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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION

Case No. 12-30081-BKC-EPK

In re:

CLSF III IV, INC.,

Alleged Debtor.

\_\_\_\_\_ /

LAW OFFICES OF BRETT E. ELAM, P.A.  
105 South Narcissus Avenue, Suite 802  
West Palm Beach, Florida 33401  
Thursday, October 4, 2012  
10:43 a.m. to 5:00 p.m.

DEPOSITION

OF

DEBORAH C. PECK

taken pursuant to notice  
on behalf of the Petitioning Creditors.

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APPEARANCES:

EHRENSTEIN CHARBONNEAU CALDERIN, by  
ROBERT P. CHARBONNEAU, ESQUIRE  
on behalf of the Petitioning Creditors.

O'QUINN STUMPHAUZER, P.L., by  
RYAN DWIGHT O'QUINN, ESQUIRE  
Co-counsel on behalf of the Petitioning Creditors.

LAW OFFICES OF BRETT E. ELAM, P.A., by  
BRETT A. ELAM, ESQUIRE  
on behalf of the Alleged Debtor.

LAW OFFICES OF MICHAEL L. GLASER, L.L.C., by  
MICHAEL D. MURPHY, ESQUIRE  
on behalf of Deborah C. Peck, Individually

BERGER SINGERMAN, P.A., by  
LESLIE GERN CLOYD, ESQUIRE  
on behalf of Deborah Menotte, Interim Trustee.

ALSO PRESENT:

DEBORAH MENOTTE, INTERIM TRUSTEE

- - - - -

I N D E X

WITNESS	DIRECT	CROSS
DEBORAH C. PECK		
By Mr. Charbonneau	4	
By Mr. Elam		--

EXHIBITS MARKED FOR IDENTIFICATION

Petitioning Creditors'	Page
No. 1, Notice and Re-notice	11
No. 2, Photocopies, front of four disks	14
No. 3, CLSF Trust III/IV trust agreement	39
No. 4, Amended motion to dismiss	45
No. 5, Insurance police	49
No. 6, Document	59
No. 7, Closed Life Settlement Fund	60
(Original exhibits retained by Mr. Charbonneau.)	

1 MR. CHARBONNEAU: Before we commence the  
2 examination, I note from the business cards that,  
3 Mr. Murphy, you are with the law office of Michael  
4 Glaser.

5 MR. MURPHY: That is correct.

6 MR. CHARBONNEAU: Does your office represent  
7 Ms. Peck?

8 MR. MURPHY: Yes.

9 MR. CHARBONNEAU: Does your office also  
10 represent --

11 MR. MURPHY: I'm not on the witness stand, so  
12 I am not going to answer your --

13 MR. CHARBONNEAU: We're just --

14 MR. MURPHY: I'll just make a comment for the  
15 record that I am representing Ms. Peck in her  
16 individual capacity today, and I'm going to be taking  
17 a more or less passive role. I won't be making  
18 objections or anything along those line, but I'm here  
19 to observe.

20 MR. O'QUINN: Why don't you just ask him  
21 (inaudible) --

22 THE COURT REPORTER: I'm sorry, I can't hear  
23 him.

24 MR. CHARBONNEAU: Yeah, we're -- Mr. Murphy,  
25 does your office represent Dennis Moens?

1 MR. MURPHY: I'm not here to be deposed.

2 MR. CHARBONNEAU: I understand. Understood.

3 MR. MURPHY: So I'm not answering your  
4 questions. You can ask the witness question.

5 MR. CHARBONNEAU: Does your office represent  
6 Frank Laan?

7 MR. MURPHY: Same answer.

8 BY MR. CHARBONNEAU:

9 Q Good morning, ma'am.

10 Would you please state your full name for the  
11 record.

12 THE COURT REPORTER: Excuse me. She's not  
13 been sworn.

14 MR. CHARBONNEAU: Oh, I beg your pardon.  
15 Swear her in.

16 Thereupon:

17 DEBORAH C. PECK,  
18 after first being duly sworn, was examined and  
19 testified under oath as follows:

20 DIRECT EXAMINATION

21 BY MR. CHARBONNEAU:

22 Q Good morning.

23 A Good morning.

24 Q Would you please state your full name for the  
25 record.

1 A Deborah Catherine Peck.

2 Q Do you go by any aliases?

3 A No.

4 Q Have you been known by any other names?

5 A I was married, and I was known -- I didn't  
6 use the name "Phillips," but I may have been called  
7 Phillips at the time.

8 Q Deborah Phillips?

9 A Correct.

10 Q But you've never used that name formally?

11 A No.

12 Q Have you ever gone by any other name?

13 A No.

14 Q What is your current residential address?

15 A 128 Victoria Bay Court, Palm Beach Gardens,  
16 Florida 33418.

17 Q 33148?

18 A 33418.

19 Q 33418. And you say that's Palm Beach  
20 Gardens?

21 A Correct.

22 Q Is that a single family home?

23 A Yes.

24 Q Okay. Is it in a gated community?

25 A Yes.

1 Q And how long have you resided there?

2 A Since around 2000.

3 Q Do you have any present plans to move from  
4 the Victoria Bay Court address?

5 A No.

6 Q Do you live there alone?

7 A I have a husband and two daughters.

8 Q And they live there with you?

9 A I have -- one daughter is in college, so  
10 while she's in college, she's away.

11 Q Okay. But the husband and the other daughter  
12 live with you?

13 A Uh-huh, yes.

14 Q Have you had your deposition taken before?

15 A Yes.

16 Q Okay. About how many times?

17 A Several.

18 Q More than five?

19 A Probably around five.

20 Q So it sounds like you're relatively  
21 experienced in these matters, but for purposes of  
22 expediency and ease let me ask you to observe a few  
23 ground rules.

24 My name is Robert Charbonneau. I'm counsel  
25 for the petitioning creditors in this case, as well as

1 special counsel for interim trustee, Deborah Menotte.  
2 I'm going to be asking you a series of questions  
3 today. I would ask that you respond with a yes or a  
4 no or whatever word phrase you deem is appropriate to  
5 the question being asked. If you nod or shake your  
6 head or say "uh-huh" or "huh-uh," while the court  
7 reporter and everyone else here in the room may  
8 understand the meaning of your answer, that meaning  
9 could be lost on the transcript, so I'd ask you to,  
10 please, relegate your answers to articulated word  
11 phrases. Do you understand?

12 A Yes.

13 Q Okay. Great.

14 Because the court reporter is taking down  
15 everything that's being said today, please wait for me  
16 to complete my question before you begin your  
17 response. Not that I am sensitive, but I certainly am  
18 to the court reporter who will probably find it  
19 difficult to take two people speaking at the same  
20 time. Do you --

21 A I understand.

22 Q If you don't understand a question, please  
23 tell me you don't understand, and I will do my best to  
24 rephrase it in a way that is understandable to you.  
25 Otherwise we're going to assume that when you answer,

1 you understood the question that was asked. Do you  
2 understand that?

3 A Yes.

4 Q You've been placed under oath by the court  
5 reporter today, that is the same oath to tell the  
6 truth as if you were testifying in a court law.

7 Do you understand that?

8 A Yes.

9 Q Are you feeling well today?

10 A Yes.

11 Q Not ill?

12 A No.

13 Q Are you taking any medication that you  
14 believe might impair your ability to give good  
15 testimony today?

16 A No.

17 Q There are two counsel present today on your  
18 behalf. One is your bankruptcy counsel, Mr. Elam, who  
19 is sitting directly to your left, and there's another  
20 gentleman sitting directly to his left by the name of  
21 Michael Murphy. Mr. Murphy is with the Law Offices of  
22 Mike Glaser. Is he your counsel?

23 A Yes.

24 Q Does Mr. Glaser's office represent you  
25 currently in any lawsuits, other than the contested



1 bankruptcy petition that we're here on today?

2 A Not personally.

3 Q When you say "not personally," does he  
4 represent you in some other capacity?

5 A As trustee, yes.

6 Q In how many other actions?

7 A I believe there are two.

8 Q Where are those actions pending?

9 A I would need to check. I think in Colorado,  
10 but I could be wrong.

11 Q Okay. Not in New Jersey?

12 A No.

13 Q And those actions are suits brought by  
14 someone against you in your capacity as trustee?

15 A I'm trying to think, and I don't want to  
16 speculate, so it's best if I refresh myself and be  
17 able to provide you with an accurate answer.

18 Q Okay. With what would you want to refresh  
19 yourself in order to do that?

20 A I guess I would need to call Mr. Glaser to  
21 find out if we were the moving party or we were being  
22 sued. I don't remember if we're the defendants or  
23 plaintiffs.

24 Q Do you know if Mr. Glaser's office represents  
25 a gentleman by the name Dennis Moens? And I believe

1 the spelling is M-O-E-N-S.

2 A Repeat the question. I'm sorry.

3 Q Do you know if Mr. Glaser's office represents  
4 a gentleman by the name of Dennis Moens?

5 A I don't know if he represents him personally.  
6 I don't know that.

7 Q Has ever represented him?

8 A I would have to check before I speculate.

9 Q How about a gentleman by the name Frank Laan?  
10 And the spelling on that is L-A-A-N.

11 A I don't believe so.

12 Q Has he ever?

13 A I don't believe so.

14 Q Does Mr. Glaser's office represent an entity  
15 known as Watershed or Watershed, LLC?

16 A And that too I would have to check with  
17 Mr. Glaser before I speak.

18 Q Has he ever?

19 A That I would need to check with Mr. Glaser.

20 MR. CHARBONNEAU: Excuse me one second.

21 (Inaudible discussion off the record between  
22 Mr. Charbonneau and Mr. O'Quinn.)

23 BY MR. CHARBONNEAU:

24 Q Ms. Peck, I'm going to show what I'm going to  
25 mark as composite Exhibit 1 and ask if you've ever

1 seen these documents before?

2 (Thereupon, the documents referred to were  
3 marked as Exhibit No. 1 for identification.)

4 MR. ELAM: Is this just one document?

5 MR. CHARBONNEAU: It's the notice and  
6 renote.

7 MR. ELAM: The renote for today or the --

8 MR. CHARBONNEAU: No. I believe it's the  
9 renote for last time.

10 MR. ELAM: Yeah. I assume the same  
11 attachments, just --

12 MR. CHARBONNEAU: Identical.

13 THE WITNESS: Yes.

14 BY MR. CHARBONNEAU:

15 Q Did you review composite Exhibit 1 with  
16 Mr. Elam?

17 A Not today.

18 Q Have you ever reviewed it with Mr. Elam?

19 A I believe -- not every single page.

20 Q Did you undertake any efforts to collect the  
21 documents that were requested on Exhibit A to both the  
22 notice and renote of the examination?

23 A I'll need to review that to be able to answer  
24 you.

25 Yes.

1 Q Okay. Yes to what?

2 A Yes, I reviewed this.

3 Q Okay. And did you undertake any efforts to  
4 collect those documents?

5 A I have all of the documents that are  
6 available to me. I don't have everything that's  
7 listed here.

8 Q Okay. I'm going to -- just to make sure, I'm  
9 going to rephrase my question.

10 Did you take any steps to compile the  
11 documents that are requested in requests 1 through --  
12 and I believe there are 37?

13 MR. ELAM: Sixty-two.

14 THE WITNESS: Sixty-two.

15 MR. CHARBONNEAU: Sixty-two, okay.

16 THE WITNESS: I started, but I certainly  
17 haven't finished.

18 BY MR. CHARBONNEAU:

19 Q Okay. When did you start?

20 A Well, these are items that I've been holding  
21 and compiling for a long time

22 Q Okay. My question to you, ma'am, is in  
23 preparation for this examination, when did you begin  
24 compiling the documents that would be responsive to  
25 Exhibit 1?

1           A     I -- I don't have a particular date to give  
2 you.

3           Q     What steps did you undertake to compile those  
4 documents?

5           A     I reviewed it to see if I would have all of  
6 these or some of these or none of these.

7           Q     Then what?

8           A     That's about it.

9           Q     Okay. Did you go to your computer to  
10 download any of the information that might be stored  
11 there?

12          A     Download? You mean print out?

13          Q     Either one?

14          A     It's in my computer, so I don't know what you  
15 mean by "download."

16                   (Thereupon, Ms. Menotte enters the conference  
17 room.)

18           MR. ELAM: Can I take a break just to get her  
19 a chair?

20           MR. CHARBONNEAU: Sure.

21                   (Thereupon, a brief recess was taken.)

22 BY MR. CHARBONNEAU:

23          Q     Okay. Ms. Peck, let's try this in another  
24 way. You understand you're under an obligation to  
25 produce the documents that were requested in composite

1 Exhibit 1, aren't you?

2 A Yes.

3 Q And so so far we've determined that you  
4 reviewed the list as part of an effort to compile the  
5 list of documents to be produced to the petitioning  
6 creditors and the interim trustee, right?

7 A Correct.

8 Q What other steps did you take?

9 A I have to allocate the time, which would  
10 probably take me at least a week, if not three months,  
11 to do this, and I haven't had the time to sit down to  
12 be able to do this, because there's quite a bit of  
13 material, as I have read through 66, and you thought  
14 there were 35 -- 62, excuse me.

15 Q All right. I'm going to mark as Exhibit 2  
16 copies of disks that your counsel provided to me.

17 (Thereupon, the documents referred to were  
18 marked as Exhibit No. 2 for identification.)

19 MR. CHARBONNEAU: Just go ahead, Mr. Elam,  
20 and verify those copies are copies of the disks that  
21 were provided.

22 MR. ELAM: Mm-hmm.

23 MR. CHARBONNEAU: I'm showing you disks --  
24 actually why don't we do this.

25 BY MR. CHARBONNEAU:

1 Q Ms. Peck, I'm going to show you disks. I  
2 want you to simply verify for me that what's on  
3 composite Exhibit 2 is a correct copy of the disks  
4 that I have in front of you?

5 A This and this are the same.

6 Q Okay.

7 A This is here.

8 MR. ELAM: Let's just say what these are for  
9 the record.

10 THE WITNESS: I think I got it, four disks,  
11 and they are all here.

12 BY MR. CHARBONNEAU:

13 Q And they are faithfully reproduced in Exhibit  
14 2?

15 A Yes.

16 Q The fronts anyway?

17 A Yes.

18 Q Okay. If you could hand those back to me, I  
19 can't reach across the table. Thank you.

20 So documents were produced to me yesterday --  
21 yesterday or the day before?

22 MR. ELAM: Day before.

23 MR. CHARBONNEAU: The day before. I'm not  
24 going to mark the disks. I'm simply marking the  
25 copies.

1 MR. ELAM: That's fine.

2 BY MR. CHARBONNEAU:

3 Q Ms. Peck, Mr. Elam, purportedly in response  
4 to the duces tecum portion of composite Exhibit 1,  
5 provided me with these four disks, copies of the  
6 fronts of which I'm now placing in front of you, which  
7 have been marked as Exhibit 2.

8 Did you compile these disks in response to  
9 composite Exhibit 1?

10 A Say that again. Which is composite 1?

11 MR. ELAM: Right here.

12 THE WITNESS: Oh, yes. Yes.

13 MR. CHARBONNEAU: You did?

14 THE WITNESS: (Nods her head.)

15 BY MR. CHARBONNEAU:

16 Q A moment ago you told me that you reviewed  
17 composite Exhibit 1, but really undertook no efforts  
18 to compile documents in response, and so I am  
19 confused.

20 I'm going to ask you again. What steps did  
21 you undertake to compile documents responsive to the  
22 lists on composite Exhibit 1?

23 A I was taking you very literally.

24 Q You should.

25 A These are things that I've already provided,



1 so I didn't have to do anything for those particular  
2 disks.

3 Q Okay. Now, these disks, copies of which you  
4 have in front of you, are -- this would be a CD?

5 MR. O'QUINN: (Nods his head.)

6 BY MR. CHARBONNEAU:

7 Q -- a CD or DVD all bearing the legend of the  
8 Law Offices of Michael L. -- is it Glasser (phonetic)  
9 or Glaser?

10 A Glaser.

11 Q -- Glaser, LLC?

12 A It's spelled wrong.

13 Q Okay. The first disk that I'm looking at is  
14 with regard to Case No. 3:11MSS16, Supplemental  
15 Production No. 4 of the Peck Law Firm, Response to 3b,  
16 Bates Peck-Dutch-Sup-2237-4067.

17 What is Case No. 3:11MSS16?

18 A I would be guessing, because I don't know  
19 exactly.

20 Q Okay. It's not this case, is it?

21 A No.

22 Q So would it be a reasonable surmise that this  
23 disk, this compact disk, contains production  
24 responsive to a discovery request in another case?

25 A Yes.

1 Q And, in fact, that's the case for all of the  
2 remaining diskettes, isn't it?

3 MR. ELAM: Just to be clear, Michael Glaser  
4 produced those documents on behalf of Ms. Peck, so --

5 MR. CHARBONNEAU: What does that mean?

6 MR. ELAM: It means that he is the one that  
7 sent the documents to us, that were compiled there and  
8 sent to us.

9 BY MR. CHARBONNEAU:

10 Q Okay. So did you hear your counsel's  
11 statement?

12 A Yes.

13 Q Do I understand accurately, then, that  
14 Mr. Glaser compiled the documents responsive to  
15 Exhibit 1?

16 A I compiled the documents and provided them to  
17 Mr. Glaser who placed them on a disk.

18 Q You did?

19 A (Witness nods her head)

20 Q And what steps did you undertake to compile  
21 documents? Because a moment ago, you said you simply  
22 reviewed the list, that it was so extensive that it  
23 would take you a week to threeweeks --

24 A Three months.

25 Q -- three months.

1           So did you compile any documents and send  
2 them to Mr. Glaser or not?

3           MR. ELAM:  Objection to form.

4           THE WITNESS:  This was done before.

5 BY MR. CHARBONNEAU:

6           Q     Before what?

7           A     Many -- many months ago.  I don't know  
8 exactly the date.

9           Q     Before the filing of this involuntary  
10 petition?

11          A     Correct.

12          Q     So these documents are not responsive to  
13 composite Exhibit 1 at all, are --

14          MR. ELAM:  Objection to form.

15          MR. CHARBONNEAU:  -- they, Ms. Peck?

16          MR. ELAM:  Sorry.

17          THE WITNESS:  I believe they provide much of  
18 the information that you're requesting.

19 BY MR. CHARBONNEAU:

20          Q     Okay.  Looking at Disk 1 -- Disk 1?  -- a  
21 disk, it says Case No. 3:11MSS1666.  Do you see that  
22 one?

23          A     Number 3 or No. 4?

24          MR. ELAM:  Which does it say?

25          MR. CHARBONNEAU:  It's --

1 THE WITNESS: Mm-hmm, yes.

2 BY MR. CHARBONNEAU:

3 Q It says, "Production No. 4 of the Peck Law  
4 Firm."

5 Did Mr. Glaser's office represent your law  
6 firm in this litigation?

7 A He represented me as counsel in -- he  
8 attended a hearing with me, but there was no  
9 litigation I was involved in, except as a witness.

10 Q Do you know what's on this disk?

11 A I believe it's all of the material I  
12 provided. It's the -- in request to the Dutch  
13 subpoena, which pertains to almost everything that  
14 you've asked for as well.

15 Q Let's go to the disk that says, "In the  
16 matter of Libertas American, Inc., SEC File No.  
17 HO-11626, Response Documents from Peck to Subpoenas  
18 Issued 05/20/11."

19 Is this litigation in which you were named a  
20 party?

21 A It wasn't litigation. It was discovery, and  
22 I, again, provided information.

23 Q Okay. Discovery in connection with what kind  
24 of proceeding?

25 A I believe an investigation.

1 Q By the Securities and Exchange Commission

2 A Correct.

3 Q So this diskette was compiled in April or May  
4 of 2011; is that right?

5 A That's what it says here, yes.

6 Q And Mr. Glaser was representing you in that  
7 investigation?

8 A He appeared with me when I gave the  
9 testimony.

10 Q Let's look at the diskette, Law Offices of  
11 Michael L. Glaser, LLC, Bates WS-EDVA-0001-0115. Do  
12 you see that?

13 A Yes.

14 Q This bears the legend of SEC versus  
15 PCI/Watershed versus Roper, and it has a case number,  
16 and then it has Peck and Moens Disclosure Documents.

17 What litigation was this?

18 A The law firm of Roper was the court-appointed  
19 receiver in the matter of PCI, and they were doing, I  
20 assume, discovery, if you will, I'm not sure that  
21 would be the proper term, on Watershed's relationship  
22 to PCI and assets, and this was a disk provided in  
23 response.

24 Q Mr. Glaser was your counsel in this  
25 proceeding?

1           A     I didn't really need counsel in that  
2 proceeding. I dealt with Mr. Roper, but Mr. Glaser  
3 did assist me in identifying documents that would be  
4 useful.

5           Q     And the SEC versus PCI/Watershed versus Roper  
6 diskette --

7           A     That's what I was looking at.

8           Q     -- the diskette says "Peck and Moens" -- you  
9 have the spelling for Moens, right? -- "documents."

10           A     Was Mr. Glaser representing you individually  
11 or your law firm?

12           A     I don't believe I ever had Mr. Glaser as  
13 counsel in this matter, but I do consult with him on  
14 what to produce in response to -- we were cooperating  
15 with the receiver, so Mr. Glaser assisted me in  
16 identifying documents that would be useful.

17           Q     What about Mr. Moens, was he representing  
18 Mr. Moens?

19           A     I don't believe anyone was represented in  
20 this request by the receiver.

21           Q     Was Mr. Moens consulting with Mr. Glaser's  
22 office on what documents to respond to Mr. Roper's  
23 request?

24           A     I don't know that.

25           Q     Was Mr. Glaser's office representing

1 Watershed in this proceeding?

2       A     This was a request by the receiver to my  
3 office, so there wasn't a proceeding, as far as I  
4 know. This doesn't constitute a proceeding. It was  
5 more of a -- of discovery.

6       Q     Okay. Finally there is a diskette that bears  
7 the case number 3:11MS16, Supplemental Production No.  
8 3 of the Peck Law Firm, Response to 3b, Bates No.  
9 Peck-Dutch-Sup-0300-236. Do you see that?

10      A     I do.

11      Q     What documents are on this disk and in what  
12 proceeding were they produced in connection with?

13      A     The Dutch requested, through the U.S.  
14 government, information, and I -- I provided what the  
15 American government said I should produce, and this is  
16 a CD of that.

17      Q     When were the documents on this diskette  
18 compiled?

19      A     I can't give you the date. I have to check.

20      Q     Was it 2011?

21      A     Yes, I believe so.

22      Q     In fact, from looking at the case numbers,  
23 all these documents probably would have been compiled  
24 in 2011; is that right?

25      A     Probably, yes.

1 Q Based on what Mr. Elam said before, were the  
2 diskettes sent by Mr. Glaser's office to you, or were  
3 they sent to Mr. Elam?

4 A Mr. Glaser sent me a copy, so I have a copy  
5 in the file, but these particular diskettes -- I  
6 believe you're referring to?

7 Q Mm-hmm.

8 A -- were sent to Mr. Elam.

9 Q And when did Mr. Elam receive them, do you  
10 know?

11 A I do not know.

12 Q When did you receive them?

13 A I would have to check.

14 Q Was it within the last week?

15 A No. I've had them on file.

16 Q Have you had them on file since they were  
17 first compiled in connection with the various cases  
18 designated on diskettes?

19 A Yes.

20 Q When was the last time you looked at these  
21 documents?

22 A Most of those documents are in hard copy, so  
23 periodically I've had to review them.

24 (Inaudible discussion off the record between  
25 Mr. Charbonneau and Mr. O'Quinn.)



1 BY MR. CHARBONNEAU:

2 Q The debtor in this case, the alleged debtor,  
3 CLSF III IV, Inc., has books and records, doesn't it?

4 A Yes.

5 Q Where are those books and records maintained?

6 A They are electronic files.

7 Q Maintained in a computer?

8 A Yes.

9 Q What computer?

10 A My office.

11 Q And where is your office?

12 A Well, I have an office at home and my  
13 administrator also works at home, so --

14 Q What is your administrator's name?

15 A Eva Hasenhuttl.

16 Q Can you spell her last name, please.

17 A I need to look in my Blackberry, actually.

18 Q Thanks.

19 I have it.

20 MS. MENOTTE: Do you want to say it for the  
21 reporter?

22 MR. CHARBONNEAU: H-A-S-E-N-H-U-T-T-L

23 BY MR. CHARBONNEAU:

24 Q Does that sound right?

25 A Yes.

1 Q You're no longer at your law office, are you?

2 A The 6 --

3 Q -- 303?

4 A I am not.

5 Q So is your testimony, then, that the records,  
6 the debtor's books and records, are stored in your  
7 computer in your home office?

8 A They are stored in a network that's available  
9 through the computers.

10 Q I'm not clear on that.

11 So what you're saying is, it's not on a hard  
12 drive of a specific computer?

13 A I'm not technical enough to answer that.  
14 It's in the computer.

15 Q Okay. I will make it really easy.

16 I want the books and records. I go to your  
17 house with you. How do we get them, so Ms. Menotte  
18 can have them?

19 A A disk, a disk would download them.

20 Q Okay. Download them from where?

21 A The computer.

22 Q The computer?

23 A Correct.

24 Q Would you have to connect to any site in  
25 order to download those documents, or would simply

1 putting the disk in the computer result in the records  
2 being downloaded from the computer?

3 A I connect to my server.

4 Q Okay. And what other computers are connected  
5 to your server?

6 A Just the office computers.

7 Q So it would be your computer and  
8 Ms. Hasenhuttl's computer?

9 A Hasenhuttl's, and I believe I'm using  
10 Danielle Ribeiro. She's worked for me in the past.  
11 She also is doing part-time work for me.

12 Q R-I-B-E-R-O?

13 A R-I-B-E-I-R-O.

14 Q R-I-B-I-E-R-O?

15 A R-I-B-E-I-R-O.

16 Q Okay. So there are three computers?

17 A Yes.

18 Q There's your computer, yes?

19 A Yes.

20 Q There's Ms. Hasenhuttl's computer, and then  
21 Ms. Ribeiro has a computer?

22 A Correct.

23 Q Are they all located in your residential  
24 premises?

25 A No.

1 Q Okay. Your computer is in your residence?

2 A Correct.

3 Q Ms. Hasenhuttl's computer is where?

4 A In her residence.

5 Q Okay. Where is that?

6 A I don't have the address.

7 Q Okay. Is it in your Blackberry?

8 A No. She lives in PGA Boule -- PGA community.

9 Q And Ms. Ribeiro, she has a computer in her  
10 home?

11 A Yes.

12 Q Where does she live?

13 A Palm Beach Gardens.

14 Q And these three computers are networked with  
15 each other?

16 A We go on to a server.

17 So does that answer your question? I don't  
18 know.

19 Q No.

20 MS. MENOTTE: Where is the server?

21 THE WITNESS: It's off-site. I don't -- I  
22 have to ask my IT fellow. I'm not familiar with where  
23 a server would be.

24 BY MR. CHARBONNEAU:

25 Q Who is your IT fellow?

1 A Dominic Nardi, N-A-R-D-I.

2 Q Where is he?

3 A He moved to Ocala, so he's in Ocala, Florida.  
4 I believe it's Ocala.

5 Q He still services you from Ocala?

6 A Yes.

7 MR. ELAM: Can I just suggest something?

8 MR. CHARBONNEAU: Yeah.

9 MR. ELAM: Maybe ask her if that is a backup,  
10 where -- because I have an off-site thing that's a  
11 backup, that is not an actual server, but it's a  
12 backup system, so just --

13 MS. CLOYD: Like a co-location?

14 MR. ELAM: Right.

15 BY MR. CHARBONNEAU:

16 Q Is that what we're talking about here?

17 A We do have a backup system.

18 Q But are your -- are the debtor's, alleged  
19 debtor's, books and records maintained on, like, a  
20 cloud based, an Internet based, server?

21 A I'm sorry, I can't answer you. I'm just  
22 guessing. I don't know.

23 Q I understand. It is important, though,  
24 because the Bankruptcy Court has directed you to  
25 produce certain documents, including the debtor's

1 books and records, failure of which will result in the  
2 entry of an order finding you in contempt. I would  
3 like to avoid that.

4 A (Witness nods her head.)

5 Q And I believe the trustee would like to avoid  
6 that, so we're trying to get a straight answer to  
7 where the debtor's books and records are?

8 A I would be happy to produce it to you  
9 tomorrow. They are in the computer, so I can just  
10 download them on a disk.

11 MS. MENOTTE: And what would you be  
12 downloading?

13 THE WITNESS: A number of electronic  
14 documents, for instance, the policy, the illustration,  
15 the various statements we receive from the carrier,  
16 the trust document, any premium payments, and notices.

17 MS. MENOTTE: Has this entity ever filed a  
18 tax return?

19 THE WITNESS: Yes, tax return. Whatever is  
20 in the computer would be available, that I could  
21 download.

22 MS. MENOTTE: So I guess I'm just not sure  
23 why they didn't get here today.

24 THE WITNESS: I apologize.

25 MR. CHARBONNEAU: Is it possible to get those

1 records today?

2 MR. ELAM: (Shrugs his shoulders)

3 MR. CHARBONNEAU: I would be happy -- not  
4 happy. I would be willing to shorten today's  
5 examination and adjourn today's examination so that  
6 Ms. Menotte could go over with your client  
7 representative and get these records.

8 MR. MURPHY: Let's go off the record.

9 MR. CHARBONNEAU: I want to stay on the  
10 record. Sorry.

11 MR. ELAM: Can I talk to her, please?

12 MR. CHARBONNEAU: Sure.

13 (Thereupon, a brief recess was taken.)

14 MR. CHARBONNEAU: Let's go back on record.

15 After some brief discussion off the record,  
16 we've decided and we've agreed to adjourn this  
17 examination to allow Ms. Peck and Ms. Menotte to go to  
18 Ms. Peck's home and download all of the books and  
19 records of the alleged debtor, including  
20 correspondence, to a disk or hard drive or some other  
21 storage device, and then we will reconvene the exam  
22 when they are done doing that.

23 MS. MENOTTE: You live where?

24 I'm sorry, I'm off the record.

25 MR. CHARBONNEAU: Hold on one second

1           Brett, is that acceptable?

2           MR. ELAM: Yes, that's acceptable.

3           (Thereupon, a recess was taken from 11:25  
4 a.m. to 4:13 p.m.)

5 BY MR. CHARBONNEAU:

6           Q     Ms. Peck, when we adjourned you had agreed to  
7 go back to your home and produce CLSF III IV, Inc.  
8 records, business records, for the trustee. I'm going  
9 to refer to CLSF III IV from here on out as the  
10 "alleged debtor" for ease of reference.

11           And so Ms. Menotte went with you back to you  
12 your residence where you have your home office,  
13 correct?

14           A     Correct.

15           Q     And got a hard drive and copied file folders  
16 from your computer as well as from an off-site web  
17 site of the alleged --

18           MS. MENOTTE: Your server.

19           THE WITNESS: Yes.

20 BY MR. CHARBONNEAU:

21           Q     -- alleged debtor's business records,  
22 correct?

23           A     Correct.

24           Q     In addition to those records, Ms. Menotte  
25 asked for, pursuant to the subpoena, correspondence



1 related to the alleged debtor, correct?

2 A Correct.

3 Q And so that correspondence was not off-site,  
4 not segregated, but was correspondence that consisted  
5 of communications within your Outlook program,  
6 correct?

7 A Correct.

8 Q And since the information was not easily  
9 segregatable and transferrable, you agreed to allow  
10 Ms. Menotte to transfer, effectively, your entire  
11 Outlook file to the drive, correct?

12 A I didn't agree. We were working -- or trying  
13 to work it out. It didn't work out the way we both  
14 had hoped --

15 Q Okay. That's what happened.

16 A Yes, exactly.

17 Q So while you were doing that, my co-counsel,  
18 Mr. O'Quinn, approached Mr. Elam about the issue of  
19 inadvertent production of purely personal, none-case  
20 related material in those Outlook files, and so after  
21 the discussion we've had off the record, what we've  
22 agreed to is the following You, working with your  
23 counsel, are going to go through the Outlook files  
24 that were transferred to the hard drive

25 Which you still have on your computer

1 correct?

2 A Yes.

3 Q And you are going to make a list of files in  
4 which you believe there are either personal items not  
5 related to any business of the debtor or related  
6 entity, attorney/client materials-- anything else?

7 MR. O'QUINN: Or any other protected  
8 materials that you believe would not have been subject  
9 to your production obligations under the subpoena.

10 THE WITNESS: Understood.

11 MR. ELAM: Or that are non-responsive.

12 MR. CHARBONNEAU: Right.

13 MR. ELAM: Okay.

14 MR. O'QUINN: And you're going to identify  
15 those materials that would be outside of your  
16 production obligation under the subpoena.

17 MR. CHARBONNEAU: And effectively provide us  
18 with a privilege log. Do you know what that is?

19 MR. ELAM: Yes. I thought you were talking  
20 to me.

21 MR. CHARBONNEAU: No.

22 Do you know what that is, ma'am?

23 THE WITNESS: It's a log that I consider  
24 privileged materials.

25 MR. CHARBONNEAU: Okay. We didn't talk about

1 it off the record, but maybe it would be helpful to  
2 set the parameters of the privilegelog. I think, the  
3 date -- the privilege log should include the date, the  
4 drafts person, the general subject matter of the  
5 document, and the recipient, and the attorney and the  
6 client, to the extent it's asserted as privileged.

7 MR. ELAM: We'll stipulate to what the rules  
8 say.

9 MR. CHARBONNEAU: What rule are we referring?

10 MR. MURPHY: Whatever applies.

11 MR. ELAM: Whatever rule that addresses  
12 privilege logs. I don't have that in front of me.

13 MR. O'QUINN: Give me -- we'll continue, and  
14 I'll get a --

15 MR. ELAM: Do you want my Code or whatever?

16 MR. O'QUINN: No, I can --

17 MR. ELAM: Whatever the Eleventh Circuit  
18 says.

19 MR. CHARBONNEAU: All right. So while  
20 Mr. O'Quinn is ascertaining what the rules provide  
21 that is the general procedure that we agreed to before  
22 we went back on the record.

23 MR. ELAM: Can you just say what you  
24 proposed, date, drafts person, and what?

25 MR. CHARBONNEAU: Yeah.

1 MS. MENOTTE: Subject matter.

2 MR. CHARBONNEAU: Date, the sender, the  
3 general subject matter, the recipient, and to the  
4 extent that the attorney/client privilege is invoked,  
5 the attorney and the client.

6 (Inaudible discussion off the record between  
7 Mr. Charbonneau and Mr. O'Quinn.)

8 MR. CHARBONNEAU: Oh, yeah, and any other  
9 third-party recipients, like, for example, who are  
10 carbon copied and blind copied.

11 THE WITNESS: So you want all of the  
12 exceptions, that is probably -- I have over -- I have  
13 several thousand e-mails dating back to, like, when my  
14 daughters were in seventh grade.

15 MR. ELAM: We're going by folder, right?  
16 That's what we're going by, isn't it?

17 MR. CHARBONNEAU: Well --

18 THE WITNESS: If you want me to identify each  
19 one --

20 MR. CHARBONNEAU: It's got to be by  
21 communication, because one could have dozens --

22 MR. ELAM: That's what my thinkings were  
23 earlier.

24 MR. CHARBONNEAU: I don't know a better way  
25 to do it.

1 MR. ELAM: And I don't either. I agree. I  
2 think we have to go by e-mail.

3 MR. MURPHY: Absolutely.

4 MR. ELAM: So I just was thinking we were  
5 going to do the folder. Okay. That's fine.

6 THE WITNESS: I just need to -- you saw what  
7 was in my Outlook, and that's why I was objecting as  
8 we were going. It's going to take me considerable  
9 time to go through the entire Outlook.

10 MR. O'QUINN: Well, I mean, I think we  
11 understand that. However, your obligation in response  
12 to the subpoena is to go through the documents in your  
13 possession, custody, or control, and to the extent  
14 they are responsive assert an attorney/client  
15 privilege, so what we're asking you to do is do your  
16 obligation under the subpoena.

17 THE WITNESS: But just to be clear, I need --  
18 so, for instance, my daughter's school, the date, you  
19 want me to identify each e-mail -- sorry, then I am  
20 misunderstanding.

21 MR. MURPHY: Explain.

22 MR. ELAM: We just need to write down the  
23 ones that we say are --

24 THE WITNESS: Aren't --

25 MR. ELAM: -- protected. No, that are

1 protected.

2 THE WITNESS: That are protected.

3 MR. ELAM: We write down the certain  
4 information and give it to them. They'll agree or not  
5 agree, and then, in not, we'll go to the Court, so we  
6 need to write down what's not protected -- I mean,  
7 what is protected. I'm sorry.

8 MR. O'QUINN: In the spirit of trying to get  
9 through this and moving back to the deposition,  
10 clearly if there's a folder, for instance, about your  
11 daughter, and you're able to look and you're able to  
12 say all e-mail contained in the folder are personal  
13 and not responsive, it would be incumbent on us to try  
14 to go and argue to a court that they are somehow  
15 responsive and relevant. So certainly you could make  
16 it an all-inside-this-folder, however, to the extent  
17 you're asserting an attorney/client privilege, you  
18 need to go communication by communication, identify  
19 the communication and why it's protected. That's  
20 different than not responsive or personal.

21 MR. ELAM: That's what I meant when I said go  
22 by the folder. If there's a folder that's not  
23 responsive, we can --

24 THE WITNESS: Can you give me that list?

25 MR. CHARBONNEAU: Where are those stickers?

1           (Thereupon, a document is marked as Exhibit  
2 No. 3 for identification.)

3           MR. O'QUINN: And there may be some folders  
4 that you believe are not responsive that we would take  
5 issue with, for instance, if it were a business that  
6 you think is not related, that somehow we believe is  
7 related, we may have to discuss whether or not that  
8 business is related.

9           MR. ELAM: Then we can go by folder, line by  
10 line in the -- e-mail by e-mail in the folder.

11          MR. O'QUINN: Right, and I think it will be  
12 easier to identify familial communications with none  
13 of the involved participants, like, children, as  
14 opposed to maybe a spouse or somebody that might be a  
15 participant. We'll all work in good faith to get  
16 through this.

17          MR. CHARBONNEAU: We agreed?

18          MR. ELAM: (Nods his head.)

19          MS. MENOTTE: And I think you should add the  
20 part that I've agreed, as part of that, that no one on  
21 our side, including the trustee, is going to look at  
22 the information in those folders on this disk until  
23 such time as we're given permission from you or the  
24 Court to do so.

25          MR. MURPHY: Thank you.

1 MR. CHARBONNEAU: My understanding is that  
2 you wouldn't provide it to me if I asked.

3 MS. MENOTTE: Correct, correct.

4 MS. CLOYD: With regard to e-mails only.

5 MS. MENOTTE: With regard to e-mails only.

6 MR. CHARBONNEAU: Right.

7 MS. MENOTTE: The other folders I may just  
8 frankly, provide copies.

9 MR. O'QUINN: And we would request electronic  
10 copies of those.

11 MS. MENOTTE: Okay.

12 MR. ELAM: Everything else in the documents  
13 are not attorney/client privilege, right?

14 THE WITNESS: Correct.

15 MR. MURPHY: Are you positive?

16 THE WITNESS: No. There are literally  
17 thousands of documents, so, you know, maybe I need to  
18 reserve my --

19 (Inaudible discussion off the record between  
20 Mr. Elam and Mr. Murphy.)

21 MR. ELAM: Yeah, I mean, if there's an  
22 inadvertent production, obviously.

23 MS. CLOYD: Also to the extent that it's --  
24 well, when an order for relief is entered, if the  
25 Court enters it, then the CLSF attorney/client



1 privilege belongs to the trustee, so I realize that --

2 MR. ELAM: Right, that it could be waived.

3 MS. CLOYD: -- if relief is entered in this  
4 case -- it won't be waived.

5 MR. ELAM: Well, it -- right.

6 MS. CLOYD: It belongs to the trustee.

7 MR. ELAM: That's what I meant.

8 MS. CLOYD: Deborah can choose to waive it or  
9 not, but the privilege passes to her.

10 MR. ELAM: If there's an order for relief  
11 entered, it passes to Ms Menotte as trustee, she's  
12 the one that holds the privilege now because she's the  
13 debtor.

14 MR. MURPHY: Okay.

15 MR. ELAM: That's what she's talking about.

16 MR. MURPHY: What's the rule in the Eleventh  
17 Circuit for --

18 (Inaudible discussion off the record between  
19 Mr. Elam and Mr. Murphy.)

20 MR. MURPHY: Can we have an agreement that if  
21 something is in the CLSF file and there happens to be  
22 an attorney/client privilege, that it's going to be  
23 inadvertent, and I'm not sure what the rule in the  
24 Eleventh Circuit is in this regard but that it's not  
25 going to be deemed waived, either blanket or

1 otherwise?

2 MR. O'QUINN: My main hesitation with that is  
3 I'm not sure that that's something that can be subject  
4 of agreement. However --

5 MR. MURPHY: Well, this is a unique situation  
6 in view of the fact that these documents --

7 MR. O'QUINN: Let me just finish --

8 MR. MURPHY: -- have all been copied on a  
9 disk.

10 MR. O'QUINN: Let me just finish, if I could.

11 I think what we would agree to is to the  
12 extent that there is a document that appears to have  
13 been inadvertently prepared, we will bring it to your  
14 attention and deal with it before the Court. I --

15 MR. MURPHY: Can I make -- I don't want to  
16 interfere, but this is a little different than your  
17 general inadvertent production, where things were just  
18 inadvertently produced. What happened was all these  
19 documents were just copied and provided to the  
20 trustee, and Ms. Peck, in good faith, did that, but  
21 she didn't have a chance to go line by line, page by  
22 page on --

23 MR. ELAM: Can I talk to them outside for  
24 just two seconds?

25 MR. CHARBONNEAU: Yes.

1 THE WITNESS: Me too?

2 MR. ELAM: Yes.

3 (Thereupon, a brief recess was taken.)

4 MR. CHARBONNEAU: So do we have all the  
5 necessary agreements and stipulations that we need on  
6 the record at this point?

7 MR. ELAM: I think so.

8 BY MR. CHARBONNEAU:

9 Q All right. Ms. Peck, I'm going to show you a  
10 document that I've marked as Exhibit 3 and ask if you  
11 recall this document being marked at the hearing on  
12 the motion to appoint a trustee?

13 A Yes, I remember it.

14 Q And that's your signature at the back of the  
15 document?

16 A Yes.

17 Q Okay. And you signed that document as  
18 trustee?

19 A Correct.

20 Q Okay. May I have that document back?

21 A (Indicating.)

22 Q And this document is the, get ready, CLSF  
23 Trust III/IV Stichting, S-T-I-C-H-T-I-N-G, Closed Life  
24 Settlement Fund III/IV U-A-D-T-D dated July 9, 2007,  
25 correct?

1 A Yeah, I -- I'm sure it is.

2 Q This is the trust that owns 100% of the  
3 alleged debtor, as I understand from your testimony  
4 back on August 24th, correct?

5 A Correct.

6 Q Is CLSF III IV the same thing as CLSF -- I'm  
7 sorry. Is the alleged debtor the same thing as the  
8 CSLF III/IV Fund?

9 A Is the debtor?

10 Q The alleged debtor.

11 A Aren't I the debtor?

12 Q No, not you.

13 A So the -- sorry.

14 Q The alleged debtor is CSLF III, IV, Inc.

15 A And is it the same as?

16 Q The CSLF III/IV Fund?

17 A Yes.

18 Q It is the same thing?

19 A The same thing.

20 Q Okay.

21 A Well, I mean, it's the same asset. Right?

22 MR. CHARBONNEAU: Excuse me, excuse me. You  
23 can either object or stay quiet, but you can't --

24 THE WITNESS: I'm misunderstanding your  
25 question, so please clarify.

1 BY MR. CHARBONNEAU:

2 Q Throughout the motion to dismiss and the  
3 amended motion to dismiss-- well, you know what, I  
4 didn't want to do this, but --

5 (Thereupon, the document referred to was  
6 marked as Exhibit No. 4 for identification.)

7 BY MR. CHARBONNEAU:

8 Q I'm going to show you what I've marked as  
9 Exhibit 4 and ask you if you're familiar with this  
10 document?

11 A Yes.

12 Q Okay. That's the amended motion to dismiss  
13 the petition in this case, correct?

14 A Correct.

15 Q Did you have any input in its drafting?

16 A No, not in drafting the document.

17 Q Who drafted the document?

18 A It was done in conjunction with the Law Firm  
19 of Brett Elam and the Glaser law firm.

20 Q Anyone else?

21 A Not to my knowledge.

22 Q Okay. Has the alleged debtor paid Mr. Elam?

23 A Have I made Mr. Elam? Sorry.

24 Q The alleged debtor, CLSF III IV, Inc.

25 A Yes.

1 Q Okay. When?

2 A When I retained Mr. Elam.

3 Q And how much did Mr. Elam receive?

4 A I would need to go back over my records.

5 Q Okay. And from what account was Mr. Elam  
6 paid?

7 A That too, I would have to check, just to be  
8 certain. I don't want a mistake -- to make a mistake.

9 Q The alleged debtor -- you understand what I  
10 mean when I say the "alleged debtor," right?

11 A I think so.

12 Q -- doesn't have its own bank account, does  
13 it?

14 A No.

15 Q Was Mr. Elam paid with a check?

16 A That too, I'll need to check.

17 Q What bank would have been the drawee on the  
18 funds that were used to pay Mr. Elam?

19 A Wells Fargo.

20 Q How many accounts at Wells Fargo are you a  
21 signatory on?

22 A My escrow account, my business account. I  
23 think that's it.

24 Q So Mr. Elam would have been paid from either  
25 one of those two accounts, correct?

1 A Yes.

2 Q And by "business" account, you mean an  
3 attorney's trust account, correct?

4 A Correct.

5 Q And by "escrow" account, what do you mean by  
6 that?

7 A My business account and then my -- well, I  
8 have a business account.

9 Q Right, that's the trust account?

10 A No, no, my business account. My business,  
11 just my personal business account. It's not an escrow  
12 account.

13 Q Okay. Because I heard you testify-- and if  
14 I misheard you, I apologize -- an escrow account and a  
15 business account.

16 A The business account is my business, my  
17 personal business, account, and then I have an escrow  
18 account.

19 Q Which is the attorney's trust account?

20 A Correct.

21 Q Was the Glaser firm paid for the preparation  
22 of Exhibit 4?

23 A This was just drafted and delivered, so I  
24 don't believe I've paid them for this yet.

25 Q To your knowledge do they expect payment for

1 their input on this motion?

2 A I believe so.

3 Q Did the alleged debtor enter into an  
4 engagement agreement with the Glaser firm for that  
5 purpose?

6 A I believe so. I'll check.

7 Q Do you recall what the terms of that  
8 engagement were -- are?

9 A That I would have to check. It's a not -- I  
10 don't have a perfect memory.

11 Q So based on your responses, Ms. Peck, the  
12 Glaser firm represents CLSF III IV, Inc., in addition  
13 to Mr. Elam, correct?

14 A They've been working in conjunction with  
15 Mr. Elam, so I'm not sure how I would phrase that, but  
16 if that's -- if that's appropriate.

17 Q Throughout Exhibit 4, the alleged debtor  
18 refers to CLSF Fund III/IV, I guess my question is,  
19 and it's a little confusing to me, is that entity the  
20 same thing as the alleged debtor?

21 A Yes, I believe so.

22 Q Is the CLSF III/IV -- excuse me, the CSLF  
23 Fund III/IV, is that a corporation?

24 A Yes.

25 Q It's this alleged debtor?



1 A Yes.

2 Q Now, the trust, that we marked as Exhibit 3  
3 contracted to purchase a life insurance policy, the  
4 specifics of which I'm going to get to at some other  
5 point in the examination on another date, but for  
6 purposes of today, I would like to ask you if the  
7 document that I am marking as Exhibit 5, is a true and  
8 correct copy of the policy that is now held by the  
9 alleged debtor?

10 (Thereupon, the document referred to was  
11 marked as Exhibit No. 5 for identification.)

12 THE WITNESS: I assume it's all here.

13 BY MR. CHARBONNEAU:

14 Q Do you have any reason to believe that's not  
15 a true and correct copy?

16 A There's just some blank pages, so -- there's  
17 just certain blank pages, so I assume it's all here.

18 MR. ELAM: Look through it.

19 THE WITNESS: It looks like it's all here,  
20 but I didn't -- is this what I produced?

21 MR. CHARBONNEAU: Actually it is.

22 THE WITNESS: Okay. Then it's all here. I  
23 didn't know if you copied it.

24 MS. MENOTTE: Maybe it was the front and back  
25 when it was copied, it was duplicated.

1 MR. ELAM: Yeah.

2 BY MR. CHARBONNEAU:

3 Q So I guess to be clear, any reason to believe  
4 Ms. Peck that Exhibit 5 is not a true and correct copy  
5 of the insurance policy that was transferred by the  
6 trust discussed in Exhibit 3 to the alleged debtor?

7 A After my review of it, I would say no. It's  
8 just odd looking, because of the every other page  
9 that's blank.

10 Q Okay. I'm looking at Paragraph II of Exhibit  
11 3, which is the trust agreement, and it says, "The  
12 trustee is vested with all right, title, and interest  
13 in the life insurance policy or policies and is  
14 authorized and empowered to exercise and enjoy for  
15 the purposes of the trust and as absolute owner of the  
16 policy of insurance all the options, benefits, rights,  
17 and privileges under the policy or policies."

18 So I guess with that language, Ms. Peck, I  
19 would ask you, do you have the original policy, a copy  
20 of which has been marked as Exhibit 5?

21 A I do not.

22 Q Given that language that I just read to you,  
23 why do you not have it?

24 A In my experience it's rare for an original  
25 policy to be provided by a provider in a life

1 settlement transaction.

2 Q Okay. And what is a provider?

3 A A licensed provider is a life insurance  
4 provider governed by jurisdictional rules, so there  
5 are different rules that apply to each provider.

6 Q Are you referring to the carrier when you say  
7 "provider"?

8 A No. I'm talking about a licensed insurance  
9 provider. They have life insurance agents, life  
10 insurance brokers, life insurance providers.

11 Q And who is the provider that you allege has  
12 possession of this policy?

13 A I don't know if the provider has the  
14 original, but the provider in question is Parkside  
15 Equity, also known, I believe, as Reserve Capital.

16 Q Okay. Would it surprise you, Ms. Peck, if I  
17 told you that we asked the provider for a copy of the  
18 original policy and they said they didn't have it?

19 A Would that surprise me? No, because as I  
20 said, it's very unusual for there to be an original  
21 policy, as far as my experience has been.

22 Q Do you have any idea where this original  
23 policy is?

24 A I do not.

25 Q Who owns Parkside Equity, Ms. Peck?

1 A Phil Lian.

2 Q P-H-I-L?

3 A I think his name is Philip.

4 Q Is the last name L-I-A-N?

5 A Correct.

6 Q Where does Mr. Lian reside?

7 A In New Jersey.

8 Q And other than being the provider for this  
9 insurance policy, do you have any other business  
10 relationship with him?

11 A No.

12 Q And where is --

13 A Oh, I'm sorry, I'm sorry.

14 Q Right.

15 A I answered --

16 Q Yeah.

17 A I purchased a number of policies through  
18 Parkside Equity.

19 Q You as trustee?

20 A Well, the grantor, Watershed, purchased  
21 policies.

22 Q From Parkside Equity?

23 A Correct.

24 Q And where is Parkside Equity licensed?

25 A New York.

1 Q And if you wanted to obtain an original --  
2 the original policy, how would you go about doing  
3 that?

4 A On one occasion I've seen the -- in my  
5 experience the provider has had the original policy.

6 Q Okay. But --

7 A Typically they don't have the original.

8 Q If the insured -- what's his name?

9 A Herskowitz.

10 Q -- Mr. Herskowitz, should pass away, how  
11 would you make a claim on the policy?

12 A There's a claim procedure that each carrier  
13 has, and you follow the claims procedure for that  
14 carrier.

15 Q Do you know what the claims procedure is for  
16 Jefferson Pilot Life Insurance Company?

17 A Not offhand.

18 Q Were all the policies purchased from Parkside  
19 for purposes of reselling them to Quality Investments'  
20 investors?

21 A The grantor purchased policies. I believe  
22 most of them or all of them were for that purpose.

23 Q I want to turn your attention, Ms. Peck, back  
24 to Exhibit 4, a copy of the amended motion to dismiss  
25 and ask you a few questions about that.

1           Quality Investments, it says on the bottom of  
2 Page 3, is the manager of CLSF Fund III/IV. Do you  
3 see that?

4           A     I do.

5           Q     Are you saying, then, that Quality  
6 Investments is the manager of this alleged debtor?

7           A     That's how this was structured.

8           Q     Because my understanding from your testimony  
9 on August 24th is that the trust, the CLSF III IV, so  
10 for and so on, Trust, is the 100% shareholder of the  
11 alleged debtor, correct?

12          A     Correct.

13          Q     And that you are the sole officer and  
14 director of CLSF III IV, Inc., the alleged debtor,  
15 correct?

16          A     Correct.

17          Q     So I'm unclear as to Quality Investments, how  
18 they are a manager of an entity in which your trust is  
19 the 100% shareholder and you are the sole officer and  
20 director. Can you explain that to me?

21          A     Yes. Every trust has a beneficiary. That  
22 beneficiary is a fund. Every fund has a manager and a  
23 custodian, and the manager is Quality Investments.

24          Q     Okay.

25                MR. CHARBONNEAU: Did you follow that?

1 MR. O'QUINN: (Shakes his head.)

2 BY MR. CHARBONNEAU:

3 Q Now, in footnote three of Exhibit 4--

4 (Inaudible discussion off the record between  
5 Mr. Charbonneau and Mr. O'Quinn.)

6 MR. ELAM: Can I get her a glass of water  
7 real quick?

8 MR. CHARBONNEAU: Sure.

9 (Thereupon, there was a brief recess.)

10 BY MR. CHARBONNEAU:

11 Q I just heard your explanation, Ms. Peck,  
12 about Quality Investments being the manager, but I  
13 want to make certain I'm clear on something.

14 Quality Investments is not a shareholder of  
15 the alleged debtor, is it?

16 A No.

17 Q It's not a director of the alleged debtor, is  
18 it?

19 A No.

20 Q It's not an officer of the alleged debtor, is  
21 it?

22 A No.

23 Q It's not an employee of the alleged debtor  
24 is it?

25 A No.

1 Q So Quality Investments, as I understand it,  
2 holds no title relative to the alleged debtor,  
3 correct?

4 A (Witness nods her head)

5 Q Except in the fund itself.

6 Now, footnote three says -- of Exhibit 4,  
7 says, "The participation agreement provides that the  
8 alleged debtor has a total 25 participants" Do you  
9 see that?

10 A Yes, I do.

11 Q And participants are investors?

12 A Correct.

13 Q Would you agree with me that Exhibit 2  
14 Exhibit 2 to Exhibit 3, is a list of the participants  
15 in the trust which the alleged debtor owns? Reverse  
16 that. That the trust -- right. That the alleged  
17 debtor is owned by the trust. Long day.

18 A To my knowledge this is not a complete list.

19 Q Okay. How so?

20 A I believe Mr. Vandoorne should be here. He's  
21 a claimant, and he's not on this list, and as far as I  
22 know, there's -- this is not accurate.

23 Q Okay. So you're saying this is incomplete?

24 A Yes.

25 Q This document is dated July 1<sup>st</sup> of 2007. Do



1 you see that?

2 A Yes.

3 Q Okay. Do you know if this list of  
4 beneficiaries on Exhibit 2 was complete at that time?

5 A I do not know, because I never handled the  
6 list of investors.

7 Q Okay. But you're the trustee for them?

8 A Correct.

9 Q You're the fiduciary for them?

10 A Correct.

11 Q It's important that you know who they are  
12 isn't it?

13 A Since there's an ongoing sale of  
14 participations, there's an ongoing list that's growing  
15 of -- of -- within the fund of -- called beneficiaries  
16 or members --

17 Q Okay.

18 A -- so it may change

19 Q So what you're telling me is that with  
20 respect to these names on Exhibit 2, it could change  
21 over time and you wouldn't know it?

22 A When I have the complete list, I obviously  
23 know it. I can tell you this is incomplete

24 Q How do you communicate with the beneficiaries  
25 if the list changes over time?

1 A It was never my duty--

2 MR. ELAM: Object to form.

3 MR. CHARBONNEAU: What was your answer?

4 THE WITNESS: It's never my duty to be in  
5 contact with the investors. That is something that QI  
6 Management Company -- those are duties that QI  
7 Management Company performed.

8 BY MR. CHARBONNEAU:

9 Q So, for example, when you transferred as  
10 trustee, the policy into the alleged debtor you  
11 didn't communicate that to the beneficiaries did you?

12 A The transfer of the policy into the trust  
13 occurred prior to there being beneficiaries.

14 Q Do the beneficiaries know that?

15 A I'm not following you.

16 MS. MENOTTE: Can I bother you for a pen?  
17 I'm sorry.

18 MR. CHARBONNEAU: Sure.

19 (Inaudible discussion off the record between  
20 Mr. Charbonneau and Mr. O'Quinn.)

21 BY MR. CHARBONNEAU:

22 Q Maybe it's a help to go back a few steps.

23 I'm going to show you a document that I've  
24 marked as Exhibit 6 and ask if you can please identify  
25 that?

1           (Thereupon, the document referred to was  
2 marked as Exhibit No. 6 for identification.)

3           MR. ELAM: Just want you to -- it's almost  
4 five. He's got to go at five

5           MR. MURPHY: So does Deb.

6           MR. CHARBONNEAU: Does she? Okay.

7           THE WITNESS: Yes, I do.

8           MR. CHARBONNEAU: I've got a few questions

9           MR. ELAM: I know, that's --

10          THE WITNESS: It looks like it came off their  
11 web site, or it could be a part of their offering  
12 document.

13 BY MR. CHARBONNEAU:

14          Q     Who is "they"?

15          A     Quality Investments.

16          Q     Okay. These pages are not numbered. Four  
17 pages in, there's language under the subheading Trust,  
18 that says, "The trustee closely monitors the flow of  
19 funds, the anonymity and the rights and obligations of  
20 the beneficiaries, and, of course, she operates  
21 strictly in accordance with the statutes (deed of  
22 trusts)." Do you see that language?

23          A     Yes.

24          Q     Are you the trustee to whom that document  
25 refers?

1 A Yes.

2 Q Let me mark for you No. 7 and ask if you've  
3 ever seen this document?

4 (Thereupon, the document referred to was  
5 marked as Exhibit No. 7 for identification.)

6 THE WITNESS: Yes, I've seen this document.

7 MR. MURPHY: It's actually five o'clock.

8 MR. CHARBONNEAU: Can I ask two questions  
9 maybe three?

10 MR. MURPHY: Two.

11 BY MR. CHARBONNEAU:

12 Q Okay. Ms. Peck, Exhibit 4 has documents  
13 attached. One is a Deed of Enrollment, Maatschap QI  
14 Collectief -- I will let you get the spelling of that  
15 later -- and it's blank. Do you see that?

16 A Yes.

17 Q Do you have a signed document?

18 A Do I have a signed document?

19 Q Yeah.

20 Have you seen a document like this signed by  
21 any one of the petitioning creditors?

22 A I may have. I have to look back and refresh  
23 my mind.

24 Q Okay. You certainly would have attached it  
25 to your motion to dismiss--

1 MR. CHARBONNEAU: Object to form.

2 BY MR. CHARBONNEAU:

3 Q -- if you had it, wouldn't you?

4 A I've received so many e-mails, that I  
5 provided what I could to my various attorneys, and I  
6 may have overlooked something so I've done my best,  
7 but I may have. I just said I "may have" seen.

8 MR. CHARBONNEAU: Okay. We're going to have  
9 to adjourn.

10 MR. O'QUINN: Should we pick another date  
11 today?

12 MR. CHARBONNEAU: I think we should.

13 THE COURT REPORTER: On the record or off?

14 MR. CHARBONNEAU: On, yes.

15 Can we attempt to pick a date?

16 MR. ELAM: Is Mike going to be here?

17 MR. MURPHY: Mike will probably do it, so  
18 you'll have to make a phone call to him. I can't pick  
19 a date right this second.

20 MR. CHARBONNEAU: Okay. Please let  
21 Mr. Glaser know we're not waiting.

22 MR. MURPHY: The only reason -- I understand,  
23 but the only reason is I'm going out of town.

24 MR. CHARBONNEAU: Understood.

25 (Multiple discussions off the record.)

1 THE COURT REPORTER: Brett, read?

2 MR. ELAM: Yes.

3 (Whereupon, the Deposition was concluded.)

4

5

DEBORAH C. PECK

6

STATE OF FLORIDA:

7

COUNTY OF PALM BEACH:

8

The foregoing instrument was acknowledged before me  
this \_\_\_\_ day of \_\_\_\_\_, 2012, by

9

\_\_\_\_\_, who is personally known  
to me or who has produced \_\_\_\_\_ as

10

identification and who did (did not) take an oath.

11

\_\_\_\_\_, Notary Public

My commission expires:

Commission #:

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## 1 CERTIFICATE

2 STATE OF FLORIDA:  
3 COUNTY OF PALM BEACH:

4 I, Anna M. Meagher, Shorthand Reporter and  
5 Notary Public for the State of Florida at Large, do  
6 hereby certify that the foregoing Deposition of  
7 DEBORAH C. PECK was taken before me, in the cause, at  
8 the time and place, and in the presence of counsel as  
9 stated in the caption hereto; that the said witness  
10 was first duly sworn by me; and that the foregoing  
11 pages, numbered 1 through 64, constitute a true record  
12 thereof; and that the reading and signing was not  
13 waived by said witness and said witness was notified  
14 to read.

15 I further certify that I am not of counsel, I  
16 am not related to nor employed by any attorney in this  
17 case.

18 Dated this 5th day of October 2012.

19  
20  
21 My Commission Expires: Anna M. Meagher,  
January 8, 2013 Notary Public  
22 Commission #DD850415 State of Florida at Large

1 OUELLETTE & MAULDIN COURT REPORTERS  
2 28 West Flagler Street, Suite 808  
3 Miami, Florida 33130  
4 (305) 358-8875

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October 5, 2012

MS. DEBORAH C. PECK  
c/o LAW OFFICES OF BRETT E. ELAM, P.A.  
105 South Narcissus Avenue, Suite 802  
West Palm Beach, Florida 33401

Re: CLSF III IV, INC., DEBTOR  
CASE NO. 12-30081-BKC-EPK

Dear Ms. Peck,

Please be advised that your Deposition taken by our offices on October 4, 2012 has been transcribed and is ready to be read and signed by you.

The transcript will be filed with or without your signature in 30 (thirty) days or at the time of trial, whichever comes first.

Our office hours are 9:00 a.m. to 4:30 p.m. Monday through Friday.

If you have any questions regarding this letter, please feel free to contact us at the above number.

Yours very truly,

Anna M. Meagher  
Court Reporter

cc: ROBERT P. CHARBONNEAU, ESQUIRE