

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

DATE: July 17, 2007

JUDGE
LEONARD DAVIS

COURT REPORTERS:
Therese Casterline & Jana Bald

LAW CLERKS: Andrea Houston, Nicole Mitchell

<p>AdvanceMe, Inc. Plaintiff</p> <p>vs.</p> <p>Capital Business Corporation, et al Defendants</p>	<p>CIVIL ACTION NO: 6:05-CV-424 BENCH TRIAL DAY 2</p>
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ATTORNEYS FOR PLAINTIFFS	ATTORNEY FOR DEFENDANT
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 & Reach</i>

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

OPEN: 8:59 am

ADJOURN: 5:00 pm

TIME:	MINUTES:
8:59 am	Trial resumed. Court inquired about a brief opening statement from yesterday.
9:00 am	Mr. Lemieux presented a brief opening statement of yesterday's testimony.
9:01 am	Mr. Schuurman presented a brief opening statement of yesterday's testimony.
9:05 am	Mr. Lemieux called by video, Mr. William Jackson. Mr. Lemieux deferred to Mr. Matz for outline of video depositions and times.

DAVID J. MALAND, CLERK

FILED: 7.17.2007

BY: Rosa L. Ferguson, Courtroom Deputy

TIME:	MINUTES:
9:06 am	Mr. Matz addressed the Court and gave the collective time for the videos to be played. Total time of 4 hrs & 27 minutes, with 3:41 to plaintiff and :36 to debts. Mr. Matz outlined the witnesses to be called. Mr. Jackson is first, 2 nd is Anthony Malay, 3 rd is William Benedict, 4 th is Jennifer Carter, and 5 th is Anthony Walden. Mr. Matz prepared a list of exhibits that will assist the Court in identifying the exhibits. Court asked for a diagram that was shown yesterday showing the relating processors.
9:08 am	Video Deposition of WILLIAM JACKSON played for the Court.
10:14 am	Court in recess until 10:30 am.
10:29 am	Trial resumed. Mr. Matz called Anthony Malay by Video Deposition.
10:30 am	Video Deposition of ANTHONY MALAY played for the Court.
11:24 am	Mr. Matz called Bill Benedict by Video Deposition and it is over an hour.
11:24 am	Court will take it's lunch recess at this time. Court in recess until 1:00 pm
1:05 pm	Trial resumed.
1:08 pm	Mr. Gray called LEE SUCKOW to the stand on behalf of the Defendant. (Witness called out of order to accommodate scheduling). Witness sworn by the clerk.
1:09 pm	Direct examination of Mr. Suckow by Mr. Gray. Court asked witness to discuss the Diner's Club card.
2:07 pm	Mr. Gray passed the witness. Cross examination of Mr. Suckow by Mr. Carroll.
2:18 pm	Mr. Carroll passed the witness. Redirect examination of Mr. Suckow by Mr. Gray.
2:21 pm	Mr. Gray passed the witness. Recross examination of Mr. Suckow by Mr. Carroll.
2:24 pm	Mr. Carroll passed the witness. No further questions of this witness.
2:24 pm	Mr. Gray called EDWARD LANDON to the stand on behalf of the Defendant. (Witness called out of order to accommodate scheduling). Witness sworn by the clerk.
2:25 pm	Direct examination of Mr. Landon by Mr. Gray.
2:35 pm	Mr. Gray passed the witness.
2:35 pm	Mr. Matz will call William Benedict by video.
2:35 pm	Court in recess until 2:50 pm.
2:57 pm	Trial resumed. Court addressed the parties on time used thus far, which includes the video depositions as outlined earlier. With that, Plaintiff has used 6:15 and Defendant has used 2:55 minutes. Mr. Matz called William Benedict by video deposition.
2:57 pm	Video Deposition of WILLIAM BENEDICT played for the Court.
4:05 pm	Mt. Matz indicated next witness would be Jennifer Carter by video.
4:05 pm	Court will take a recess until 4:15 pm.

TIME:	MINUTES:
4:16 pm	Trial resumed.
4:16 pm	Video Deposition of JENNIFER CARTER played for the Court.
4:59 pm	Mr. Matz addressed the Court and next deposition is about 40 minutes. Court will be recessing tomorrow at 3:30. In addition, the Suppression hearing on Thursday will commence at 9:30 and should last 1 or maybe 2 hours. Parties should be ready to proceed immediately after that hearing. Mr. Edelman inquired about time used. Court gave parties the same time as before, as video depositions had been included.
5:00 pm	Court in recess until tomorrow morning at 9:00 am.