and Touche check. 15:01:08
 17 Q. Weren't you almost immediately out of 15:01:12
 18 compliance with their covenants? 15:01:15
 19 A. I don't know if we are or we weren't. 15:01:17
 20 Q. I thought we went through that letter and 15:01:20
 21 did that yesterday? 15:01:22
 22 A. Was that for '01? 15:01:23
 23 Q. Well, the payment was in November of 15:01:25
 24 '01, correct? And the money was still sitting in 15:01:26

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1 Midlothian's account in May of 2002 because you and 15:01:30
 2 I looked at that, correct? 15:01:33
 3 A. Right. 15:01:35
 4 Q. And by that time, you were already out of 15:01:36
 5 compliance with their covenants, weren't you, sir? 15:01:38
 6 A. I don't know what time it was. I mean, 15:01:43
 7 that is questions you got to ask to the accountants 15:01:44
 8 because there wasn't a problem right away with the 15:01:47
 9 account. 15:01:50
 10 Q. Well, I guess I'm -- I think I understand 15:01:51
 11 what you are telling me, but the \$1.9 million was 15:01:55
 12 supposed to go to -- strike that. 15:02:02
 13 There was no purpose listed in the 15:02:05
 14 documents that they were loaning money personally 15:02:07
 15 to you, were they? 15:02:10
 16 A. I don't believe so, but I can tell you 15:02:12
 17 what they told us. 15:02:14
 18 Q. It was a prohibited purpose actually. It 15:02:15
 19 was a prohibited purpose to use the money. We can 15:02:18
 20 dig out the documents. 15:02:21
 21 A. You know what, Mr. Bay? You don't see 15:02:22
 22 them suing me, do you, like you are? They knew 15:02:24
 23 what went on. Now, I told you Vernon Schwartz and 15:02:27
 24 Ralph Miller knew. Now, that's my answer. It was 15:02:31

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1 my money, came from them, was Gorman Family 15:02:32

2 Holdings. Let's not make an issue here about what 15:02:35

3 is prohibited, what isn't. They knew. Now, if 15:02:38

4 they have a problem with it like you, they will sue 15:02:40

5 me, but they have chosen not to. They have chosen 15:02:42

6 to work with us. So I don't know what to tell you. 15:02:45

7 My money to do what I want with. They 15:02:47

8 knew it. There is no surprises here. They had 15:02:50

9 people come in. They knew everything that was 15:02:53

10 going on. So if you are trying to make a case for 15:02:56

11 Falcon saying I am a bad person, let them do it in 15:02:59

12 all due respect. 15:03:04

13 Thank you. 15:03:06

14 Q. Anything else you want to say? 15:03:08

15 A. No. 15:03:09

16 Q. You seem very agitated at this point. 15:03:10

17 A. Well, I am, Bill, because you are trying 15:03:12

18 to twist everything. I tell you something and you 15:03:14

19 don't want to hear what I have to tell you. 15:03:16

20 Falcon money was sent to Gorman Family 15:03:18

21 Holdings. It was deposited in that bank it should 15:03:22

22 have been. It was my money to do what I wanted to 15:03:24

23 do with it. 15:03:26

24 Q. Because I thought Midlothian guaranteed 15:03:30

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1 that loan, Sales Inc., guaranteed that loan? 15:03:32

2 A. I'd have to look at that. I don't know 15:03:36

3 Sales, Inc., guaranteed that loan. I think that 15:03:38

4 loan -- I think they guaranteed the lease, but the 15:03:41

5 loan was meant to Gorman -- they have a real weird 15:03:43

6 way of doing their loan. It's a real -- Shawn 15:03:46

7 would be much more better at explaining this whole 15:03:52

8 Falcon deal than I would be. 15:03:55

9 (Whereupon, Gorman Deposition

10 Exhibit No. 126 was marked for

11 identification.) 15:04:29

12 BY MR. BAY: 15:04:29

13 Q. Let me hand you, Mr. Gorman, what's been 15:04:30

14 marked as Exhibit 126 and ask you if you can tell 15:04:33

15 me what that is. 15:04:35

16 A. It's the guarantee from Gorman Family 15:04:36

17 holdings, LLC. Borrower, Gorman Family Holdings. 15:04:39

18 Q. Actually, this is a guarantee by Sales 15:04:43

19 Inc., isn't it, sir? 15:04:46

20 A. The borrower is Gorman Family Holdings. 15:05:23

21 Q. First of all, we know that Gorman Family 15:05:26

22 Holdings was the borrower from Falcon, correct? 15:05:31

23 A. Correct. 15:05:33

24 Q. Isn't it true that Sales, Inc., guaranteed 15:05:34

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1 the Gorman Family Holdings would pay the debt to 15:05:38

2 Falcon? 15:05:42

3 A. I don't -- I didn't understand all the 15:05:45

4 intricacies of this loan. Shawn handled this loan 15:05:49

5 and worked it out with Falcon. So if that is what 15:05:53

6 you are telling me it is, then that is what it is. 15:05:56

7 Q. I am just showing you a document that was 15:05:58

8 produced by your lawyer, Mr. Roche, and asking you 15:06:00

9 questions about it. 15:06:11

10 A. And I have not had time to read the 15:06:11

11 document or get familiar with it. 15:06:11

12 Q. I am happy to take a break and have you 15:06:11

13 read the document, but I think it's a guarantee by 15:06:11

14 Sales, Inc., of the indebtedness of Gorman Family 15:06:15

15 Holdings to Falcon. 15:06:20

16 Let's go off the record I guess. 15:06:27

17 A. It says in the back, guarantor Sales d/b/a 15:06:29

18 Dodge of Midlothian. 15:06:34

19 Q. So can we agree, sir, that document 15:06:45

20 Exhibit 126 is the guarantee by Sales, Inc., of the 15:06:47

21 indebtedness of Gorman Family Holdings to Falcon 15:06:51

22 Financial? 15:06:55

23 A. Is the guarantor, correct. 15:06:56

24 Q. And it's your testimony that on Exhibit 15:07:08

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1 125, that the money owed by the Gorman For Good 15:07:12

2 Government Group is now owed to you personally, not 15:07:20

3 to Dodge of Midlothian? 15:07:23

4 A. Correct. 15:07:24

5 Q. Is there any documentation or pieces of 15:07:25

6 paper that evidence that, sir? 15:07:27

7 A. Not that I know of. 15:07:31

8 Q. And did you do some oral agreement with 15:07:35

9 somebody to do it this way? 15:07:37

10 A. No. 15:07:41

11 Q. You just did it because Midlothian is your 15:07:43

12 company and it's your money and you can do what you 15:07:46

13 want, right? 15:07:49

14 A. No, sir. I did it because the extra money 15:07:50

15 that came in from Falcon was the money that I lent 15:07:55

16 my wife, I went to tour (sic), and that is who lent 15:07:57

17 the money to her. 15:08:04

18 Q. The company books, which we have gone 15:08:05

19 through, and we can go through in more detail, all 15:08:07

20 show that Dodge Midlothian loaned the money to the 15:08:10

21 Gorman For Good Government Group, correct? We have 15:08:13

22 checks and ledgers that show that. 15:08:17

23 A. And I own Dodge of Midlothian. 15:08:19

24 Q. So you can do whatever you wish with the 15:08:21