

# **EXHIBIT F**

**In The Matter Of:**

MERIDIENNE CORPORATION

16-15035

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**Testimony of:**

ARTURO CHAVEZ

May 10, 2017

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

IN RE: )No. 16-15035  
 )CHAPTER 7  
MERIDIENNE CORPORATION )  
 )  
Debtor. )

The deposition of ARTURO CHAVEZ called by the Plaintiff for examination, pursuant to notice, and pursuant to the rules of Civil Procedure for the District Courts of the United States, taken before Barbara Anthony Certified Shorthand Reporter and Registered Professional Reporter within and for the State of Illinois, at 105 West Madison Street, Suite 1600, Chicago, Illinois, on the 10th day of May, A.D., 2017 commencing at the hour of 1:30 p.m.

Reported for  
CYNTHIA A. PAVESICH & ASSOCIATES, by  
Barbara Anthony, CSR, RPR  
CSR License No. 084-003185

1 APPEARANCES:

2 Mr. Bruce C. Scalambrino  
3 Scalambrino & Arnoff, LLP  
4 105 West Madison Street  
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7 312.629-0547  
8 bcs@sacounsel.com  
9 on behalf of CRCC Fringe Benefit Funds,

10 Mr. Travis J. Ketterman  
11 McGann Ketterman & Rioux  
12 111 East Wacker Drive  
13 Suite 2600  
14 Chicago, Illinois 60601  
15 312.251.9700  
16 tketterman@mkrlaborlaw.com  
17 on behalf of the Plaintiffs,

18 Mr. Kenneth W. Sullivan  
19 1 Northfield Place  
20 Suite 300  
21 Northfield, Illinois 60093  
22 312.375.4024  
23 kwsaal@comcast.net  
24 on behalf of Debtor.

Also Present:

Mr. John Libby Chicago - Regional Council  
of Carpenters Welfare and Pension Funds

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EXHIBITS

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1 (Witness duly sworn.)

2 ARTURO CHAVEZ,

3 called as a witness herein, having been first duly  
4 sworn, was examined and testified as follows:

5 EXAMINATION

6 By Mr. Scalambrino:

7 Q Will you please state your full name and  
8 spell it.

9 A Arturo Chavez, A-r-t-u-r-o. Chavez,  
10 C-h-a-v-e-z.

11 Q What is your middle name?

12 A I don't have a middle name.

13 Q No. Do you use an initial?

14 A No.

15 Q Okay. Where do you reside, Mr. Chavez?

16 A Meridienne Corporation.

17 Q Where do you personally reside? Where  
18 do you live?

19 A Oh, 3737 South Campbell.

20 Q Is that in Chicago?

21 A Chicago.

22 Q All right. I know you have had your  
23 deposition taken before.

24 A Uh-huh.

1 Q But I am just going to go over some  
2 quick rules again so we stay on the same page  
3 during this dep.

4 A Okay.

5 Q Number one, she can't take down us  
6 talking at the exact same time. So what I am going  
7 to ask you to do is let me finish my question and  
8 then you answer. I'll try not to interrupt you and  
9 you try not to interrupt me, okay?

10 A Okay.

11 Q The other thing is you have to speak  
12 your answers. So she can't take down, you know,  
13 nodding of your head or anything like that for a  
14 yes or no.

15 So if I ask you a question and the  
16 answer is yes, you have to say yes. If the answer  
17 is no, say no. Don't shake your head. Okay?

18 A Correct.

19 Q If I ask you a question you don't  
20 understand, please ask me to rephrase it. Tell me  
21 you don't understand and I will try to rephrase it  
22 so you do understand it.

23 A Correct.

24 Q I will do the same thing if I don't

1 understand one of your answers, I will ask you to  
2 help me with that.

3 If you need a break, let me know. We  
4 will take a break. The only thing that I would ask  
5 is don't ask for a break with a question pending.  
6 If you need a break, do it after you have done an  
7 answer before I ask another question. Okay?

8 A Okay.

9 Q I have a tendency sometimes at these  
10 depositions to start going extremely fast. Maybe  
11 this is more for you than for him. Tell me and I  
12 will slow down. The longer I go, the faster I go.  
13 So slow me down, if you need to slow me down.

14 Mr. Chavez, are you taking any  
15 medication that would in any way impair your  
16 ability to understand any question that I ask you  
17 today?

18 A No.

19 Q So you are not taking any medication at  
20 all?

21 A No.

22 Q Okay. Other than the Campbell Avenue  
23 property that you currently own, do you and your  
24 wife own any other real estate?



1           A        Yes. We own partially because it's a,  
2           it's part for the Bank, but it's 1958 West 59  
3           Street. It is warehouse where we use as an office  
4           in the past.

5           Q        Would that be the Debtors Meridienne's  
6           office?

7           A        Yes.

8           Q        Okay. And you and your wife own that  
9           together?

10          A        Actually only me.

11          Q        Only you, okay.

12                    Let's mark this as whatever you want to  
13          do 1, 2. What do you want to mark it. 1? I will  
14          mark mine first.

15                    (A document was marked Deposition  
16                    Exhibit No. 1 for identification.)

17          By Mr. Scalambrino:

18          Q        I will show you what I have marked as  
19          Exhibit 1. Is this the property that you were just  
20          referring to the 1958 West 59th Street?

21          A        Correct.

22          Q        Okay. And you own this outright in your  
23          name you think?

24          A        Yes.

1 Q Okay. How long have you owned this  
2 building?

3 A I don't remember exactly, but I guess we  
4 have it about 12, 13 years.

5 Q Okay. And this is where Meridienne's  
6 Corporate office was located?

7 A Correct.

8 Q Now, you also have an ownership in a  
9 company called A & A Drywall And Taping Services,  
10 Inc.; isn't that correct?

11 A Correct.

12 Q Does it also operate out of these  
13 premises?

14 A Correct.

15 Q And how long has it operated out of  
16 these premises?

17 A Since I will say about 12 years ago.  
18 Maybe 11.

19 Q Okay. From now on, so the record is  
20 clear, when I refer to Meridienne Corporation, I  
21 will just say Meridienne or the Debtor.

22 When I refer to A & A Drywall and Taping  
23 Services, Inc., I am just going to call it A & A;  
24 fair enough?

1 A Fair.

2 Q Okay. Other than the Campbell Avenue  
3 property and the 1958 West 59th property do you and  
4 your wife own any other property?

5 A I own another property. It is 103 --  
6 10357 South Green.

7 Q Is that in Chicago?

8 A Chicago.

9 Q What type of property is it? Is that a  
10 commercial --

11 A Residential.

12 Q -- property?

13 A I'm sorry.

14 Q Let me finish my question. Is that a  
15 residential property?

16 A Residential.

17 Q Is it a single-family home?

18 A Correct.

19 Q How long have you owned that?

20 A We'll say about eight years.

21 Q I'm sorry.

22 A Eight.

23 Q Eight.

24 Do you currently rent that property out

1 or --

2 A Correct.

3 Q -- or do you -- the answer is correct?

4 A Yes.

5 Q You rent it out, right?

6 A Yes.

7 Q Okay. Have you ever owned a property  
8 located at 1355 Willow Branch Drive in Orlando,  
9 Florida?

10 A Yes, I did.

11 Q Did you own that or did your wife own  
12 that?

13 A I think we both. I think we both owned  
14 that property, but I don't remember. We get rid of  
15 that one.

16 Q Did you sell it in August of 2008?

17 A Correct.

18 Q Okay.

19 A August of 2008, I'm not sure.

20 Q Okay.

21 A No, I think it was more recent.

22 Q More recent than August of 2008?

23 A Yes.

24 Q How long had you owned that property?

1           A        I'm not sure, but I think about four or  
2 five years.

3           Q        I am going to have you mark this as  
4 Exhibit 2.

5                   (A document was marked Deposition  
6                   Exhibit No. 2 for identification.)

7           By Mr. Scalambrino:

8           Q        Mr. Chavez, I have handed you what has  
9 been marked as Exhibit 2. This is a document that  
10 was produced to me by the Jarvis Greenview Currency  
11 Exchange. And I would like to refer you to page 3.

12                   If you look down towards the end of the  
13 page you see where there is a line going across the  
14 page?

15          A        Yes.

16          Q        And you look down. There is a  
17 transaction there that says, 5158 Nishad,  
18 N-i-s-h-a-d, Kahn, K-a-h-n, PL Reference. And then  
19 it says, Arturo & Adela Chavez 1355 Willow Branch  
20 Drive, Orlando, Florida. Do you see that?

21          A        Yes, I do.

22          Q        Do you see there is a deposit at the  
23 Broadview Currency Exchange for 57,000?

24          A        Yes.

1 Q Was this from the sale of the 1355  
2 Willow Branch Drive, Orlando, Florida property?

3 A I think so.

4 Q Okay. Were these the proceeds of the  
5 sale? These were proceeds from the sale of that  
6 home?

7 A Yes, I think so.

8 Q Why would you deposit the proceeds from  
9 the sale of that home with the Jarvis Greenview  
10 Currency Exchange?

11 A Because he borrow me money from time to  
12 time and I have to pay him back.

13 Q So you borrowed money from him?

14 A Yes.

15 Q Or did one of your corporations borrow  
16 money from him?

17 A I do.

18 Q You personally?

19 A Yes. Personally for my corporation.

20 Q Let me see if I understand that.

21 You personally borrow money from Jarvis  
22 Currency Exchange, but for use in your  
23 corporation?

24 A I use in the corporation from time to

1 time so I an make payrolls and stuff like that  
2 because payments are not on time. So I use that  
3 money for this purpose.

4 Q Okay. But who actually borrowed the  
5 money from Jarvis --

6 A I do.

7 Q -- you personally or your corporation?

8 A Well, sometimes the corporation.  
9 Sometimes I do, but I think most of the time it's  
10 my corporation.

11 Q Okay. When you borrow from the Currency  
12 Exchange from Jarvis and from now on I will refer  
13 to the Jarvis Currency Exchange as Jarvis. Jarvis  
14 Greenview Currency Exchange I will refer to as  
15 Jarvis.

16 When you borrow from Jarvis either you  
17 or your corporation, did you ever execute any type  
18 of promissory note?

19 A No.

20 Q Did you keep any type of ledger showing  
21 amounts borrowed and amounts paid back?

22 A No.

23 Q Do you know if the owner of the Jarvis  
24 Exchange kept any type of ledgers?

1 A I don't think so.

2 Q Okay. So how did you keep track of who  
3 owed who what? How did you keep track of that?

4 A Well, we just -- if I borrow some money,  
5 I have to pay it back whenever I got money. And we  
6 don't let it go too far. So that's a way we keep  
7 track of it.

8 Q So I am going to give you an example.  
9 If you borrow \$10,000 from Jarvis.

10 A Uh-huh.

11 Q Okay. And you pay him back five?

12 A Yes.

13 Q Okay. And then he lends you another  
14 ten.

15 A Yes.

16 Q Okay. How are you keeping track of  
17 this?

18 A Well, obviously he knows what he, he  
19 borrow me. I obviously just write it down that I  
20 have -- but I don't have any track of what I owed  
21 to him. I just write it down. He says, okay, I  
22 owe you this money, that's it.

23 Q Where did you write that down?

24 A On any piece of paper, whatever.



1 Q You didn't keep any type of formal  
2 ledgers or anything like that --

3 A No.

4 Q -- to keep track of this?

5 A I'm sorry, no.

6 Q Your corporation use QuickBooks; isn't  
7 that correct?

8 A Correct.

9 Q Did you keep any type of ledger in  
10 QuickBooks showing loans back and forth?

11 A Yes.

12 Q Okay. Is that the writing you were  
13 referring to?

14 A Yes.

15 Well, we deposit a check, it's -- it  
16 is shown where the money came from.

17 Q Now, did both corporations, Meridienne  
18 and A & A borrow money from Jarvis?

19 A Yes.

20 Q And did both corporations keep this  
21 ledger in QuickBooks that you've just described?

22 A Correct.

23 Q Do you know the total amount of money  
24 that Meridienne took as a loan from Jarvis?

1 A No.

2 Q Do you know the total amount of money  
3 that A & A took from Jarvis?

4 A No.

5 Q We are going to come back to that.  
6 Let's move on to something else.

7 Let me show you what will be marked as  
8 Exhibit 3.

9 (A document was marked Deposition  
10 Exhibit No. 3 for identification.)

11 By Mr. Scalambrino:

12 Q Mr. Chavez, I have handed you what has  
13 been marked as Exhibit 3, which purports to be the  
14 schedules and statement of filing affairs for  
15 Meridienne when it filed its bankruptcy case. Have  
16 you ever seen this document before?

17 A I'm not sure.

18 Q Take a minute to look through it to see  
19 if it refreshes your recollection.

20 A (Examining document.) If I saw it, it  
21 was just briefly, but I cannot recall. But I saw  
22 it.

23 Q Did you authorize the attorney here,  
24 Mr. Desai, D-e-s-a-i, to file a bankruptcy on

1 behalf of Meridienne Corporation?

2 A Yes.

3 Q And in doing that, did he give you a  
4 blank set of these schedules and statement of  
5 financial affairs to fill out?

6 A I fill out some paperwork. I just don't  
7 remember what, what it was, but I think I did.

8 Q Okay. And this doesn't refresh your  
9 recollection that this is what you filled out  
10 looking at this document?

11 A Honestly, no.

12 Q When you filled out whatever he gave  
13 you, okay, were you careful in making sure you  
14 listed all of the assets of the corporation and  
15 listed all of its liabilities?

16 A I think I did.

17 Q Did anyone assist you in preparing the  
18 papers to file the bankruptcy?

19 A Yes.

20 Q Who assisted you?

21 A Mr. Sullivan.

22 Q Anyone else?

23 A No.

24 Q Did anyone help you in gathering the

1 information that appeared in the statement of  
2 financial affairs and schedules?

3 A I mean, if I get any information, it was  
4 only my wife. That's the only other person that  
5 can be helping me with this.

6 Q Okay. To your knowledge does Exhibit 3  
7 reflect all of the assets and liabilities as of --  
8 of Meridienne as of the date it filed its  
9 bankruptcy?

10 A I think most of it, I guess. I don't  
11 remember anything else.

12 Q So you think that it's --

13 A It's correct.

14 Q Correct. Okay.

15 I want to refer you to page 5. It says  
16 Declaration Under Penalty of Perjury for  
17 Non-Individual Debtors. Do you see that document?  
18 It is Page 5 of 31 if you look up top.

19 A Page 11.

20 Q No, you are too far in. Page 5?

21 A Page 5.

22 MR. SULLIVAN: (Indicating.)

23 THE WITNESS: Okay.

24

1 By Mr. Scalambrino:

2 Q Do you see that page?

3 A Yes, I do.

4 Q Okay. Do you see down there where it is  
5 your electronic signature?

6 A Right.

7 Q Did you sign a paper similar to this?

8 A I think so. Yes, I should.

9 Q Do you recall specifically signing this  
10 or authorizing your attorney to type your name in  
11 here?

12 A Yes. I mean, I don't remember exactly  
13 the documents because it has been so many documents  
14 on this situation, but yeah, of course, I  
15 authorized to do this.

16 Q Okay. I am going to mark -- I guess  
17 this will be Exhibit 4.

18 (A document was marked Deposition  
19 Exhibit No. 4 for identification.)

20 By Mr. Scalambrino:

21 Q I'm handing you what we marked as  
22 Exhibit 4. This is the subpoena that we served  
23 upon you for you to appear here today and to  
24 produce certain documents. Do you recall ever

1 seeing this document before?

2 A Yes.

3 Q Okay. I want to refer you to page 5.

4 MR. SULLIVAN: The 5th page or page No. 5?

5 By Mr. Scalabrino:

6 Q Page No. 5 at the bottom of 5. It says  
7 document requests.

8 Now page 5 it requested you to produce  
9 certain documents. You see the documents No. 1  
10 through 30.

11 A Okay.

12 Q Were you the person who looked at  
13 Meridienne's records to produce these documents?

14 A It is either me or my wife.

15 Q Okay. So in terms of actually going to  
16 look for the documents to respond to this, it would  
17 have been either you or your wife going to look for  
18 those documents; is that correct?

19 A That's correct.

20 Q Where did you look, where were the  
21 documents located?

22 A At my -- at the computer, I guess or we  
23 got filings at the office. That's it.

24 Q At your office address?

1 A Yes.

2 Q Okay. Okay. So the documents weren't  
3 located anywhere else?

4 A No.

5 Q Okay. Let's mark this as I guess this  
6 is 5.

7 (A document was marked Deposition  
8 Exhibit No. 5 for identification.)

9 By Mr. Scalambrino:

10 Q Mr. Chavez, have you ever seen this  
11 document before?

12 A I think I did.

13 Q Okay. I want to refer you to the last  
14 page. Is that your signature?

15 A Yes, it's mine.

16 Q So as you sit here today, to the best of  
17 your knowledge the responses that are typed in on  
18 page 1 through 7 are correct; is that correct?

19 A Yes. I sign it. So it has got to be  
20 correct.

21 Q I'm sorry, I didn't hear you.

22 A It is signed by me, so I suppose it is  
23 correct.

24 Q Okay. To your knowledge all of the

1 documents that were requested, were they produced  
2 to me?

3 A Yes.

4 Q Okay. There was nothing that was left  
5 out?

6 A I don't think so.

7 Q Okay. Now, Meridienne you're the  
8 100 percent owner of the shares of Meridienne; is  
9 that correct?

10 A Correct.

11 Q Are you its sole officer and director?

12 A Yes.

13 Q When did you first come to own  
14 Meridienne?

15 A I think it was after 2001. I guess,  
16 2001. Between 2000 and 2002, but I think it was  
17 2001.

18 Q Did you purchase Meridienne from  
19 someone?

20 A Yes.

21 Q So it was an existing corporation when  
22 you purchased it?

23 A Correct.

24 MR. SCALAMBRINO: Let's mark this as



1 Exhibit 6.

2 (A document was marked Deposition  
3 Exhibit No. 6 for identification.)

4 By Mr. Scalabrino:

5 Q Mr. Chavez, Exhibit 6 is document  
6 that you produced to me captioned Stock Purchase  
7 Agreement made as of May 1, 2000 between a Connie  
8 Nakhal, N-a-k-h-a-l, as the seller and you as the  
9 purchaser. Do you see that on the second page?

10 A Yes.

11 Q Is this the document that was used when  
12 you purchased Meridienne?

13 A Yes.

14 Q Okay. Now, this document was produced  
15 to you by me or was produced to me by you, because  
16 we asked for the corporate minute book of  
17 Meridienne.

18 A Okay.

19 Q This was the only document I received.  
20 Did Meridienne keep a corporate minute book?

21 A We do. I'm not sure how current it is.

22 Q Okay. And why wasn't it produced to me  
23 then?

24 A I don't recall.

1 Q Okay. What's in the corporate minute  
2 book. Do you take -- do you have annual  
3 shareholder minutes in it? Shareholder minute  
4 meetings in it?

5 A I don't think we have any because I am  
6 the only shareholder, I don't do anything.

7 Q You don't keep minutes?

8 A No.

9 Q Okay. Do you have the minutes of annual  
10 Board of Directors meetings?

11 A No.

12 Q Okay. Do you have any type of other  
13 shareholder or director resolutions in the --

14 A No.

15 Q -- book?

16 A No.

17 Q So what is in the minute book other than  
18 this buy/sell agreement?

19 A I think that is the only thing we have  
20 there.

21 Q You certain of that?

22 A I think so.

23 Q Okay. So the corporate minute book of  
24 Meridienne consists of Exhibit 6?

1 A Correct.

2 Q Okay. When did Meridienne stop  
3 operating?

4 A I think it was in 2014.

5 Q And why did it stop operating?

6 A It was -- first of all, we have some  
7 losses. We have some accidents. And the Workers  
8 Comp went sky-high. It wasn't worth it to keep it  
9 open. We start doing some -- some I will call it  
10 minority certification jobs and A & A Drywall will  
11 certify as a minority company. So we continue with  
12 just A & A Drywall.

13 Q Okay. So A & A was certified as an MBE  
14 and Meridienne wasn't?

15 A Correct.

16 Q Okay. We will come back to that in a  
17 minute.

18 Does Meridienne currently have any open  
19 bank accounts?

20 A No.

21 Q Were they all closed on the day of the  
22 bankruptcy filing?

23 A Yes.

24 Q When was the last date that Meridienne

1 actually had carpenters working out in the field?

2 Do you recall?

3 A No, I don't recall.

4 Q Would it have been 2014?

5 A Yes.

6 Q Would that have been work on a job at  
7 Hyatt Place in Chicago?

8 A It could be one of those, yes.

9 Q Could it have been the -- I have to  
10 spell this. D-a-r-u-l, one word, a-m-a-a-n Senior  
11 Apartments?

12 A Darulamaan. It could be one of those.

13 Q Okay. And you're certain that the last  
14 time you had carpenters out was in 2014?

15 A I think it is the last time we had  
16 carpenters on the field.

17 Q Did you have carpenters on a job at  
18 Dunbar High School in Chicago in March of 2015?

19 A Dunbar. I think the job we did on  
20 Dunbar was way before that.

21 Q Would you have records at your office --

22 A I should.

23 Q -- showing the last date that --

24 A Yeah. I --

1 Q For that project, the Dunbar project, do  
2 you have those records?

3 A I have to have the records for that.

4 MR. SCALAMBRINO: Mr. Sullivan, can you  
5 provide those to me?

6 MR. SULLIVAN: I will see if we have them.

7 By Mr. Scalabrino:

8 Q How about Aspira Charter School of  
9 Business and Finance. Did you have carpenters out  
10 in the field in June of 2015?

11 A Yes.

12 MR. SCALAMBRINO: Mr. Sullivan, I will make  
13 the same request for those too.

14 THE WITNESS: But I don't think it was under  
15 Meridienne. It was under A & A Drywall.

16 By Mr. Scalabrino:

17 Q Okay. I'll still request to see those  
18 documents.

19 A Okay.

20 Q How about Harper Court Office Tower.  
21 Carpenters out in the field as of 3/2/2016?

22 A No.

23 Q Okay. Could that have been A & A?

24 A No.

1 Q Okay.

2 A We finished there in 2013.

3 Q Is Meridienne owed any moneys on any of  
4 the jobs that it did prior to its closing? Prior  
5 to the bankruptcy filing?

6 A Yes, in some companies. But some of  
7 them are in bankruptcy -- went to bankruptcy and  
8 some of them are existing. But I just quit trying  
9 to collect because they wouldn't -- skipping --  
10 give me lousy answers.

11 Q What jobs is Meridienne still owed money  
12 on? Can you name me the project and the general  
13 contractor?

14 A Yes. Pepper Construction owes, I'm not  
15 sure between 20 to 30,000 for St. Demetrios Church.

16 Q St. Demetrios Church?

17 A Right.

18 Q Where is that located?

19 A Gurnee.

20 Q When was the last time you had  
21 carpenters work on that project?

22 A I don't remember.

23 Q Would it have been say in the last two  
24 years?

1 A No. No. Way before that.

2 Q Okay. How long do you think?

3 A I think around 2012, 2011.

4 Q And Pepper Construction was the general  
5 that hired --

6 A Yes.

7 Q -- Meridienne?

8 A Yes.

9 Q It's between 20 and how much, 20,000 and  
10 how much?

11 A Twenty to thirty thousand dollars.

12 Q Okay. What excuse has Pepper  
13 Construction given you for not paying Meridienne  
14 the 20 to \$30,000?

15 A We installed some doors and the doors  
16 were damaged and the owner didn't accept the damage  
17 on the doors. So they were supposed to replace it  
18 and they brought some other doors that were damaged  
19 as well, and the owner -- and the owner didn't  
20 accept those doors again. So the owners kept the  
21 retention of my company and just keep on saying  
22 they haven't received the retention. I did my  
23 work. Because I just supplied the labor to install  
24 the door.

1 Q Do you have a copy of the contract for  
2 that job somewhere?

3 A Yes. I should have it.

4 MR. SCALAMBRINO: Mr. Sullivan, can you get me  
5 a copy of that?

6 MR. SULLIVAN: Uh-huh.

7 By Mr. Scalambrino:

8 Q Who else owes Meridienne money?

9 A It is a company. We did a police  
10 station.

11 Q I'm sorry, I didn't understand that?

12 A It is a company that we did a police  
13 station. It's the only time that we work for them.  
14 I don't remember what's the name of the company,  
15 but they owe us retention as well.

16 Q I'm sorry, they what?

17 A They owe us retention.

18 Q Okay.

19 A It's around \$10,000, I guess.

20 Q Where is the police station located?

21 A On Halsted and Addison in Chicago.

22 Q You don't recall who the general  
23 contractor was?

24 A I got it right here. If you give me a



1 minute, I will remember, but --

2 Q Okay. If it pops into your head, let me  
3 know.

4 A Okay.

5 Q When was the last work performed at the  
6 police station; do you recall?

7 A I think it was 2012.

8 Q Okay. Are there any other people who  
9 might --

10 A Yes. Metropolitan.

11 Q Metropolitan is the name of the  
12 contractor?

13 A Right. We did Rainbow Village.

14 Q Rainbow Village?

15 A Village.

16 Q Where is that located?

17 A It's by the intersection of Lawrence and  
18 Clark.

19 Q What type of work did Meridienne do  
20 there.

21 A Frame, drywall, and taping, and  
22 insulation.

23 Q And how much are you owed?

24 A I think it was close to \$400,000 and

1 eventually we just started erasing out of the  
2 books, but I think we still got some of it on the  
3 books. And we never collect because it went to  
4 bankruptcy.

5 Q Metropolitan went into bankruptcy?

6 A Yes.

7 Q When was this work performed?

8 A I think it was around 2009.

9 Q Let's run back to the police station  
10 located on -- between -- was it Hubbard and Addison  
11 in Chicago?

12 MR. SULLIVAN: Halsted.

13 THE WITNESS: Halsted.

14 By Mr. Scalambrino:

15 Q Halsted, okay.

16 Who is the general on that?

17 MR. SULLIVAN: He is trying to think of it.

18 He said he will tell you when he remembers.

19 By Mr. Scalambrino:

20 Q Right. Yes, I know. I wondered if he  
21 might have thought in the meantime. Don't remember  
22 still?

23 A No.

24 Q Okay.

1 A No. It's a name that I got right here.

2 (Indicating.)

3 Q Okay. Let's move on. Any others that  
4 might owe Meridienne?

5 A HLC.

6 Q HLC?

7 A Yes.

8 Q Is that the general?

9 A Yes.

10 Q And how much does HLC owe Meridienne?

11 A I don't remember exactly, but it was two  
12 jobs with them.

13 Q Two jobs?

14 A Yes. It's in bankruptcy as well. It is  
15 123 North Sangamon.

16 Q Is that in Chicago?

17 A Yes. And the other one was -- I  
18 don't remember the name of the job, but it's on  
19 VanBurren and Halsted, condominiums.

20 Q The 123 North Sangamon, Chicago what  
21 type of building was that?

22 A Condominium building.

23 Q So these were both condos?

24 A Right.

1 Q With HLC?

2 A Right.

3 Q How much is Meridienne owed on those two  
4 jobs?

5 A Both of them were like around \$500,000.

6 Q What year?

7 A Around the same time. It was about  
8 2009, 2010. They are in bankruptcy as well.

9 Q Was this receivable written off  
10 Meridienne's Books?

11 A Some.

12 Q Some?

13 A Some I guess. I'm not sure if it is  
14 still there some of that.

15 Q Okay. Do you know what HLC stands  
16 for?

17 A No.

18 Q Okay. Any other receivables  
19 outstanding?

20 A I think it's -- if it is any, I got  
21 to -- I got to go back and do the books on 2008,  
22 2009, and '10. Those years were terrible and  
23 lot of companies went down and they took me with  
24 them.

1 Q In the two years prior to the filing  
2 of Meridienne's bankruptcy, did Meridienne transfer  
3 any of its assets to A & A?

4 A No. Meridienne didn't have any money  
5 basically.

6 Q Did it sell a truck to A & A?

7 A Well, yeah, of course. We sell the  
8 truck to.

9 Q Ford?

10 A Ford F150. It is an old truck.

11 Q Let's mark this. Is it 6?

12 THE REPORTER: 7.

13 (A document was marked Deposition  
14 Exhibit No. 7 for identification.)

15 By Mr. Scalambrino:

16 Q I will refer to you Exhibit 7. Is this  
17 the truck that Meridienne sold to A & A?

18 A Correct.

19 Q When did that happen?

20 A I think it was 2014 or 2015.

21 Q Do you recall what the sale price was?

22 A No. I don't remember.

23 Q Do you recall how you determined the  
24 sales price?

1 A Blue book.

2 Q Blue book?

3 A Yes, I guess it was. It's an old truck.  
4 It's just 2006 or 2005 truck.

5 Q Did Meridienne transfer other than this  
6 for Ford truck, did Meridienne transfer any other  
7 assets to and A & A?

8 A I don't remember.

9 Q Okay. Did A & A and ever lend money to  
10 Meridienne?

11 A Yes.

12 Q Do you recall how much?

13 A No. But what I can tell you, is that  
14 A & A Drywall is paying a debt of Meridienne with  
15 the Bank of America. Because it was a line of  
16 credit that Meridienne couldn't pay.

17 Q Okay.

18 A So A & A Drywall is taking care of that.  
19 It was. So no.

20 Q Did A & A take out the line of credit  
21 and loan the money to Meridienne or did Meridienne  
22 take out the line of credit?

23 A No, Meridienne take the line of credit.  
24 Then A & A Drywall was continue paying the line of

1 credit.

2 Q Okay.

3 A Excuse me. I remember the name.

4 Q Ah, okay.

5 A Harbor Contractors.

6 Q Harbor?

7 A Yes.

8 Q So they were the general contractor for  
9 the police station; is that correct on Halsted and  
10 Addison?

11 A Correct.

12 Q Excuse me, a second. I just need to  
13 find this document.

14 Let's refer back to Exhibit 5. If you  
15 pull Exhibit 5 back out.

16 A Uh-huh.

17 Q Go to page 2, paragraph 4. You see the  
18 bolded response. See the question and then there  
19 is a bolded response after it?

20 A Uh-huh.

21 Q If you look at the third sentence that  
22 starts with document M-4-2.

23 A Uh-huh.

24 Q Okay. So it says document M-4-2 is a

1 copy of A & A's line of credit billing statement  
2 from June 2009 showing the withdrawal of \$60,000  
3 on the line of credit. Do you see that?

4 A Uh-huh, yes.

5 Q This seems to indicate that AA had the  
6 line of credit rather than Meridienne. So are  
7 you sure that Meridienne had the line of credit  
8 and it wasn't AA that had the line of credit?

9 A I think both of them were for the line  
10 of credit, Meridienne and A & A Drywall, both of  
11 them. They want both of them on the.

12 Q Well, the next sentence says, Document  
13 M-4-2 is a copy of A & A's line of credit billing  
14 statement from June 2009 showing the withdrawal of  
15 \$60,000 on the line of credit. Do you see that?

16 A Yes.

17 Q And then the next sentence says,  
18 Document 9-4-3 is a statement from Meridienne Bank  
19 of America bank account showing the 60,000 deposit  
20 in Meridienne's account on May 29, 2009.

21 A Okay.

22 Q So you sure this is a line of credit  
23 for both of them and it wasn't a loan of \$60,000  
24 from A & A to Meridienne?



1           A        I don't re -- I've got to check because  
2           it was two lines of credits made at that time. So  
3           I got to find out what, what exactly it is because  
4           there is another line of credit with Bank Of  
5           Popular. That is still a debt. So I got to  
6           check --

7           Q        Would that --

8           A        -- who the line of credit is.

9           Q        Would that Bank of Popular line of  
10          credit be with A & A or Meridienne?

11          A        I think it is going to be both of  
12          them.

13          Q        Both?

14          A        Yes.

15          Q        Who at Meridienne was primarily  
16          responsible for writing checks?

17          A        Me.

18          Q        Did your wife also write checks?

19          A        Sometimes. But most of the checks are  
20          written from me.

21          Q        Okay. And at Meridienne other than and  
22          your wife, did anyone else have check writing  
23          authority?

24          A        No.

1 Q Let's mark this what are we at No. 8?

2 (A document was marked Deposition  
3 Exhibit No. 8 for identification.)

4 MR. SCALAMBRINO: Mr. Sullivan, this is the  
5 summary I showed you a minute ago.

6 By Mr. Scalabrino:

7 Q Now, Mr. Chavez, we had a conversation  
8 off the record before we started the deposition.  
9 Mr. Sullivan and I about how I went through the  
10 checking account records of Meridienne and just --

11 A Yes.

12 Q -- took out what I wanted to ask you a  
13 question about and put them on an Excel  
14 spreadsheet. So these entries on this document  
15 are entries right out of all of these, which are  
16 the bank records of Meridienne, okay?

17 A Okay.

18 Q So if you feel you need to see the  
19 actual bank record, tell me, but for now we are  
20 going to work off the summary, just to make it a  
21 little quicker, okay?

22 A Okay. Okay.

23 Q If you look at the third, 2/27/12,  
24 Check No. 9018 for \$1,000; do you see that?

1 A Yes.

2 Q And it says the payee is A & A?

3 A Yes.

4 Q It says, To pay line of credit?

5 A Correct.

6 Q And as you look through this document  
7 you will see multiple entries here. On 5/15, 5/29,  
8 9/6, 9/20, 3/13/13. On and on there is a bunch of  
9 AA's. Just peruse down the pay line when you see  
10 all of these AA's.

11 A Yes.

12 Q If you look across from those AA's they  
13 all say the same thing, to cover line of credit  
14 monthly payments; do you see that?

15 A Yes, I do.

16 Q Does that refresh your recollection that  
17 the 60,000 line of credit that got deposited in  
18 Meridienne's checking account, that it was actually  
19 Meridienne who was making the payment on the  
20 loan?

21 A Probably it's correct. Now, that you  
22 said it probably is correct.

23 Q Okay. I didn't say it. The checking  
24 accounts statements are saying it.

1 A Yes. Yes. Of course.

2 Q If I understand and correct me if I am  
3 wrong, the way this went is that A & A took a line  
4 of credit of \$60,000. It got deposited as a loan  
5 in Meridienne's bank account and then Meridienne  
6 made these monthly payments to pay the line of  
7 credit; is that correct?

8 A Correct.

9 Q Is that a fair statement of what  
10 happened?

11 A It is fair.

12 Q I will keep coming back to Exhibit 8.

13 A Okay.

14 Q So keep that handy.

15 A Okay.

16 Q Did Meridienne ever pay any of its  
17 carpenters in cash?

18 A Yes, it did one time.

19 Q Okay. Who did it pay in cash?

20 A It was a guy named Giovanni.

21 Q Is that his first name or last name?

22 A Giovanni is first name. Giovanni, I  
23 think Flores. I think his last name is Flores.

24 Q Why did you pay Mr. Flores in cash?

1           A        It was a favor because -- I shouldn't do  
2   it and I did it, because he was going through a  
3   divorce and stuff like that.  And he was on  
4   unemployment.  So I need someone to do some work  
5   and I says, I will do it, but I am just going to be  
6   doing -- if you pay me on the side because I cannot  
7   report any money now because I am going through a  
8   divorce.  So I need it and I took it and --

9           Q        Okay.  Was he a member --

10          A        It was my fault.

11          Q        I'm sorry, go ahead.

12          A        It was my fault.

13          Q        Was Mr. Flores a member of the  
14   carpenters union?

15          A        Yes.

16          Q        Other than Mr. Flores did Meridienne  
17   from the time you owned it until the time it closed  
18   and filed bankruptcy, did it ever pay any of its  
19   other employees in cash?

20          A        I don't recall anybody.

21          Q        Did Meridienne ever bank hours for its  
22   carpenter employees?

23           MR. SULLIVAN:  What does that mean?

24           MR. SCALAMBRINO:  I want to see if he knows.

1 THE WITNESS: No, I don't know what it is.

2 By Mr. Scalambrino:

3 Q You don't know what banking hours  
4 means?

5 A No.

6 Q Did at some point in 2013, 2014 did you  
7 have an arrangement with Jarvis Currency Exchange  
8 to where all of your employees would cash their  
9 checks there?

10 A Yes, I did.

11 Q Okay. How long did that arrangement  
12 last?

13 A I think it was like -- I don't remember,  
14 but I don't think it was more than a month.

15 Q No more than a month?

16 A No, I don't think. Maybe a couple of  
17 weeks only.

18 Q Why did you have them do that?

19 A Because I didn't have the money to cover  
20 the payroll. So Jarvis was going to hold the  
21 checks and clear the checks until I get the money  
22 to clear those.

23 Q But Jarvis would cash the checks for the  
24 employees?

1 A Yes.

2 Q Would it give the employees the full  
3 amount of the check minus Jarvis' fee?

4 A They get paid the full amount and I took  
5 care of the fee.

6 Q So they got the entire amount of their  
7 check and Meridienne then paid the fee?

8 A Right.

9 Q Okay. And you think you only did that  
10 for what one or two payrolls?

11 A I don't remember how many payrolls. But  
12 I think I got a copy of that, but it could be three  
13 or four. I don't remember.

14 Q Okay.

15 A Two to four I will say.

16 Q Did you ever during the time you owned  
17 Meridienne with your carpenter employees, did you  
18 ever compensate your employees for overtime in  
19 vacation pay rather than by check?

20 A Overtime if -- if they work overtime it  
21 has to be paid in check, the overtime. And if --  
22 we never paid any vacation.

23 Q So you didn't have guys in the field  
24 working, but instead of giving them a check, you

1 just gave them a vacation day?

2 A No. I mean, they never asked for  
3 vacation. If they are -- if they are going to go  
4 for vacation, they just tell me they are going to  
5 go for vacation. I never paid for vacation.

6 Q Meridienne was never in a position to  
7 where it couldn't meet payroll, so instead of  
8 giving the employees their full payroll, you gave a  
9 portion of it in just vacation days?

10 A No.

11 Q Okay. Meridienne had a business  
12 relationship with Jarvis; isn't that correct?

13 A Correct.

14 Q Why don't you describe that business  
15 relationship for me. How it worked?

16 A Well, Jarvis is a friend of me from --  
17 for a long long time that I know him. And we're  
18 like brothers.

19 Q Okay. Who are you referring to, the  
20 person?

21 A The owner of Jarvis.

22 Q What's his name?

23 A He is Mohammed Sabir Junagadhwala.

24 MR. SULLIVAN: Can you spell that?



1 THE WITNESS: Junagadhwalā.

2 By Mr. Scalabrino:

3 Q Start with his middle name. Can you  
4 spell that?

5 A It is S-a --

6 MR. SULLIVAN: B.

7 THE WITNESS: -- b-i-r, sabir.

8 By Mr. Scalabrino:

9 Q Do you know how to spell his last  
10 name?

11 A No.

12 Q I will do it for the court reporter.  
13 Tell me if I get this wrong.  
14 J-u-n-a-g-a-d-h-w-a-l-a. What is the correct  
15 pronunciation of that again?

16 A I never pronounce that. I just --

17 MR. SULLIVAN: Junagadhwalā.

18 MR. SCALABRINO: Pardon me.

19 MR. SULLIVAN: Junagadhwalā.

20 By Mr. Scalabrino:

21 Q Junagadhwalā. For purposes of this  
22 deposition how about if we refer to him by his  
23 first name Mohammad?

24 MR. SULLIVAN: It will be much more familiar

1 to him --

2 MR. SCALAMBRINO: Who?

3 MR. SULLIVAN: Sabir.

4 MR. SCALAMBRINO: Sabir.

5 MR. SULLIVAN: Must more familiar to --

6 By Mr. Scalabrino:

7 Q You refer to him by his middle name?

8 A Sabir.

9 Q You and Sabir are old friends?

10 A Yes.

11 Q What was yours and Sabir's business  
12 relationship?

13 A I just know him for a long long time  
14 already. And when he saw me in problems, he told  
15 me, if you need any money, I can borrow you the  
16 money so you can cover your payrolls.

17 From time to time the payments from the  
18 general contractors are not on time. Even if the  
19 contract says 30-day period, they go up to, 4 or 5  
20 months. So he put me in a position that I have to  
21 have some money from somewhere.

22 Q To make payroll?

23 A To make payroll.

24 Q Did Sabir loan you the money then --

1 A Yes.

2 Q -- to make payroll?

3 A Yes.

4 Q Did Sabir loan you the money or did  
5 Jarvis loan you the money?

6 A Sabir.

7 Q It was Sabir personally?

8 A Well, he gave me checks from -- I'm --  
9 well, I just get in touch with him. I don't know  
10 if the money is from the business or if it is from  
11 him. I just get the money from him.

12 Q Well, would he give you a check?

13 A Yes.

14 Q Do you recall who the payor of the check  
15 was?

16 A Jarvis.

17 Q Okay. So it was a Jarvis check?

18 A Yes.

19 Q Okay. Do you recall how many times he  
20 loaned money to you to cover payroll?

21 A Too many times.

22 Q Okay. Do you recall the total amount --

23 A No.

24 Q -- that he loaned you? No?

1 A No. No.

2 MR. SCALAMBRINO: Let's mark this. What are  
3 we on --

4 MR. KETTERMAN: 9.

5 MR. SCALAMBRINO: -- 9.

6 (A document was marked Deposition  
7 Exhibit No. 9 for identification.)

8 By Mr. Scalabrino:

9 Q Mr. Chavez, I've handed you what has  
10 been marked as Exhibit No. 9. If you look down in  
11 the right-hand corner you will see a M-3 written in  
12 that corner. Do you see that?

13 A Yes.

14 Q Okay. So this was a document that was  
15 marked M-3 by your counsel. This was a document  
16 that was produced to me pursuant to my document  
17 request.

18 Are you familiar with this document?

19 A Yes.

20 Q Okay. It purports to be, at least the  
21 way I read it, to be the ledger out of QuickBooks  
22 showing the deposits, which I assume were loans  
23 from Jarvis to Meridienne and then checks written  
24 back from Meridienne to Jarvis to pay those loans;

1 is that correct?

2 A Correct.

3 Q Okay. Does this document refresh your  
4 recollection of how much Jarvis loaned --

5 A They --

6 Q -- Meridienne?

7 A I guess it's correct.

8 Q Okay. So was the sum 220, \$220,000?

9 A Yeah, I think so.

10 Q Okay. Would it surprise you if I told  
11 you that according to Jarvis' bank records, Jarvis  
12 bank records indicate that Jarvis loaned Meridienne  
13 \$429,500?

14 A It could be true. That too. Because  
15 when they cash the checks, it was a large amount  
16 that they didn't borrow me. They just cashed the  
17 checks and I have to pay them with one of the  
18 checks that I receive.

19 Q Okay. Let's delve into that a little  
20 further. What do you mean by one of the checks  
21 that you received?

22 A Yes, when I get paid from the -- one of  
23 the contractors.

24 Q Yes.

1           A           I just give them the check. Because I  
2           owe them already the money for the -- for the  
3           payroll checks that he cover.

4           Q           Okay. Let me make sure I understand  
5           this. Okay. So if you got paid by a contractor,  
6           say you were out working on a job and the  
7           contractor paid Meridienne -- I will make up  
8           numbers, okay, \$20,000. So that contractor writes  
9           a check out payable to Meridienne Corporation of  
10          \$20,000?

11          A           Uh-huh.

12          Q           If I understand what you just told me,  
13          you would take that check and you would endorse it  
14          to Jarvis and hand it to Sabir?

15          MR. SULLIVAN: Sabir.

16          By Mr. Scalambrino:

17          Q           Sabir to pay back the loan?

18          A           Yes. Especially I did that when --  
19          with -- when he cashed the checks, and they didn't  
20          clear on the bank account. They didn't -- I don't  
21          remember how it was, but it was paid directly to  
22          him.

23          Q           Okay. I'm not understanding your  
24          answer. Could you try to explain it.

1 MR. SULLIVAN: Ask Mr. Ketterman he has been  
2 all through this.

3 THE WITNESS: What happened is I was supposed  
4 to get paid a certain point. And I didn't get  
5 paid. And I told him can you deposit those checks  
6 a week from today, and I am going to get paid, I  
7 will cover those checks.

8 Instead of that happened, I didn't get  
9 paid, and he deposit the checks and all of the  
10 checks bounced.

11 By Mr. Scalabrino:

12 Q Okay.

13 A So they didn't want to deposit again.  
14 So I just take directly the -- the check to pay --  
15 to cover right away. Otherwise, it will take  
16 longer to clear the checks.

17 Q So you did that with a Meridienne  
18 check?

19 A Yes.

20 Q Okay. Let's get back --

21 MR. SULLIVAN: Wait. Wait. Meridienne check  
22 is the one that bounced.

23 THE WITNESS: Yes, the payrolls are the ones  
24 that bounced, but not the general contractor check.

1 By Mr. Scalambrino:

2 Q Okay.

3 A Okay.

4 Q Let's get back to the general contractor  
5 checks.

6 A Uh-huh.

7 Q If I understand your testimony is if you  
8 were short a payroll and Meridienne couldn't make  
9 it or a Meridienne check bounced, when Meridienne  
10 got paid by a contractor, you would endorse that  
11 check over to Jarvis to reimburse him for making  
12 payroll; is that correct?

13 A That's correct.

14 Q Okay. Did you keep track in a ledger or  
15 anywhere how many checks you endorsed over to  
16 Jarvis?

17 A I think I got -- I think I got that date  
18 on my office. I think I do.

19 Q Okay. Could you -- that was covered by  
20 our document request. Could you please produce  
21 that?

22 A Okay.

23 Q Because that's in none of the records  
24 that were produced.



1 MR. SULLIVAN: I think Mr. Ketterman has that  
2 document. I will see if I can produce them.

3 By Mr. Scalabrino:

4 Q Do you recall, and I know this is hard  
5 because you're sitting here and you don't have the  
6 documents in front of you, how many of these checks  
7 you endorsed to Jarvis, these contractor checks?

8 A It could be one or two.

9 Q Okay. No more than one or two?

10 A I don't think so.

11 Q Do you recall the amounts?

12 A No.

13 Q How do you explain this big discrepancy  
14 then between your \$220,000 in your books and  
15 records and the \$429,000 in the books and records  
16 of Jarvis that Jarvis loaned?

17 MR. SULLIVAN: Objection. I think he just  
18 explained that.

19 By Mr. Scalabrino:

20 Q Did those checks total over \$200,000?

21 A It is possible, but without seeing those  
22 documents, I cannot answer that question.

23 MR. SCALAMBRINO: Why don't we take -- we have  
24 been at this for a little over an hour. Why don't

1 we take a short 10 minute break.

2 (A recess was had.)

3 By Mr. Scalabrino:

4 Q We can go back on the record. Are you  
5 ready, Mr. Chavez?

6 A Yes, I am.

7 Q I think you may have answered this, but  
8 I just want to make sure, okay.

9 In the loan transactions with Jarvis,  
10 Meridienne never executed any type of promissory  
11 notes or anything payable to him; did it?

12 A Correct.

13 Q It was just kept track of internally  
14 like you did on Exhibit --

15 A 9.

16 Q I think you're right, but I am not  
17 finding it in the exhibit pile, but I think you  
18 are right. That was your accounting, right,  
19 Exhibit 9. Is that correct?

20 A Yes.

21 Q Okay. Do you recall when Meridienne  
22 first received a loan from Jarvis? What year it  
23 was?

24 A No, I don't recall.

1 Q Well, let's take a look at Exhibit -- it  
2 could be 8 or 9. Let's look at 8. Exhibit 8, look  
3 down to 5/22/13 Check No. 11090, \$90,000, Jarvis  
4 Greenview. Do you see that check?

5 A Yes.

6 Q That was the first check that I saw in  
7 the checking, in the bank records that you produced  
8 to me. That was the first check that I saw that  
9 was written by Meridienne to Greenview?

10 A Okay.

11 Q So could the loan have happened earlier  
12 than that in 2013, the first loan?

13 A Well --

14 Q Because that was your first payment  
15 5/22/13?

16 A It shows another on the record. Another  
17 two loans before that on '12, so. I guess it was  
18 in 2012.

19 By Mr. Scalambrino:

20 Q On Exhibit 9?

21 A On Exhibit 9.

22 Q Let's go to Exhibit 9 then.

23 So the very first deposit 8/6/2012,  
24 could that have been the first loan?

1 A It could be.

2 Q Okay. And then these loans continued  
3 through 2013 up until 5/16/2014; is that correct?

4 A That's correct.

5 Q All right. And were all of these loans  
6 made to cover payroll?

7 A Or to pay the Union benefits.

8 Q Okay. They were all payroll related?

9 A Yes.

10 Q Okay. Have you ever heard of company  
11 called Toros, T-o-r-o-s, Drywall, Inc.

12 A Torrez?

13 Q Toros, T-o-r-o-s, Drywall, Inc.

14 A No.

15 Q Okay. You have no ownership in that  
16 company?

17 A Not at all.

18 Q Do you know someone named David  
19 Chavez?

20 A No.

21 Q Where are you currently employed?

22 A By knowing the people. Knowing the  
23 people. I mean, currently employed? Oh, where I  
24 am working now.

1 Q Yes, where do you work?

2 A Actually I'm not working completely.  
3 I'm just in the winter of 2016 I was looking at  
4 some trucking business that didn't work. And  
5 then I did some -- I tried to bring back A & A  
6 Drywall. So I am looking for some investors to  
7 bring money from relatives in Florida and Mexico.  
8 So I am working on that. And from time to time I  
9 am doing some consulting for my son's company.

10 Q What is your son's company?

11 A It's a construction company as well, but  
12 it is not union company.

13 Q What's the name of it?

14 A MDC.

15 Q MDC?

16 A MD.

17 Q M.

18 A D.

19 Q DC?

20 A C.

21 Q Is it MDC Construction Company or?

22 A Yes.

23 Q Where is it located?

24 A In Chicago.

1 Q What does it do?

2 A Drywall. Drywall.

3 Q Same thing Meridienne did?

4 A Not same thing, but small, I mean, it  
5 does like houses and stuff like that, you know,  
6 basements.

7 Q Is it a residential company?

8 A Yes, something like that. Start trying  
9 to grow the company a little bit, but it is still  
10 small company.

11 Q Do you have any ownership interest in  
12 that company?

13 A No. Not at all.

14 Q And you're not an employee. You're not  
15 on the payroll?

16 A Just -- No. I am just consulting. And  
17 he help me out to pay bills, that's all.

18 Q What are your duties as a consultant  
19 involve? What do you do when you're a consultant  
20 for MDC?

21 A Like measure a house here and tell them  
22 how many square feet there, and ceilings or stuff  
23 like that.

24 Q Okay. Anything else?

1 A No. Basically that and put numbers on  
2 the pricing that he's going to charge, and that is  
3 all.

4 Q Where is this company located?

5 A It's on -- by 30th and Damen in his own  
6 house. Its address I think it is 30 -- well, I  
7 don't remember. It is 3304 I guess. 3304 South  
8 Damen Avenue in Chicago.

9 Q That is his residence?

10 A Right, his residence.

11 Q Okay. And your son is the sole owner?

12 A Yes.

13 Q Does your wife do any consulting or any  
14 work for --

15 A Yes, she does.

16 Q What does she do?

17 A Like a secretary. Taking care of the  
18 paperwork and that's it.

19 Q Do you have any type of ownership  
20 interest in any other construction-related  
21 company?

22 A No.

23 Q Does your wife?

24 A No.

1 MR. SULLIVAN: Apart from A & A?

2 By Mr. Scalambrino:

3 Q Apart from A & A, correct.

4 MR. SULLIVAN: Thank you.

5 THE WITNESS: Oh, okay. Yes. Apart from  
6 A & A, no.

7 By Mr. Scalambrino:

8 Q Okay. You don't consult for any other  
9 construction-related company?

10 A No.

11 Q And you never heard of Toros Drywall  
12 Inc.?

13 A Not at all.

14 Q All right. Let's talk about A & A a  
15 little bit.

16 A Yes.

17 Q I believe you testified about A & A once  
18 before. Do you remember that with Mr. Ketterman?

19 A Yes.

20 Q I think you testified at that time you  
21 owned 51 percent of the shares of A & A?

22 A Yes.

23 Q And your wife owned 49 percent?

24 A Correct.



1 Q Who had check writing authority at

2 A & A?

3 A Both of us.

4 Q Anyone else?

5 A No.

6 Q A & A did the same type of business as  
7 Meridienne?

8 A Yes.

9 Q Operated out of the same premises?

10 A Yes.

11 Q I think you also testified it was  
12 founded in 1998?

13 A Yes, that's correct.

14 Q Now, did you start it or did you  
15 purchase it?

16 A I started A & A Drywall.

17 Q Okay. Did you hold all of the officer  
18 positions in A & A?

19 MR. SULLIVAN: When?

20 THE WITNESS: No.

21 By Mr. Scalabrino:

22 Q Now.

23 MR. SULLIVAN: Are you saying do you?  
24

1 By Mr. Scalambrino:

2 Q Do you?

3 A Do you. A & A Drywall is not operating  
4 anymore -- right now.

5 Q Well, who is -- is it in good standing  
6 with the Illinois Secretary of State; do you  
7 know?

8 A It is.

9 Q Okay. Do you know who is listed as  
10 president?

11 A Me. Arturo Chavez.

12 Q Are you also listed as secretary?

13 A I think it is my wife.

14 Q Okay.

15 MR. SCALAMBRINO: Let's mark this 10.

16 (A document was marked Deposition  
17 Exhibit No. 10 for identification.)

18 By Mr. Scalambrino:

19 Q Mr. Chavez, I have handed you what I  
20 have marked as Exhibit 10. This is a print off  
21 from the Secretary of State's website relating to  
22 AA?

23 A Uh-huh.

24 Q A & A, I'm sorry.

1                   See where it says status on the  
2 left-hand side of the page.

3           A        Yes.

4           Q        Okay. It says it's not in good  
5 standing?

6           A        Okay.

7           Q        Is that your understand that A & A is  
8 not in good standing with the Illinois Secretary of  
9 State?

10          A        Right.

11          Q        That was just for failure of paying the  
12 fee?

13          A        I'm not sure. This is the first time I  
14 see this. I thought we were still in good standing.

15          Q        Okay. It lists you as the president; do  
16 you see that?

17          A        Yes.

18          Q        And your wife. I believe your wife is  
19 Adela P., correct?

20          A        Yes. Yes.

21          Q        As the secretary, correct?

22          A        Yes.

23          Q        All right. It also indicates if you  
24 look down near the bottom of the page that at one

1 time it used the name Meridienne Corp. 1; do you  
2 see that?

3 A Yes, I see it.

4 Q Okay. When did it use the name  
5 Meridienne Corp. 1?

6 A I don't even remember that we have that  
7 name.

8 Q Okay. You don't remember ever signing  
9 contracts under the name Meridienne Corp. 1?

10 A No.

11 Q When did it quit operating?

12 A A & A Drywall?

13 Q Yes.

14 A Last year. I guess it was around  
15 October, maybe. September, October something like  
16 that.

17 Q Of 2016?

18 A Correct.

19 Q What was the last job that it did? That  
20 it worked on?

21 A It was Blue Yonder on Veterans Hospital  
22 in Great Lakes.

23 Q Veterans Hospital?

24 A VA Hospital.

1 Q Okay. On Great Lakes Naval base?

2 A Yes. I don't know if it is Naval base  
3 or the hospital.

4 Q Who was the general contractor?

5 A Blue Yonder.

6 Q Blue Yonder?

7 A Yonder, yes.

8 Q Can you spell that?

9 A Y-u-n-o-d-e-r.

10 Q Is A & A owed money on that job?

11 A I don't think so. I think everything  
12 was paid.

13 Q Did A & A do work at the Payton High  
14 School in Chicago?

15 A Yes.

16 Q Okay. And what was the last day it did  
17 work there?

18 A It was back in January, February 2016.

19 Q Are you sure that wasn't 2017?

20 A No.

21 Q Okay. You definitely think it was  
22 2016?

23 A 2016.

24 Q Okay. Did you do work at Wildwood

1 Elementary School?

2 A Yes.

3 Q Do you remember the last day that you  
4 worked there?

5 A I don't remember, but I think Wildwood  
6 was in 2015 when we finish there.

7 Q Who was the general on that job?

8 A F.S. Paschen.

9 Q Were you owed money on that?

10 MR. SULLIVAN: Were they?

11 By Mr. Scalambrino:

12 Q Yes. Are you owed money on that?

13 A Maybe a little bit on Payton. I don't  
14 know how much it is, but I think it's -- if it is  
15 something it is around --

16 Q Was Paschen the general on Payton?

17 A Yes.

18 Q Who was the general on Wildwood

19 Elementary School?

20 A Paschen. Same contractor.

21 Q Okay.

22 MR. KETTERMAN: P-a-s-h-e-n. P-a-s-c-h-e-n.

23 By Mr. Scalambrino:

24 Q How many jobs did A & A work on in 2016;

1 do you recall approximately?

2 A Only two.

3 Q Only two?

4 A Yes.

5 Q And that would have been the Veterans  
6 Hospital?

7 A And the Walter Payton.

8 Q And the Walter Payton. Just those two  
9 in 2016?

10 A Correct.

11 Q Okay. What type of work?

12 A Frame, drywall, and taping, and  
13 insulation.

14 Q Similar type of work that Meridienne  
15 did?

16 A Correct.

17 Q Okay. Did these two jobs that you did  
18 in 2016 were they required to be MBE jobs?

19 A Yes.

20 Q And A & A was a MBE; is that correct?

21 A That's correct.

22 Q Not WMB?

23 A No. MBE.

24 Q You and your wife had check writing

1 authority, right?

2 A Yes.

3 MR. SCALAMBRINO: What number are we on?

4 MR. KETTERMAN: 11.

5 MR. SCALAMBRINO: 11.

6 THE WITNESS: 11.

7 MR. SCALAMBRINO: I will do two of these. 11  
8 and 12. Okay. That one 11 and 12.

9 (Documents were marked Deposition  
10 Exhibit Nos. 11 and 12 for  
11 identification.)

12 By Mr. Scalabrino:

13 Q I have handed you what have been marked  
14 as Exhibit 11 and 12, both checks from F.H. Paschen  
15 to A & A Drywall.

16 A Okay.

17 Q Let's talk about Check No. 11 first.  
18 That is a check dated 9/14/2016. Do you see  
19 that?

20 A Uh-huh.

21 Q Check in the amount of \$10,700?

22 A Correct.

23 Q And then the second page is that your  
24 signature?



1 A Yes, it is.

2 Q Were these checks paid to A & A for the  
3 Walter Payton job?

4 A I think so.

5 Q Yes?

6 A Yes.

7 Q Okay. How about Check No. 12 or rather  
8 Exhibit No. 12. Is that check for the Walter  
9 Payton job?

10 A Yes.

11 Q I believe from your prior testimony you  
12 think that for this job the amounts due to A & A is  
13 minuscule; is that correct?

14 A Correct.

15 Q Still due and owing?

16 A Yes.

17 Q What do you define as being not a lot,  
18 minuscule, a couple thousand dollars?

19 A Between 2 to 8,000. I don't recall how  
20 much because on this job they make a few party  
21 checks to pay the carpenters' benefits.

22 Q Third-party checks?

23 A Yes.

24 Q Okay.

1 (The record was read.)

2 MR. SCALAMBRINO: It was third-party checks.

3 MR. SULLIVAN: There are two party checks.

4 THE WITNESS: Yes. Two. These are two-party  
5 checks.

6 By Mr. Scalabrino:

7 Q These are two-party checks?

8 A Yes.

9 Q Any other checks that were written?

10 A Yes, I think so.

11 Q Do you recall how much?

12 MR. SULLIVAN: Ask Ketterman. He knows  
13 better.

14 THE WITNESS: I don't remember how much, but  
15 it was a total of about 80, \$90,000 in checks, I  
16 guess that the carpenter received from there.

17 By Mr. Scalabrino:

18 Q Did A & A receive any checks that  
19 weren't third-party checks --

20 A No.

21 Q -- from Paschen?

22 A No. It was delivered directly to them.

23 Q Did A & A ever pay any of its carpenter  
24 employees in cash?

1 A No.

2 Q Did you ever have A & A deposit their  
3 paychecks at Jarvis the way you had the Meridienne  
4 employees do it?

5 A I don't recall, but, no. I don't  
6 remember.

7 Q Other than the payments that we went  
8 over for the line of credit that Meridienne made  
9 for A & A, did Meridienne ever pay any other debts  
10 of A & A?

11 MR. SULLIVAN: Can I have the question read  
12 back?

13 THE WITNESS: Yes, please can you.

14 By Mr. Scalambrino:

15 Q I will. Let me rephrase it.

16 You testified previously remember when  
17 we went over Exhibit 9, I believe or 8. Where  
18 there were almost monthly payments to pay the line  
19 of credit by Meridienne to A & A.

20 MR. SULLIVAN: All right.

21 By Mr. Scalambrino:

22 Q Other than those payments, did  
23 Meridienne pay any other debts of A & A?

24 A I don't think A & A had any other

1 payments. It's their way I think A & A Drywall pay  
2 some debts of Meridienne.

3 Q In 2016 do you recall A & A cutting a  
4 check or rather in December of 2015, do you recall  
5 A & A cutting a check to your wife in the sum of  
6 \$17,700?

7 A I don't recall, but I -- I think we did.

8 Q You think you did?

9 A Yes, I think we did.

10 Q What was that check for?

11 A I don't remember.

12 Q Okay. Do you recall on January 21st, of  
13 2016, A & A cutting a check to your wife in the sum  
14 of \$100,000?

15 A I could remember that one.

16 Q What was that for?

17 A It was to pay the line of credit of  
18 Meridienne to Bank of Popular.

19 Q I would like to see those documents  
20 too?

21 MR. SULLIVAN: There was, well, it's not  
22 called for, but I will get it for you.

23 By Mr. Scalambrino:

24 Q On the same --

1 MR. SULLIVAN: I think we already did produce  
2 it.

3 MR. SCALAMBRINO: Not for A & A.

4 MR. SULLIVAN: Yeah.

5 By Mr. Scalabrino:

6 Q On the same day January 21, 2016, A & A  
7 cut a check for \$20,000 to your wife. Do you  
8 recall what that was for?

9 A No, I don't recall that one what it was  
10 for.

11 Q Okay. Then on February 16, of 2016,  
12 A & A cut a check in the sum of \$25,000 to your  
13 wife. Do you know what that was for?

14 A No, I don't recall. I know we cut  
15 some checks to pay some debts, but I don't remember  
16 what it was for. I don't. I remember the \$100,000  
17 that it was for a line of credit for Meridienne.

18 Q Did you and your wife personally  
19 guarantee the lines of credit that AA had?

20 A Yes.

21 Q With both I think it was Bank of America  
22 and Bank of Popular?

23 A Correct.

24 Q So as you sit here today, A & A has no

1 men out in the field working; is that correct?

2 A That's correct.

3 Q Do you recall approximately when the  
4 last day A & A had men out in the field?

5 A I think I -- I told you it was back in  
6 October I guess. Maybe September, October,  
7 September, but I don't recall the --

8 Q In 2016?

9 A -- exact date.

10 Q 2016?

11 A Yes.

12 Q Is A & A out bidding on jobs now?

13 A No.

14 Q When was the last time A & A bid on a  
15 job?

16 A I don't remember.

17 Q Has it bid on a job this year?

18 A Not directly. I -- no, I haven't. I  
19 haven't bid any.

20 Q Okay. Who prepared the bids for  
21 A & A?

22 A I used to have an estimator on my --  
23 in-house. We were at the point where we had two.  
24 One he was not too good and we got rid of him in

1 2012. And the other one we got rid of him last  
2 year because of lack of capital. So I was working  
3 on the bids at the end.

4 Q Okay. Were you the estimator for  
5 Meridienne or did you have someone else do it?

6 A No. I just look over the numbers for  
7 Meridienne, but I have somebody else working on the  
8 bids.

9 Q Okay. Do you do any of the bid work for  
10 your son's company?

11 A Not really. I don't.

12 Q Okay. You said not really. I don't.  
13 Which is it?

14 A No, I don't.

15 Q You do or you don't?

16 A No, I don't.

17 Q You don't.

18 A No, I don't.

19 Q Okay. Where does A & A maintain its  
20 bank accounts?

21 A I'm not sure that we have anymore bank  
22 accounts, but if we have it, it's U.S. Bank.

23 Q U.S. Bank?

24 A Yes.

1 Q Do you know where that -- the branch  
2 where it banked at is located?

3 A It is on -- it was on 37th and it's --  
4 what is that street? I don't remember the name of  
5 the street, but it is by U.S. Cellular around  
6 there. It's the U.S. Bank.

7 Q Okay. Is that near your office,  
8 A & A's office?

9 A It is near us, but it's not near us. It  
10 is a couple of miles away.

11 Q It is in that area though?

12 A Yes. Yes.

13 MR. SCALAMBRINO: Do you need a break?

14 MR. SULLIVAN: This is off the record.

15 (A discussion was had off the record.)

16 By Mr. Scalabrino:

17 Q Let go back on the record. As you're  
18 sitting here today the only bank that you can  
19 recall that A & A had was U.S. Bank; is that a fair  
20 statement?

21 A That's correct.

22 Q Did it close any bank accounts in the  
23 last two years?

24 A No.



1 Q Okay.

2 MR. SULLIVAN: I'm sure it closed. Hold on.

3 THE WITNESS: This is off the record?

4 MR. SULLIVAN: Yes.

5 MR. SCALAMBRINO: You guys want to have a  
6 conference? We can take a short break. There is a  
7 conference room right here. You can talk right  
8 next door rather than doing this here.

9 MR. SULLIVAN: Okay.

10 (A brief recess was had.)

11 (The record was read.)

12 By Mr. Scalabrino:

13 Q Is that answer still no?

14 MR. SULLIVAN: Yeah.

15 THE WITNESS: I think he's right. I think we  
16 have another account. I think it's Bank of America  
17 because of the line of credit.

18 By Mr. Scalabrino:

19 Q Okay. So --

20 MR. SULLIVAN: But the answer as to whether  
21 they closed any is correct.

22 Mr. SCALAMBRINO: No.

23 MR. SULLIVAN: Yeah, the things that we  
24 produced with respect to Meridienne and it was the

1 last monthly documents on there.

2 By Mr. Scalambrino:

3 Q Right.

4 So if I understand your answer then  
5 U.S. Bank and Bank of America may be the two open  
6 bank accounts for --

7 A A & A.

8 Q -- A & A?

9 A That's correct.

10 Q And there are no closed accounts within  
11 the last two years --

12 A No.

13 Q -- correct?

14 A Correct.

15 Q Okay.

16 Did Meridienne or A & A transfer any of  
17 its assets, tools, anything to your son's  
18 company?

19 A No.

20 Q Okay.

21 A Not at all.

22 MR. SCALAMBRINO: Let's mark this Lucky  
23 No. 13.

24

1 (A document was marked Deposition  
2 Exhibit No. 13 for identification.)

3 By Mr. Scalabrino:

4 Q Mr. Chavez, I have handed you what has  
5 been marked as Exhibit No. 13. Have you seen this  
6 document before?

7 A Yes, I saw it.

8 Q Okay. When did you first see it?

9 A Just one time this last week.

10 Q You know what it is asking for?

11 A Yes. For documents.

12 Q Are you going to arrange this review of  
13 records?

14 A Yes.

15 Q Okay. After the dep, okay, you can  
16 arrange that with Mr. Ketterman?

17 A Okay.

18 MR. SULLIVAN: Wait. Wait. Wait.

19 THE WITNESS: I think they sent all of the  
20 paperwork because it's very little. So they send.  
21 If they still want us to arrange paperwork, we  
22 can -- we can arrange it.

23 By Mr. Scalabrino:

24 Q Okay.

1 A But I mean all of the paper --

2 MR. SULLIVAN: They produced all of the  
3 records.

4 THE WITNESS: They produce all of the  
5 records. It has been sent to you, I guess. Who  
6 is --

7 By Mr. Scalambrino:

8 Q You mean Mr. Conklin?

9 A Yes.

10 Q Mr. Libby actually.

11 A Yeah. When you receive that, if you  
12 have any questions, you need to arrange another.

13 Q Okay. Let's stop for a minute. If I  
14 understand what you're telling me is you received  
15 this and you saw it, correct?

16 A Yes.

17 Q You gathered the records?

18 A Yes.

19 Q Is it your testimony that you sent  
20 them --

21 A Yes.

22 Q -- to us?

23 A Yes.

24 Q And whose attention did you send them

1 to, is it Mr. Libby or John Conklin?

2 A I don't remember, but I will find out.

3 It's either or.

4 Q Okay. So you sent them by ordinary  
5 mail?

6 A Or FedEx. Either or.

7 Q Okay. If Mr. Conklin or Mr. Libby needs  
8 to get ahold of you about these documents, what is  
9 the best telephone number to reach you at?

10 A They can call me at 312.735.5744.

11 Q Is that your cell number?

12 A Yes.

13 MR. SCALAMBRINO: I don't have anymore  
14 questions at this time.

15 Do you want to explain signature to him.  
16 Mr. Sullivan.

17 MR. SULLIVAN: Signature is not waived so.

18 MR. SCALAMBRINO: Okay. We are done.

19 DEPOSITION CONCLUDED

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

IN RE: ) No. 16-15035  
) CHAPTER 7  
MERIDIENNE CORPORATION )  
)  
Debtor. )

I, ARTURO CHAVEZ, being first duly sworn,  
on oath, say that I am the deponent in the  
aforesaid deposition, and that I have read the  
foregoing transcript of my deposition, consisting  
of pages 1 through 86 inclusive, taken on  
May 10, 2016, at the aforesaid place and that the  
foregoing is a true and correct transcript of my  
testimony so given.

\_\_\_\_\_ corrections were made  
\_\_\_\_\_ no corrections were made  
\_\_\_\_\_

ARTURO CHAVEZ

SUBSCRIBED AND SWORN TO  
before me this \_\_\_\_\_ day  
of \_\_\_\_\_ A.D., 2017.

\_\_\_\_\_  
NOTARY PUBLIC

1 STATE OF ILLINOIS )  
 )SS:  
2 COUNTY OF DU PAGE )

3 I, BARBARA ANTHONY, CSR, RPR, certify  
4 that, ARTURO CHAVEZ, appeared before me on May 10,  
5 2016 as a witness in a cause now pending and  
6 undetermined in the United States Bankruptcy Court  
7 FOR the Northern District of Illinois, Eastern  
8 Division, In Re: Meridienne Corporation, Debtor.  
9 Case No. 16-15035 Chapter 7.

10 I further certify that ARTURO CHAVEZ was  
11 by me first duly sworn to testify the truth, the  
12 whole truth and nothing but the truth in the cause  
13 aforesaid before the taking of his deposition; that  
14 the testimony given was stenographically recorded  
15 in the presence of said witness by me, and  
16 afterwards reduced to typewriting, and that the  
17 foregoing is a true and correct transcript of said  
18 testimony.

19 I further certify that there were present  
20 at the taking of this deposition the aforementioned  
21 counsel.

22 I further certify that I am not counsel  
23 for nor in any way related to any of the parties to  
24 this suit, nor am I in any way interested in the

1 outcome thereof.

2 IN TESTIMONY WHEREOF, I have hereunto set  
3 my hand this 24th day of May A.D., 2017.

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Barbara Anthony, CSR, RPR  
CSR No. 084-003185  
Expires May 31, 2017