

# **EXHIBIT E**

**Abbot**

Total Length of Defendant Clips: 00:18:56

Total Length of Plaintiff Clips: 00:19:05

Total Length of Combined Clips: 00:38:01

DEFENSE: Abbot\_005.18-005.22 Length of Clip is: 00:00:08

5: 18 for your attendance at this deposition. Will  
5: 19 you please state your full name and address for  
5: 20 the record?  
5: 21 A. Allen Abbott. I live at 1711 Lotus  
5: 22 Drive in Orefield, Pennsylvania.

DEFENSE: B\_Abbot\_011.14-011.24 Length of Clip is: 00:00:30

11: 14 Q. What time frame were you at  
11: 15 Exposures?  
11: 16 A. I was at Exposures from summer '88  
11: 17 until June 1993.  
11: 18 Q. While at Exposures, what was your  
11: 19 position?  
11: 20 A. I was vice president of marketing  
11: 21 was my title initially. I was responsible for  
11: 22 marketing, later added operations as one of my  
11: 23 responsibilities and also made a director of the  
11: 24 company about three years in my tenure there.

PLAINTFF: PL\_Abbot\_015.07-015.19 Length of Clip is: 00:00:43

15: 7 we will get to it later. Have you had any  
15: 8 discussions with Randy Bourne?  
15: 9 A. I talked to Randy last week. I  
15: 10 called him to ask him if he had thought about  
15: 11 the fact that because I knew through e-mails  
15: 12 from Tim Little that he had agreed to  
15: 13 participate, if he had thought about the fact  
15: 14 that you were asking him to turn over documents  
15: 15 that he really didn't have a right to have in  
15: 16 some cases and had he thought about contacting  
15: 17 the current owners of Exposures to mention that  
15: 18 to them, which was sort of the gist of our  
15: 19 discussion.

PLAINTFF: PL\_Abbot\_018.20-019.13\* Length of Clip is: 00:00:53

18: 20 Q. Do the documents in Abbott Exhibits  
18: 21 2 and 3 represent all documents that are  
18: 22 responsive to the subpoena that was served upon  
18: 23 you?  
18: 24 A. Yes, they do.  
18: 25 Q. In searching for documents  
19: Page 19  
19: 1 Allen Abbott  
19: 2 responsive to the subpoena, where did you look?  
19: 3 A. Some of the documents were sent to  
19: 4 me by Joey Gray and others I got from my phone  
19: 5 log and also I went back into my e-mail and  
19: 6 searched for anything having to do with David

21: 13 Blythe, indicated to him that there had been a  
21: 14 request for a couple of documents that were  
21: 15 actually Exposures' business records. Basically  
21: 16 said I'm obligated to send them unless you  
21: 17 choose to try to stop that process. He called  
21: 18 me back 20 minutes later and said they had no  
21: 19 problem me sending them.  
21: 20 Q. Do you recall the name of the  
21: 21 attorney at Blythe that you spoke with?  
21: 22 A. I don't.

DEFENSE: Abbot\_021.23-021.25 Length of Clip is: 00:00:04

21: 23 Q. Mr. Abbott, are you familiar with a  
21: 24 company called Little & Company?  
21: 25 A. Yes.

DEFENSE: B\_Abbot\_022.02-022.15 Length of Clip is: 00:00:44

22: 2 Q. How did you become familiar with  
22: 3 Little & Co.?  
22: 4 A. They were our payment processor,  
22: 5 credit card payment processor at Bloomingdales  
22: 6 when I first got into the direct marketing  
22: 7 industry. And they also were credit card  
22: 8 processor at Exposures.  
22: 9 Q. Was there any type of agreement  
22: 10 between Little & Co. and Exposures for payment  
22: 11 processing?  
22: 12 A. Yes, there was -- they were our  
22: 13 payment processor. There was some type of  
22: 14 member agreement that was associated with that  
22: 15 business arrangement.

DEFENSE: Abbot\_022.16-022.25 Length of Clip is: 00:00:36

22: 16 Q. Can you describe generally what the  
22: 17 agreement entailed?  
22: 18 A. I don't really remember much about  
22: 19 it. It's spelled out how we would send certain  
22: 20 information to him and to his company in terms  
22: 21 of authorizing credit card purchases, how the  
22: 22 authorization would come back to us. And then  
22: 23 how we would send the actual sales transactions  
22: 24 to him, what the fees were, and I think that was  
22: 25 probably the meat of it.

DEFENSE: Abbot\_023.24-024.04 Length of Clip is: 00:00:13

23: 24 Q. Did Little & Company provide any  
23: 25 other services other than payment processing for  
24: Page 24  
24: 1 Allen Abbott  
24: 2 Exposures?  
24: 3 A. They did, postage financing was  
24: 4 something that we did.

DEFENSE: Abbot\_028.20-029.16 Length of Clip is: 00:01:13

28: 20 Q. After Little & Co. would advance  
28: 21 money to the postmaster, what would happen next,

32: 14 A. I'm not.  
 32: 15 Q. Are you aware of whether postage  
 32: 16 advances was something that Little & Co.  
 32: 17 advertised or marketed to the public?  
 32: 18 A. I know that -- we basically started  
 32: 19 that with them. We were the first company to do  
 32: 20 it and I know that he later extended that to  
 32: 21 additional companies. I don't know how many,  
 32: 22 but I do know other companies took advantage of  
 32: 23 that same product.

DEFENSE: Abbot\_032.24-033.03 Length of Clip is: 00:00:11

32: 24 Q. Do you know how many times Little &  
 32: 25 Co. advanced postage for Exposures?  
 33: Page 33  
 33: 1 Allen Abbott  
 33: 2 A. I'm positive of four and there may  
 33: 3 have been a fifth, but I don't remember.

DEFENSE: Abbot\_033.04-033.10\* Length of Clip is: 00:00:02

33: 4 MS. WILLIAMS: Mark this as Abbott  
 33: 5 Plaintiff's Exhibit 4.  
 33: 6 (Plaintiff's Exhibit Abbott 4,  
 33: 7 document entitled declaration of Allen  
 33: 8 Abbott, marked for identification, as of  
 33: 9 this date.)  
 33: 10 (Handing.)

SHOW P032

DEFENSE: B\_Abbot\_033.11-033.12 Length of Clip is: 00:00:03

33: 11 MS. WILLIAMS: This is a document  
 33: 12 entitled declaration of Allen Abbott.

DEFENSE: B\_Abbot\_033.13-033.16 Length of Clip is: 00:00:08

33: 13 Q. Mr. Abbott, turn to page 4 please,  
 33: 14 of the declaration. Is that your signature on  
 33: 15 page 4?  
 33: 16 A. It is.

SHOW P032-0004

PLAINTFF: PL\_Abbot\_033.17-033.19 Length of Clip is: 00:00:04

33: 17 Q. Did you draft this document that has  
 33: 18 been marked as Abbott Exhibit 4?  
 33: 19 A. I did not.

PLAINTFF: PL\_Abbot\_033.20-033.22\*\* Length of Clip is: 00:00:03

33: 20 Q. Who drafted the document marked as  
 33: 21 Abbott Exhibit 4?  
 33: 22 A. Joey Gray.

DEFENSE: Abbot\_033.23-034.02 Length of Clip is: 00:00:08

33: 23 Q. Were there any drafts of the  
 33: 24 document that has been marked as Abbott Exhibit  
 33: 25 4?

34:Page 34

34: 1 Allen Abbott  
34: 2 A. Yes, there was one previous draft.

DEFENSE: Abbot\_036.12-037.07\* Length of Clip is: 00:00:55

36: 12 Q. I would like to talk a little bit  
36: 13 about some of the specific paragraphs in the  
36: 14 declaration. First look at paragraph 4. Do you  
36: 15 see where it says, I was intimately involved in  
36: 16 the implementation and maintenance of postage  
36: 17 financing arrangements between Exposures and  
36: 18 Little & Co.?  
36: 19 A. Yes.  
36: 20 Q. What do you mean by you were  
36: 21 intimately involved?  
36: 22 A. I was the person who approached  
36: 23 Little & Co. about doing this type of agreement,  
36: 24 this type of loan. I worked with Tim Little and  
36: 25 their vice president of finance, whose name I

37:Page 37

37: 1 Allen Abbott  
37: 2 don't recall at this point, to structure the  
37: 3 agreement, how it would be done, how it would be  
37: 4 paid back, how the loan would be made and I was  
37: 5 the contact point every time when we wanted to  
37: 6 do it again. I was the one that initiated the  
37: 7 process.

SHOW P032-0002

DEFENSE: Abbot\_037.19-038.06 Length of Clip is: 00:00:35

37: 19 Q. Mr. Abbott, will you look at  
37: 20 paragraph 5, please. Do you see where it says  
37: 21 Little & Co., in association with other entities,  
37: 22 was Exposures' payment processor?  
37: 23 A. Yes.  
37: 24 Q. Who were the other entities referred  
37: 25 to in that paragraph?

38:Page 38

38: 1 Allen Abbott  
38: 2 A. I know that Little & Co. worked with  
38: 3 banks or a bank or I don't know which ones. It  
38: 4 was somewhat unimportant to me in terms of what  
38: 5 we needed, so I knew there was a bank or maybe  
38: 6 several banks behind the scenes.

DEFENSE: Abbot\_039.09-039.24 Length of Clip is: 00:00:34

39: 9 Q. Will you look at paragraph 8,  
39: 10 please. At the second line of paragraph 8,  
39: 11 there is a reference to a preexisting card  
39: 12 processing agreement.  
39: 13 A. Right.  
39: 14 Q. Can you describe what that agreement  
39: 15 was?  
39: 16 A. It was a basic outline of the  
39: 17 generic day to day services that Little provided  
39: 18 as our credit card processor, talking about how  
39: 19 authorization would take place on cards, how  
39: 20 cards would be billed, what the fees were, that  
39: 21 type of thing.  
39: 22 Q. That is the member agreement that  
39: 23 you referenced earlier in your testimony?

39: 24 A. Yes, yes.

DEFENSE: Abbot\_040.07-041.02 Length of Clip is: 00:00:54

40: 7 Q. In paragraph 8, do you see the  
40: 8 reference to schedule E-1?  
40: 9 A. Yes.  
40: 10 Q. What is schedule E-1?  
40: 11 A. Schedule E-1 was the details of one  
40: 12 of the postal advances that Litle fronted on our  
40: 13 behalf and the amount. We get a list of the  
40: 14 amount on the date that it would be paid to the  
40: 15 Post Office, what the interest rate was. I  
40: 16 think the first one was not an origination fee,  
40: 17 so it was just a flat 10 percent interest rate,  
40: 18 the time period over which we would pay the loan  
40: 19 back and that it would be taken out of our  
40: 20 credit card proceeds.  
40: 21 Q. Is schedule E-1 the only  
40: 22 documentation you are aware of concerning the  
40: 23 postage advance agreement between Exposures --  
40: 24 A. That particular event. There was a  
40: 25 separate agreement for each event, each  
41: Page 41  
41: 1 Allen Abbott  
41: 2 financing.

DEFENSE: Abbot\_041.09-041.17 Length of Clip is: 00:00:31

41: 9 Q. Will you describe what schedule E-4  
41: 10 is as well?  
41: 11 A. E-4 was for another loan from Litle  
41: 12 for postage, same arrangement. I think the main  
41: 13 difference was there was an origination fee in  
41: 14 addition to an interest rate charged that was  
41: 15 calculated into a daily payment over a period of  
41: 16 time. So that outlined the specifics of just a  
41: 17 different postal agreement.

DEFENSE: B\_Abbot\_042.07-042.16\* Length of Clip is: 00:00:32

42: 7 Q. Look at paragraph 10 of the document  
42: 8 marked as Abbott Exhibit 4. There is a  
42: 9 reference there to repayment amounts. Are  
42: 10 repayment amounts separate from processing fees  
42: 11 that Litle & Co. would charge?  
42: 12 A. Yes, yes.  
42: 13 Q. Were repayment amounts deducted from  
42: 14 Exposures' credit card receivables; is that  
42: 15 correct?  
42: 16 A. That's correct.

SHOW P032-0003

PLAINTFF: PL\_Abbot\_042.17-042.19 Length of Clip is: 00:00:06

42: 17 Q. Do you know who deducted those  
42: 18 amounts from Exposures' credit card receivables?  
42: 19 A. I don't.

PLAINTFF: PL\_Abbot\_042.20-042.23 Length of Clip is: 00:00:13

42: 20 Q. Did you ever give instructions to

55: 21 Q. Why did you call Mr. Goldin on July  
55: 22 7?  
55: 23 A. I told him to touch base after  
55: 24 receiving Tim's initial e-mail and to let him  
55: 25 know that I would be willing to help him in  
56: Page 56  
56: 1 Allen Abbott  
56: 2 terms of testifying to the postal loans that we  
56: 3 discussed.

DEFENSE: B\_Abbot\_062.03-062.15\* Length of Clip is: 00:00:39

62: 3 Q. Turn to the document we previously  
62: 4 marked as Abbott Exhibit 3. On this document,  
62: 5 we will also look at the page numbers. I will  
62: 6 refer to the page numbers in the top right hand  
62: 7 corner. This one is page 2 out of 16. Is this  
62: 8 the schedule E that is referenced in your final  
62: 9 declaration?  
62: 10 A. Schedule E-1, yes.  
62: 11 Q. Sorry, yes. Does this document  
62: 12 describe how the postage advance program that  
62: 13 Exposures was involved in with Little & Co., does  
62: 14 this document describe how that program works?  
62: 15 A. Yes, it does.

SHOW 016

PLAINTFF: PL\_Abbot\_062.16-062.17 Length of Clip is: 00:00:04

62: 16 Q. To your knowledge, is this the only  
62: 17 document describing how that program works?

PLAINTFF: PL\_Abbot\_062.19-062.25 Length of Clip is: 00:00:24

62: 19 A. I don't recall any others. It's  
62: 20 possible there was an original before the first  
62: 21 time we did it, but I don't recall, but there  
62: 22 was a separate agreement for each event.  
62: 23 Q. Does this document describe a  
62: 24 schedule showing how postage advances would be  
62: 25 paid off?

PLAINTFF: PL\_Abbot\_063.02-063.11 Length of Clip is: 00:00:29

63: 2 A. It gives a start and end date and it  
63: 3 also -- actually, I don't think even this one  
63: 4 has -- yes. It has the daily repayment amount,  
63: 5 when that would start, when that would end. It  
63: 6 does not talk to the processing or how that all  
63: 7 works.  
63: 8 Q. When you refer to the processing, do  
63: 9 you mean the processing of the postage advance  
63: 10 or --  
63: 11 A. The repayment.

PLAINTFF: PL\_Abbot\_063.12-063.15 Length of Clip is: 00:00:05

63: 12 Q. Do you recall whether there is any  
63: 13 document that describes in greater detail the  
63: 14 repayment?  
63: 15 A. I don't.

DEFENSE: Abbot\_063.16-063.17\* Length of Clip is: 00:00:04

63: 16 Q. Mr. Abbott, will you turn to page 3  
63: 17 of 16 of Exhibit 2. Are you missing 3?

SHOW 018

DEFENSE: Abbot\_063.24-064.18 Length of Clip is: 00:00:57

63: 24 Q. Is page 3 the schedule E-4 that is  
63: 25 referenced in your declaration marked as Exhibit  
64: Page 64  
64: 1 Allen Abbott  
64: 2 4?  
64: 3 A. It is.  
64: 4 Q. What does this document mean?  
64: 5 A. The document indicates what the  
64: 6 amount of the advance would be, who it was going  
64: 7 to be paid to, postmaster of Atlanta, Georgia.  
64: 8 The date of the advance, the date of the first  
64: 9 repayment. The daily repayment, which included  
64: 10 in this version, interest plus a management fee  
64: 11 and the date of the last payment. The body of  
64: 12 it includes the actual interest rate and the  
64: 13 amount of the management fee.  
64: 14 Q. Does this document describe the  
64: 15 schedule showing the process of repayment other  
64: 16 than the beginning date and end date?  
64: 17 A. It explains -- it says the amount  
64: 18 that we would pay each day.

PLAINTFF: PL\_Abbot\_064.23-065.18\* Length of Clip is: 00:00:49

64: 23 Q. Is this the member agreement that  
64: 24 was referenced in your draft declaration?  
64: 25 A. It is.  
65: Page 65  
65: 1 Allen Abbott  
65: 2 Q. Is there any particular reason why  
65: 3 you have a copy of this particular member  
65: 4 agreement?  
65: 5 A. Joey Gray sent it to me along with  
65: 6 the draft declaration.  
65: 7 Q. Did Mr. Gray provide any explanation  
65: 8 for why he sent an agreement other than the  
65: 9 Exposures' agreement?  
65: 10 A. Actually I don't believe he provided  
65: 11 an explanation. Somewhere in that original  
65: 12 draft declaration, I believe it indicated that  
65: 13 it was similar or very similar to the one that  
65: 14 Exposures had with Little.  
65: 15 Q. Do you believe this agreement to be  
65: 16 similar to the agreement that Exposures had with  
65: 17 Little?  
65: 18 A. I have no idea.

SHOW P051

DEFENSE: Abbot\_065.19-066.03\* Length of Clip is: 00:00:21

65: 19 MS. WILLIAMS: I would like to  
65: 20 mark a document as Abbott Exhibit 5.  
65: 21 (Plaintiff's Exhibit Abbott 5,  
65: 22 letter dated December 27, 1989, marked  
65: 23 for identification, as of this date.)  
65: 24 (Handing.)



65: 25 MS. WILLIAMS: This is a letter  
66: Page 66  
66: 1 Allen Abbott  
66: 2 from Allen Abbott to Tim Little dated  
66: 3 December 27, 1989.

SHOW 014

DEFENSE: Abbot\_066.14-066.22 Length of Clip is: 00:00:24

66: 14 Q. Are you the author of this document?  
66: 15 A. I am.  
66: 16 Q. Can you describe what this document  
66: 17 is?  
66: 18 A. It's a letter that I wrote to Tim  
66: 19 Little at Little & Co. proposing a short term  
66: 20 postage financing agreement that I thought A,  
66: 21 would be very helpful to my company, but also an  
66: 22 interesting product for his.

DEFENSE: B\_Abbot\_067.10-067.17 Length of Clip is: 00:00:28

67: 10 Q. Does this document accurately  
67: 11 describe the postage advance program that  
67: 12 Exposures was engaged in with Little & Co.?  
67: 13 A. This was prior to any of those  
67: 14 financing arrangements. It was my initial  
67: 15 attempt at designing something that would work  
67: 16 for both of us. It was -- the outlying stuff,  
67: 17 the details changed to some degree.

PLAINTFF: PL\_Abbot\_068.09-068.19\*\* Length of Clip is: 00:00:29

68: 9 Q. The memo marked as Abbott Exhibit 5  
68: 10 references only Mastercard and Visa. Did  
68: 11 Exposures have any other receivables?  
68: 12 A. We took American Express. I don't  
68: 13 remember if we took Diners Club or not at that  
68: 14 point, but the processing for them I guess was  
68: 15 different.  
68: 16 Q. Was Little & Co. involved in the  
68: 17 processing of the American Express and perhaps  
68: 18 other cards?  
68: 19 A. I don't know.

SHOW 014-0002

CLEAR

DEFENSE: Abbot\_070.05-070.15 Length of Clip is: 00:00:29

70: 5 Q. Good afternoon, Mr. Abbott. I have  
70: 6 a few more questions for you. As you know, I'm  
70: 7 Hilary Preston representing the defendants in  
70: 8 this case. What is your current employment?  
70: 9 A. I am the executive vice president  
70: 10 and chief operating officer for Paul Frederick  
70: 11 Menstyle.  
70: 12 Q. What is Paul Frederick Menstyle?  
70: 13 A. We sell men's business apparel,  
70: 14 suits, dress shirts, neckwear and the like  
70: 15 through the catalogs and on the internet.

DEFENSE: Abbot\_071.06-071.11 Length of Clip is: 00:00:12

71: 6 Q. Do you know if Paul Frederick  
71: 7 Menstyle has an arrangement with its processor

71: 8 where it requests the processor sent some  
71: 9 portion of the processing amount to repay an  
71: 10 obligation of will?  
71: 11 A. We do not.

DEFENSE: Abbot\_072.09-072.12 Length of Clip is: 00:00:10

72: 9 Q. Are you being paid for your  
72: 10 testimony today?  
72: 11 A. Only the \$110 that Shanee handed me  
72: 12 when I walked in.

DEFENSE: Abbot\_072.20-072.23 Length of Clip is: 00:00:10

72: 20 Q. What kind of company was Exposures?  
72: 21 A. Exposures was a company that sold  
72: 22 picture frames, photo albums and that type of  
72: 23 product via catalog.

DEFENSE: B\_Abbot\_073.06-073.13 Length of Clip is: 00:00:17

73: 6 Q. Did Exposures accept credit cards as  
73: 7 payment for the products that it sold?  
73: 8 A. Yes.  
73: 9 Q. Did it accept Visa and Mastercards?  
73: 10 A. Yes.  
73: 11 Q. Did it accept American Express  
73: 12 cards?  
73: 13 A. Yes.

PLAINTFF: PL\_Abbot\_073.14-073.25 Length of Clip is: 00:00:46

73: 14 Q. Did it accept Discover cards?  
73: 15 A. I don't remember.  
73: 16 Q. How about Diners Club cards?  
73: 17 A. I don't remember.  
73: 18 Q. I believe you testified earlier and  
73: 19 please correct me if I'm wrong, that Little  
73: 20 Company, along with some other entities, were  
73: 21 Exposures' payment processors; is that correct?  
73: 22 A. Little & Company was our payment  
73: 23 processor and they worked in concert with a bank  
73: 24 or some banks, but Little was our payment  
73: 25 processor of record.

PLAINTFF: PL\_Abbot\_074.02-074.03 Length of Clip is: 00:00:06

74: 2 Q. Do you know what the banks or more  
74: 3 than one bank, what role they played?

PLAINTFF: PL\_Abbot\_074.05-074.05 Length of Clip is: 00:00:02

74: 5 A. I really don't.

DEFENSE: B\_Abbot\_074.09-075.07\*\*\* Length of Clip is: 00:01:38

74: 9 Q. I would like to go back to Exhibit  
74: 10 4, which is titled declaration of Allen Abbott  
74: 11 signed on December 21, 2006. Can you refer

SHOW P032

74: 12 please, to paragraph 6 on the second page. I  
74: 13 will read it to you. The second sentence says,  
74: 14 Exposures accepted credit cards, debit cards and  
74: 15 charge cards at outlet centers (retail  
74: 16 locations) via card swipe machines or computers  
74: 17 and at call centers (which accepted telephone  
74: 18 orders and mail orders) via computers. Is that  
74: 19 statement correct?  
74: 20 A. Yes.  
74: 21 Q. So that the cards were accepted at  
74: 22 retail locations via either card swipe machines  
74: 23 or computers?  
74: 24 A. Yes. We had one store that was at  
74: 25 the front of our place of business and we

75: Page 75

75: 1 Allen Abbott  
75: 2 periodically would open temporary outlet  
75: 3 locations to get rid of all old merchandise when  
75: 4 we needed to. We accepted credit cards and I  
75: 5 don't remember whether it was a slide machine or  
75: 6 they were playing with a keypad to get the  
75: 7 authorizations.

SHOW P032-0002

DEFENSE: Abbot\_081.08-081.11\* Length of Clip is: 00:00:07

81: 8 Q. Is this the schedule E-1 that is  
81: 9 referenced in your declaration that is Exhibit  
81: 10 4?  
81: 11 A. It is.

SHOW 016

DEFENSE: Abbot\_084.13-085.05 Length of Clip is: 00:00:49

84: 13 Q. I note the copy that I have is a  
84: 14 little bit hard to read. If you could look at  
84: 15 the first full paragraph, the third line in,  
84: 16 says, notwithstanding that such amounts are  
84: 17 otherwise payable on demand, member agrees that  
84: 18 little 1, the principal amount of advance, plus  
84: 19 accrued interest at 10 percent less prior  
84: 20 payments shall be paid in full on or before  
84: 21 September 10, 1990 and little 2, the daily  
84: 22 repayments shall be deducted from daily net  
84: 23 proceeds?  
84: 24 A. Yes.  
84: 25 Q. What does the capitalized term daily

85: Page 85

85: 1 Allen Abbott  
85: 2 repayments refer to?  
85: 3 A. The amount that we would pay to  
85: 4 Little & Co. each day to pay the loan amount,  
85: 5 plus the interest.

DEFENSE: Abbot\_085.19-086.03 Length of Clip is: 00:00:22

85: 19 Q. In that same phrase it says, daily  
85: 20 repayments shall be deducted from daily net  
85: 21 proceeds. Can you tell me what the term net  
85: 22 proceeds means?  
85: 23 A. Net proceeds would be the total of  
85: 24 our credit cards processed for the previous day,  
85: 25 less the processing fees that were owed to the

86: Page 86

86: 1 Allen Abbott

86: 2 issuing banks and to Little for processing of  
86: 3 payments.

PLAINTFF: PL\_Abbot\_086.19-086.24 Length of Clip is: 00:00:19

86: 19 Q. Do you know whether the actual funds  
86: 20 that were processed or handled by the bank or by  
86: 21 Little & Co. --  
86: 22 A. I don't know how that worked.  
86: 23 Again, I know there was a bank involved in the  
86: 24 process.

DEFENSE: Abbot\_086.25-087.12 Length of Clip is: 00:00:35

86: 25 Q. This document LI 00004 that we are  
87: Page 87  
87: 1 Allen Abbott  
87: 2 still on, is labeled a schedule E-1. Is this a  
87: 3 schedule to the member agreement that you  
87: 4 testified about earlier?  
87: 5 A. I believe it is, yes. I don't  
87: 6 recall that there was a separate agreement for  
87: 7 the postage financing itself. I think we just  
87: 8 kind of did these schedules and amend them or  
87: 9 appended them to the original agreement.  
87: 10 Q. To the original processing agreement  
87: 11 between Little and Exposures?  
87: 12 A. Yes.

PLAINTFF: PL\_Abbot\_091.13-091.14 Length of Clip is: 00:00:07

91: 13 Q. Is it your understanding that Little  
91: 14 received these repayment amounts from a bank?

PLAINTFF: PL\_Abbot\_091.16-091.19 Length of Clip is: 00:00:11

91: 16 A. Again, I never understood the  
91: 17 workings between Little and the banks that they  
91: 18 were working with. I just knew there was a  
91: 19 relationship there, I don't know who did what.

DEFENSE: Abbot\_091.20-091.23 Length of Clip is: 00:00:17

91: 20 So since Little was not a bank, my assumption is  
91: 21 that the bank touched the funds and distributed  
91: 22 our share to us and the other share back to  
91: 23 Little.

DEFENSE: Abbot\_OC\_091.24-092.03 Length of Clip is: 00:00:11

91: 24 Q. Did Exposures ever repay the  
91: 25 advances made by Little by a method other than  
92: Page 92  
92: 1 Allen Abbott  
92: 2 these daily repayments from net proceeds?  
92: 3 A. No.

DEFENSE: Abbot\_092.04-092.18 Length of Clip is: 00:00:45

92: 4 Q. When you proposed the postage  
 92: 5 financing arrangement to Little & Co., did you  
 92: 6 ask him, him being Tim Little, to keep the  
 92: 7 proposal confidential?  
 92: 8 A. No.  
 92: 9 Q. Did you take any steps at all to  
 92: 10 keep the proposal confidential?  
 92: 11 A. No.  
 92: 12 Q. Do you know if Little & Co. did?  
 92: 13 A. I don't believe they did. Again, I  
 92: 14 proposed this and they agreed to it partly as  
 92: 15 this could be a good product for them.  
 92: 16 Q. Do you know if Little & Co. extended  
 92: 17 this postage financing product to other  
 92: 18 customers?

DEFENSE: Abbot\_092.20-092.20 Length of Clip is: 00:00:01

92: 20 A. They did.

DEFENSE: Abbot\_092.21-093.02 Length of Clip is: 00:00:17

92: 21 Q. Do you know if Little & Co. marketed  
 92: 22 this product to other customers besides  
 92: 23 Exposures?  
 92: 24 A. I know that other companies took  
 92: 25 advantage of the product. I don't recall how or  
 93: Page 93  
 93: 1 Allen Abbott  
 93: 2 if they marketed it.

DEFENSE: Abbot\_093.03-093.04\* Length of Clip is: 00:00:05

93: 3 MS. PRESTON: I would like to  
 93: 4 introduce Exhibit 6. I apologize, I

SHOW 013

DEFENSE: Abbot\_093.10-094.07 Length of Clip is: 00:01:15

93: 10 Q. Can you describe for me what this  
 93: 11 document is, Exhibit 6?  
 93: 12 A. It is an article, I believe it's  
 93: 13 from Forbes about Randy Bourne, who was the CEO  
 93: 14 and founder of Exposures and how he started his  
 93: 15 business.  
 93: 16 Q. Have you seen this article before?  
 93: 17 A. I vaguely remember it. We looked at  
 93: 18 it this morning briefly again.  
 93: 19 Q. Does this letter describe the  
 93: 20 postage financing product that we have been  
 93: 21 talking about today?  
 93: 22 A. Yes. There is a paragraph in here  
 93: 23 that reads finding capital may be a problem, but  
 93: 24 Bourne was innovative, turned to his credit card  
 93: 25 processor, a New Hampshire based company called  
 94: Page 94  
 94: 1 Allen Abbott  
 94: 2 Little & Co. Little agreed to finance his postage  
 94: 3 by discounting credit card receivables. It was  
 94: 4 such a good idea, other catalogers followed  
 94: 5 suit.  
 94: 6 Q. Does that refer to the postage  
 94: 7 financing proposal that you made to Little & Co.?

SHOW 013-0003

DEFENSE: Abbot\_094.09-094.09\*\* Length of Clip is: 00:00:01

94: 9 A. Yes, it does.

CLEAR

