

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

**DATE:** July 16, 2007

**JUDGE  
LEONARD DAVIS**

**COURT REPORTERS:  
Therese Casterline & Jana Bald**

**LAW CLERKS:** Andrea Houston, Nicole Mitchell

<p><b>AdvanceMe, Inc.</b> <b>Plaintiff</b></p> <p><b>vs.</b></p> <p><b>Capital Business Corporation, et al</b> <b>Defendants</b></p>	<p><b>CIVIL ACTION NO: 6:05-CV-424</b> <b>BENCH TRIAL</b> <b>DAY 1</b></p>
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<b>ATTORNEYS FOR PLAINTIFFS</b>	<b>ATTORNEY FOR DEFENDANT</b>
Ronald Lemieux (Paul Hastings) Michael Edelman (Paul Hastings) Robert Matz (Paul Hastings) Shanee Williams (Paul Hastings) Vid Bhakar (Paul Hastings) Otis Carroll (ICK Firm) Deborah Race (ICK Firm) Parris Sanz - In House Counsel Glen Goldman - CEO	Jeff Sanders (Roberts & Ritholz) Brian Buss (V&E) Joseph Gray (V&E) Willem Schuurman (V&E) Doug McSwane (Potter Minton) Matt Rowan (Potter Minton) <i>For Merchant &amp; Reach</i>

On this day, came the parties by their attorneys and the following proceedings were had:

**OPEN:** 10:15 am

**ADJOURN:** 4:53 pm

<b>TIME:</b>	<b>MINUTES:</b>
10:15 am	Court Reporter sworn. Case called. Mr. Carroll announces counsel for the plaintiff. Mr. McSwane announces counsel for the defendants. Court asked for witnesses who are present to be sworn. Witnesses sworn.
10:20 am	Mr. Lemieux presented opening statement to the Court.
10:50 am	Mr. Schuurman presented opening statement to the Court.

**DAVID J. MALAND, CLERK**

**FILED: 7.16.2007**

BY: Rosa L. Ferguson, Courtroom Deputy

TIME:	MINUTES:
11:27 am	Plaintiff offers exhibits 1 - 1983 as listed on final trial exhibit list, but if counted there are only 335 total exhibits. <b>Plaintiff's Exhibits 1-4, 7, 8, 14 - 53, 55 - 65, 182 - 216, 218 - 256, 267 - 281, 303 - 451, 483 - 504, 507 - 519, 521, 525, 1977 - 1983 admitted (AS REFLECTED ON EXHIBIT LIST).</b> Defendant offers exhibits 1 - 388, except the ones with an objection. Those exhibits admitted except those marked with an "X" under objection. This is a total of 399 exhibits. <b>Defendants' Exhibits 1-6, 12-23, 26, 29, 31, 37, 40, 41 - 44, 53 - 56, 61, 62, 68, 72, 74, 76, 78, 82, 85 - 89, 92, - 94, 96, 98, 102 - 106, 109, 124, 136 - 149, 151, 152, 155 - 199, 202, 204 - 207, 209 - 212, 215, 216, 218 - 221, 223 - 231, 257 - 297, 309, 310, 314, 319 - 330, 333 - 387, 389 - 399, AND, 11, 28, 45, 46 - 52, 58 - 60, 63, 64, 69 - 71, 73, 75, 77, 79 - 81, 83, 84, 91, 95, 97, 107, 108, 110 - 116, 150, 153, 154, 200, 201, 203, 208, 213, 214, 217, 222, 232 - 256, 311 - 313, 315 - 318, 388 admitted (AS REFLECTED ON EXHIBIT LIST).</b>
1:00 pm	Trial resumes. Plaintiff calls <b>BARBARA JOHNSON</b> to the stand. Witness previously sworn.
1:00 pm	Direct examination of Ms. Johnson by Mr. Lemieux.
1:13 pm	Cross examination of Ms. Johnson by Mr. Schuurman.
1:25 pm	Redirect examination of Ms. Johnson by Mr. Lemieux.
1:30 pm	Recross examination of Ms. Johnson by Mr. Schuurman.
1:30 pm	The Court examined the witness. Court excused Ms. Johnson from the stand.
1:32 pm	Plaintiff calls <b>LES FALKE</b> to the stand. Witness previously sworn.
1:32 pm	Direct examination of Mr. Falke by Mr. Edelman.
1:55 pm	Mr. Schuurman will call witness in their case in chief and will reserve examination until that time. Mr. Falke excused.
1:55 pm	Plaintiff calls <b>MICHAEL I. SHAMOS, PhD</b> to the stand. Witness previously sworn.
1:55 pm	Direct examination of Dr. Shamos by Mr. Edelman.
3:47 pm	Court in recess.
4:00 pm	Trial resumes.
4:00 pm	Cross examination of Dr. Shamos by Mr. Buss.
4:23 pm	Cross examination of Dr. Shamos by Mr. Gray.
4:50 pm	No further questions of the witness. Dr. Shamos excused.
4:53 pm	Court addressed the litigants and audience. Court in recess until 9:00 am tomorrow.