

1 IN THE UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF TEXAS
3 DALLAS DIVISION

4 IN RE:)
) CASE NO. 99-36653-RCM-7
5 NICHOLAS E. CHENOWTH,) (CHAPTER 7)
)
6 Debtor.)
)

7 _____
ELECTRONIC DATA SYSTEMS)
8 CORPORATION,)
)
9 Plaintiff,)
) ADV. NO. 99-3560
10 VS.)
)
11 NICHOLAS E. CHENOWTH,)
)
12 Defendant.)

13

14 ORAL DEPOSITION OF
SKIP CUTTING
15 APRIL 6, 2000
16 VOLUME 1

17 ORAL DEPOSITION of SKIP CUTTING, produced
18 as a witness at the instance of the plaintiff, and duly
19 sworn, was taken in the above-styled and numbered cause
20 on the 6th of April, 2000, from 10:33 a.m. to 6:32 p.m.,
21 before Stacy L. Jordan, CSR in and for the State of
22 Texas, reported by machine shorthand, at the offices of
23 EDS, 5400 Legacy Drive, in the City of Plano, County of
24 Collin, State of Texas, pursuant to the Federal Rules of
25 Civil Procedure.

1 A P P E A R A N C E S

2 FOR THE PLAINTIFF:
Mr. Chris D. Carlson
3 ELECTRONIC DATA SYSTEMS CORPORATION
5400 Legacy Drive, Suite H3-3D-05
4 Plano, Texas 75024-3105

5 ALSO PRESENT:

6 Ms. Marla Thornton

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

3

1	I N D E X	
	WITNESS	PAGE
2	SKIP CUTTING	
3	EXAMINATION BY MR. CARLSON	7
4		
5	EXHIBITS	IDENTIFIED
1	- Subpoena duces tecum	8
6		
2	- Subpoena proof of service	8
7		
3	- EDS reimbursements	25
8		
4	- EDS payments	26
9		
5	- EDS memos (Nick), team splits,	29
10	schedules (Marty, Chris, Michael)	
11	6 - Team EDS/Corima correspondence	29
12	7 - Team EDS vendor	31

13	8 - Transfer of funds receipts	37
14	9 - Transfer of funds original receipts	38
15	10 - Summary of Exhibits 8 and 9	40
16	11 - Bank statements 1995-1997	41
17	12 - Bank statements 1998-1999, joint 1996-1997, savings	43
18		
13	13 - Skip, NationsBank, personal	44
19	Skip, Wells Fargo, personal	
20	Skip, Wells Fargo, savings	
14	14 - Corima sponsorship agreement	67
21		
15	15 - Delivery form from Corima	72
22	for sponsorship frames and wheels	
16	16 - Fax dated 11/21/95 to Cutting from Martin and Team EDS Price list	73
23		
24	17 - Handwritten Richardson Bike Mart receipts	99
25		

1	EXHIBITS	IDENTIFIED
18	Blank Richardson Bike Mart forms	111
2		
19	Blank Texas Racing Works invoice forms	113
3		
20	Texas Racing Works invoices	114
4	for equipment	
5	21 - 1998 1099 from Brett Hydrick to Marty Nothstein	136
6		
22	Reimbursement invoices for Cutting	140
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		

19
20
21
22
23
24
25

5

1 PROCEEDINGS

2 MR. CARLSON: It is April 6th, 2000,
3 10:30. We're here at EDS' corporate headquarters in
4 Plano, Texas, and are set to convene the deposition of
5 Harry Cutting in the matter of In re: Nicholas E.
6 Chenoweth, debtor; Electronic Data Systems Corporation,
7 plaintiff, versus Nicholas E. Chenoweth, defendant.

8 The deposition was noticed to opposing
9 counsel, Joe K. Gordon. The witness was subpoenaed and
10 is here and ready to proceed. We've waited 30 minutes.
11 I'm now going to try to call Mr. Gordon's office and ask
12 if we should wait any longer, or if he's decided not to
13 participate and we should proceed. If we can't reach
14 him, we will likely just proceed without him since
15 notice was given.

16 So I'm dialing Mr. Gordon's phone number,
17 (817) 261-2980, and the phone is ringing.

18 THE RECEPTIONIST: Good morning, law
19 office.

20 MR. CARLSON: Hi, I'm trying to reach Joe
21 Gordon. This is Chris Carlson with EDS.

22 THE RECEPTIONIST: Hold, please.

23 Joe's away from his office.

24 MR. CARLSON: I'm sorry. Did you say
25 that Joe was away from his desk?

1 THE RECEPTIONIST: Can I take a message
2 for him?

3 MR. CARLSON: Yes. I'm hoping that you
4 can help me. We're over here at the EDS headquarters in
5 Plano, Texas for a deposition that he is opposing
6 counsel in. The deposition was supposed to start at 10
7 o'clock. It's a little bit past 10:30. We have waited,
8 and I'm wondering if we should continue to wait or if
9 Joe has decided not to participate. Is there some way
10 you can —

11 THE RECEPTIONIST: Well, he's in the
12 office. I know that. He's not — well, he went to the
13 post office. I really don't know.

14 MR. CARLSON: Okay. Well, can you leave
15 a message with him that we're proceeding with the
16 deposition without him, that we served him with notice,
17 and it appears to us that he's decided not to
18 participate, and because of that, we're just going to go
19 ahead and proceed. He should call (972) 605-5502 if
20 there —

21 THE RECEPTIONIST: Okay. And can you
22 repeat your name again?

23 MR. CARLSON: Chris Carlson. And it's in
24 the Nicholas E. Chenoweth bankruptcy adversarial
25 proceeding.

1 THE RECEPTIONIST: Okay. All right. I
2 have a message here. I'll give that to him.

3 MR. CARLSON: Thank you.

4 THE RECEPTIONIST: You're welcome.

5 SKIP CUTTING,

6 having been first duly sworn, testified as follows:

7 EXAMINATION

8 BY MR. CARLSON:

9 Q. Good morning, Skip. My name is Chris
10 Carlson. We're acquainted with one another. Is it okay
11 if I call you Skip today?

12 A. Yes.

13 Q. And you're free to call me Chris, if you
14 choose to.

15 Can you state your full name for the
16 record, please?

17 A. It is Harry Warren Cutting, C-U-T-T-I-N-G,
18 III, and I go by Skip, and I always have.

19 Q. Skip, is it correct that you were served with
20 a subpoena for your appearance here today for this
21 deposition?

22 A. I was served the night before last.

23 Q. Okay. And you have no objection to proceeding
24 today with the deposition?

25 A. No. I came voluntarily under all

8

1 circumstances, so to speak.

2 (Exhibit No. 1 marked.)

3 Q. Skip, let me hand you what's been marked as
4 Exhibit 1 and ask you if that is a copy of the subpoena
5 with which you were served?

6 A. Yes, I think so.

7 Q. And for the record let me also state that
8 Exhibit 1 contains notice of duces tecum, and it is
9 addressed to defendant Nicolas E. Chenoweth by and
10 through his attorney of record, Joe K. Gordon, with
11 Mr. Gordon's address, giving him — it goes on, then, to

12 give him notice of the deposition, the time, and the
13 place.

14 Skip, do you see that? Can you confirm
15 that for me, please.

16 A. That is correct.

17 (Exhibit No. 2 marked.)

18 Q. Let me hand you what's been marked as Exhibit
19 2 and ask if that is a copy of a portion of the subpoena
20 that was served on you, along with the return of service
21 portion or proof of service portion of the notice that
22 was filled out by the process server?

23 A. That is correct.

24 Q. Okay. Let me cover some ground rules with you
25 for depositions. The first one, and it's a hard one to

9

1 follow, is you need to wait until I'm through with my
2 question, okay? And you need to also answer verbally.

3 A. Yes.

4 Q. Okay. There will be many occasions today, I
5 expect, where you'll understand the question that I'm
6 going to ask but I won't quite be finished. I'd
7 appreciate if you would wait until I'm all the way done
8 and then answer the question. Can we agree to that?

9 A. I understand.

10 Q. If at some point I ask you a question that you
11 don't understand, please don't answer it. Instead, ask
12 me to try and make it clear, and I will do so. Can we
13 agree to that?

14 A. Yes.

15 Q. If at any time you want to take a break to get
16 some coffee, some water, to get up and walk around,
17 stretch, get some fresh air outside, ask and we will
18 take a break. Is that agreeable?

19 A. Uh-huh.

20 Q. You should avoid saying uh-huh —

21 A. Yes.

22 Q. — and huh-uh because that's also difficult

23 for the court reporter to get down. Can we agree that

24 you'll try to use yes and no?

25 A. Yes.

10

1 Q. Okay. Have you talked to Nick Chenowth about

2 the legal matter that EDS has pending against him at any

3 time since April 23rd of 1999?

4 A. No.

5 Q. Have you talked to Nick Chenowth's attorneys

6 or anyone with his attorneys' office regarding the legal

7 matter that EDS has pending against him?

8 A. No.

9 Q. Have you talked to Christi Simmons about the

10 legal matter that EDS has pending against Nick Chenowth?

11 A. No.

12 Q. Has Nick attempted to contact you about the

13 legal matter that EDS has pending against him?

14 A. Not to my knowledge.

15 Q. Has Christi Simmons attempted to contact you

16 about the legal matter that EDS has pending against him?

17 A. No.

18 Q. How did you meet Nick Chenowth?

19 A. I met Nick Chenowth when I was the National

20 Team cycling coach, and he and Trey Gannon came to a

21 training camp that we were holding in Houston.

22 Q. When was that?

23 A. 1989.

24 Q. And what was the occasion for them to be at

25 that event?

11

1 A. They had an interest in track racing and were
2 Texas riders, and I had an interest in having as many
3 riders as I could at the camp, and so when they called
4 and asked if they could come down and participate as
5 extras, I said fine.

6 Q. Did that meeting eventually lead to more of a
7 relationship?

8 A. Yes.

9 Q. Can you explain what that relationship
10 developed into, how it progressed?

11 A. Well, the next — after 1989, I decided not to
12 continue as National sprint coach, and they asked if I
13 would be willing to help coach them at certain events,
14 and I did that over the next couple of years, through
15 1992.

16 1992, there was an effort to have several
17 of the — well, I guess there were two or three — two
18 of the employees make the Olympic team at the '92
19 Olympic trials, and I was asked if I could help with
20 that as well, and so that started, like, early in '92.

21 I had a bad accident that took me out for
22 a while and then eventually went back East and met the
23 guys back there, of which there was Michael Buttrey at
24 the time, Trey Gannon — really, those two: Michael
25 Buttrey and Trey Gannon and several other riders,

12

1 including yourself, Chris, were — were supported, I
2 suppose, or sponsored as part of that effort.

3 Q. You mentioned a moment ago they were
4 employees. Can you explain; they were employees of

5 what, and was that somehow related to the cycling
6 activity that you were observing them participate in and
7 so forth?

8 A. Well, the core of the team and, I guess,
9 always was — would be or was supposed to be, maybe a
10 transition out of it at some point or another, was an
11 EDS employee who was doing this as part of an EDS
12 work/athletic lifestyle. Trey, for example, was a
13 programmer, I think. I'm not sure what the correct
14 terminology would be for that. Trey worked out of
15 Houston.

16 Q. Systems engineer?

17 A. That would be the one, and a good one, from
18 what I understand. Trey would continue to do that
19 throughout the years, as well as Michael Buttrey was, I
20 believe, in the same capacity at that point.

21 Q. Now, I think you mentioned that you first met
22 Nick in 1988?

23 A. '89.

24 Q. Excuse me. You first met Nick in 1989, as
25 well as Trey, and that they came down in Houston to

13

1 participate in a training camp that you were conducting?

2 A. Uh-huh.

3 Q. Were they, at that time, employees of EDS?

4 A. Uh-huh.

5 Q. And — is that a yes?

6 A. Yes.

7 Q. And were they, at that time, members of the
8 cycling team that you've mentioned as being supported by
9 EDS, which you came to know was referred to as Team EDS?

10 A. As far as I know, yes. Trey — Trey went to
11 Europe that year with a group that — while I was still

12 his National team coach, I sent Kenny Carpenter and a
13 couple of other sprinters, and Trey went along either at
14 his own expense or as part of the team expense, and I
15 never knew which, but they had asked — Trey had asked
16 if he could go with this group to train in Munich and
17 compete over there for — I think it was about four
18 weeks, and it certainly was no problem for me. It made
19 for another sprinter, and that was good.

20 Trey, when I first saw him, was — he
21 showed that he had, you know, a lot of potential. He
22 was very aggressive in riding and — which you need for
23 that type of activity, and had some skill, and I just
24 saw him as a guy that might turn into something.

25 Q. In 1989 and then, I guess, leading up to 1992

14

1 is roughly how far we've gotten in the time line. To
2 your understanding, was there a manager of Team EDS?

3 A. Nick — Nick Chenoweth would have been the
4 manager during all that time, and during — really, in a
5 sense, leading the program for all the years.

6 Q. Okay. I think we've gotten as far as 1992 in
7 your relationship with Nick Chenoweth, and you've
8 mentioned that that turned into a coaching relationship
9 with Team EDS.

10 A. I would meet them at certain events. They
11 would send me a ticket and I would fly to the event, or
12 if it was in California or Colorado, when I moved to
13 Colorado, we'd meet them and — and coach during the
14 weekend, as I did in '93, also. It would be the same
15 way: coach during the weekend and then go back at the
16 end of the weekend.

17 Q. Did that relationship involve more of your

18 time as the years went on?

19 A. Oh, absolutely.

20 Q. And can you explain how that progressed?

21 A. Well, in '92, with the Olympic trials, I ended
22 up being gone for several weeks. We were at
23 Trexlertown, Pennsylvania, and then at Blaine,
24 Minnesota, at those two tracks either competing or
25 racing, and it was just weeks and weeks on end. I,

15

1 then, also went to Colorado Springs to meet with the
2 National Team coaching staff at one point or another on
3 behalf of Michael Buttrey, who was close to making it,
4 but not quite, and that didn't fly.

5 Then in '93, members were added to the
6 team. I guess in '92, Linda Kruse was added to the
7 team, who was an EDS employee. In '93 — and correct me
8 if I'm wrong, please, Chris — I think you were added,
9 Karla Bland, and that's all I can think of.

10 By the awareness of the team in '93, I
11 was teaching that year, but particularly in the
12 springtime, ended up — spring and summer, ended up
13 constantly flying off to an event on the weekends.

14 As our — as the program expanded, it
15 included more road racing rather than just track racing,
16 and it became a pretty all-encompassing thing to be
17 doing: leave on Friday afternoon after teaching, maybe
18 make it back Sunday night. I had six weekends during
19 the spring where I never made it back on Sunday night
20 because of weather delays, and then, you know, it's bad
21 for the teaching job.

22 Q. How did the coaching progress from then?

23 A. Well, in ninety — I was on a
24 temporary-teaching position when I was in Colorado

25 Springs, and in ninety — the end of '93, the start of

16

1 '94, I lost my wife and talked to my principal as to
2 whether I could be released out of my half-year contract,
3 since I was on a temporary contract, in order to come
4 down to Texas and to work more closely with the team,
5 thinking, when I got down here, I would probably be
6 teaching part time and look for a part-time teaching job
7 and part time — part-time racing still.

8 But when I got down here, Nick
9 indicated — he indicated several things before I came.
10 One, that I would be able to coach outsiders, meaning
11 other teams in the area or something like that, and two,
12 that I could pretty much work full time for EDS and
13 that, you know, I would at least do as well as I was
14 doing teaching, which was never that great, but probably
15 a little bit better.

16 So I came down here in '94. The start of
17 '94 I really started in with Team EDS and started
18 basically full time. Tried to do a couple of other
19 things at the time and was told that that was not going
20 to happen, that I was going to be exclusively Team EDS,
21 and, you know, that's the way it was going to be, and I
22 accepted that at the time.

23 Q. Who told you that?

24 A. Nick.

25 Q. Do you remember when it was that you moved to

17

1 Dallas?

2 A. Oh, I remember that, I think, pretty well. I
3 believe it was January 4th, 1994. I think that's the
4 day — either the day we left or the day we arrived, and

5 we drove down. I drove down with my two daughters and a
6 dog, just drove all night.

7 Q. Prior to coming to Dallas to coach full
8 time, prior to coming to Dallas to coach full time for
9 Team EDS, how were you compensated by EDS for doing the
10 coaching that you did in '91, '92, and '93?

11 A. I was trying to remember the other day, when I
12 started going through this stuff, really, wether I got
13 any stipend. I got some kind of stipend in there, but I
14 would just send in a reimbursement amount with telephone
15 or anything related to Team EDS, any travel expenses and
16 stuff like that. I don't remember — I do not remember
17 how much stipend I got. It was small, I'm sure.

18 In '91, I was supposed to get an airline
19 ticket to — to go compete in Austria, because I was
20 still competing myself at the time, and right before
21 that happened — in fact, I had the ticket — they
22 pulled the ticket away from me and said, you're not
23 going, and that wasn't our agreement.

24 Q. So should I understand that in '91 and '92 and
25 in '93, you were paid some flat amount for providing

18

1 services, and then in addition, you were reimbursed for
2 expenses?

3 A. I think so, Chris. I don't remember exactly.

4 Q. Did you send in invoices for the — the
5 stipend amount or the salary amount, if you will?

6 A. I don't think so for that. I don't know. I
7 don't even think mine go back that far. I think the
8 first one I show is — I don't know where it is.

9 Q. A little bit earlier in response to one of my
10 questions, you — you identified all the stuff, and now

11 you're looking through some stuff. In connection with
12 this deposition, you were served with a duces tecum or a
13 subpoena for documents, to bring documents to this
14 deposition; is that correct?

15 A. That's correct.

16 Q. And have you brought all of the documents that
17 you believe you have that are responsive to the subpoena
18 duces tecum?

19 A. I believe so.

20 Q. Do you think that with some more searching,
21 you might find additional documents?

22 A. It's quite possible. I mean, some of this
23 stuff wouldn't have been out since I started — since I
24 moved and, you know, put stuff in storage or something.
25 It's — it's possible. On the other hand, it's possible

19

1 that I won't. You know, some things I know were lost.
2 Some of my copies of this stuff were lost when our
3 computer hard drive went out and I never printed some,
4 you know, so...

5 Q. The stuff that you brought with you today in
6 response to the subpoena, where did you find the stuff?

7 (Telephone interruption.)

8 MR. CARLSON: Hello?

9 MR. GORDON: Yes.

10 MR. CARLSON: Mr. Gordon?

11 MR. GORDON: Yes. Oh, I tell you what,
12 you all have been blitzing me with so much paperwork in
13 this case, that one just got buried and didn't get on my
14 calendar. So no excuse from this end, but I didn't
15 ignore it. I just...

16 MR. CARLSON: Okay. I'm not certain what
17 to do. Let me let you know that the court reporter took

18 down the call that I placed to your office. And she's
19 presently recording our conversation. Do you have an
20 objection to me proceeding?

21 MR. GORDON: No. No. Go ahead. I'll —
22 I would like to — if the court reporter will contact me
23 when it's — when it's done, I would like, you know, to
24 possibly get a copy of the deposition transcript, if
25 it's — if my client can afford it.

20

1 MR. CARLSON: Okay. I don't think that's
2 a problem.

3 MR. GORDON: All right.

4 MR. CARLSON: Then, Joe, I'm going to
5 plan to proceed without you — you present, and I take
6 it you've decided — or your client has decided for you
7 or instructed you not to participate in the deposition?

8 MR. GORDON: Well, not really. It's
9 just — it's just a matter of a miss — just a misfiling
10 of the — of the notice in my office. And I knew — I
11 knew there was a deposition coming up, but the date
12 never got on my calendar, so go ahead and do it. I'll
13 waive right to be present, but to looking at the
14 transcript, I can always — it's Mr. Carlson — Cutting?
15 Cutting; is that right?

16 MR. CARLSON: That's the witness' name,
17 correct.

18 MR. GORDON: Yeah. I can always subpoena
19 him myself if I decide I need to ask him some
20 questions.

21 MR. CARLSON: Okay. Well, without
22 responding to that, we'll just move forward. I don't —
23 I don't — I don't know that I'm prepared at this time

24 to respond to —

25 MR. GORDON: My statement?

21

1 MR. CARLSON: Yeah, whether or not
2 you're — you're able to subpoena the witness to — for
3 a deposition, but I guess we don't need to have that
4 argument now.

5 MR. GORDON: Okay.

6 MR. CARLSON: Okay. Thanks, Joe.

7 MR. GORDON: All right. Thank you.

8 Q. Skip, the stuff that you brought with you in
9 response to the subpoena duces tecum, where did you find
10 this stuff?

11 A. My storage room or in my office, my home
12 office.

13 Q. Is your storage room at your house or is it an
14 off-site storage?

15 A. I've got both.

16 Q. Did some of this stuff come from off-site
17 storage?

18 A. None of this stuff came from off-site storage.
19 There hasn't been time.

20 Q. Do you suspect that there are some documents
21 that would be responsive to the subpoena in the off-site
22 storage?

23 A. Not necessarily. I would have no reason to
24 think that everything wasn't right there, you know, in
25 the boxes that were marked, but I'd be glad to look, if

22

1 that's what you're asking.

2 Q. Okay. You're — you're agreeing to look?

3 A. I would be glad to look, and if there's any

4 more there, I would be glad to provide them to you.

5 It's not an issue.

6 Q. Thank you.

7 Why don't we take a moment and identify
8 this stuff that you've been — that you've brought with
9 you in response to the subpoena. There are a number of
10 binders that you've got on the table here. Why don't we
11 just mark each binder as an exhibit, and you can
12 describe generally what is in each binder.

13 We may, later on, go into more detail,
14 but I think, for moving things along, we ought to just
15 mark each binder. And if it makes sense to start with
16 the earliest one, I'd ask that you pick out the earliest
17 one, if they're in some kind of date order.

18 A. They're — each binder is either dated or
19 segmented by topic within the binder itself.

20 Q. Okay.

21 A. I just went through Exhibit A on the —

22 Q. All right. Let's mark this as Exhibit No. 3.

23 A. This is my binder.

24 Q. Okay.

25 A. So I'm going here.

23

1 Q. All right. Let's mark — I'm going to ask the
2 court reporter to mark the whole thing —

3 A. That's not going with you. That's going with
4 me.

5 Q. — as Exhibit 3. And what she'll do is she'll
6 make a copy of it, the cover of the binder —

7 A. No, no, Chris. That's just your subpoena
8 stuff in here. This binder is my binder, unless you
9 want copies of your subpoenas and that kind of stuff
10 back.

11 Q. Okay. Are you — are you tendering this as
12 responsive to the subpoena duces tecum?

13 A. No, no, no. This — I'm just using this as
14 reference, and you lost my — you lost my page.

15 Q. I apologize.

16 A. What I've been requested to do, all
17 documents — and I've — and I've checked them off, as
18 you can see, so I can comply. Again, all documents that
19 reflect or relate to payments from you to Nicholas E.
20 Chenoweth.

21 Q. You're reading from Exhibit A to the subpoena
22 duces tecum?

23 A. Right.

24 Q. Okay. Which is Exhibit No. 1?

25 A. Okay. All documents that reflect or relate to

24

1 payments from Nicholas E. Chenoweth to you. So there's
2 EDS payments that would be the payments — or — or
3 maybe just payments to Nicholas Chenoweth, but anyway,
4 all documents, not limited to invoices and requests for
5 reimbursements; those are there. All documents
6 reflecting or relating to payments made by EDS to you;
7 that's there. All documents reflecting or relating to
8 any communications between you and Nick Chenoweth; that
9 is there, also.

10 So this folder, for example, EDS memos to
11 Nick, I ran all the copies, if they — if I didn't
12 already have hard copies on what I could find on memos
13 to Nick. There's not that much. He didn't like memos.
14 I've also produced — and there's also a few other
15 things within here, which you may or may not want to
16 use.

17 Let's see. This is all of the copies of
18 the EDS payments that I have to me. Here are all of the
19 copies of invoices I — that I would have sent, again,
20 that I have. Some I do not have. Again, they probably
21 would have gone down on the hard drive if I don't have
22 them.

23 Here are — here is my folder on EDS
24 vendors that I kept, which would be Corima, Texas Racing
25 Works. There's things in there. So — and that also

25

1 includes with Corima some of the summaries, payment
2 summaries, and that kind of thing. Some showing
3 where — where — when the money came in here, it may
4 not have gone out here, but — and then it's gone out
5 here. It has how it was paid and with the balance and
6 all of that.

7 Then, here is copies of Corima
8 correspondence. So that kind of relates to all — all
9 of the above, in my case. Now, it's not in — maybe
10 nothing to do with Chenoweth, but that's here, too.

11 Q. Okay. Well, let's mark this black binder,
12 which has on the spine EDS reimbursements, as Exhibit
13 No. 3. And is it correct that this is all of the
14 invoices that you have that you have sent to EDS?

15 A. No, that is not correct. That is all of the
16 copies of the invoices that I have that I sent to EDS.
17 It's not necessarily all of them, because as I said,
18 some of these were just stored on a hard drive, and if I
19 didn't make a copy at the time before whenever our hard
20 drive went down about two years ago — I didn't know to
21 back it up. I'm not that literate. I do know now —
22 but some were lost. You would have those copies.

23 Q. Okay. But this is everything —

24 A. This is everything that I have.

25 Q. — that you have at this time?

26

1 (Exhibit No. 3 marked.)

2 Q. Okay. I going to have the court reporter mark
3 another black binder that has on its cover and spine a
4 label that reads EDS payments. We'll mark that as
5 Exhibit 4.

6 (Exhibit No. 4 marked.)

7 Q. Skip, does Exhibit 4 contain documentation as
8 to the payment that you received from EDS in response to
9 invoices that you sent to EDS?

10 A. Right. Right, for the most part.

11 Q. Is there some other type of documentation in
12 here?

13 A. No. Only that.

14 Q. Okay. There's one document —

15 A. That's just the subscriber — EFT, how they
16 transfer, the subscriber service.

17 Q. Some of the payment — the form of some of the
18 payments that you received in response to your invoices
19 to EDS were by electronic funds transfer?

20 A. Most of the time.

21 Q. And so this document that's at the — almost
22 at the very back of Exhibit 4 is —

23 A. It's just that. Somehow it was filed in
24 there.

25 Q. — an agreement that talks about the

27

1 electronic funds transfer system.

2 Okay. There's another page at the back.

3 I think it's the final page of Exhibit 4, final page

4 that's written on. The title of it is Bonus Program
5 1998, with an asterisk, approved by Nick Chenoweth. Who
6 is that a bonus program for?

7 A. I don't know. You're looking at it.

8 Q. Sorry. Let me let you look at it.

9 A. Team EDS — I think that was for everybody,
10 for any — any team member who was with the — with —
11 the concept was there. I don't think this is what flew,
12 and if you notice, there's nothing asterisked on down,
13 but I think I was — I think Steve or Nick asked me for,
14 you know, my thoughts on what a bonus program would look
15 like, and I think this is what I thought it would look
16 like.

17 Q. Were riders paid bonuses pursuant to some
18 bonus program that was in place in 1998?

19 A. I think so.

20 Q. What riders received bonuses according to the
21 program that you recall that was in place in 1998?

22 A. Who did we have in '98?

23 Q. Well, you asked me earlier if I would correct
24 you if you're wrong. Unfortunately, I can't testify in
25 the deposition, so we're going to have to rely on your

28

1 recollection.

2 A. I believe we had Hartwell, yes. Maybe —
3 maybe Mark Garrett. Maybe a few others from National,
4 and Marty, I always assumed, was. I looked at a bonus
5 program with — you know, up here with Steve and Nick at
6 one time, but that was all through Corima, but —

7 Q. Do you recall in 1998 any riders other than
8 Mark Garrett and Erin Hartwell receiving bonuses for
9 performance at particular events as are described in

10 this page that's part of Exhibit 4?

11 A. I don't think so.

12 Q. Is it — was this bonus program also

13 applicable to you, so that if riders who you were

14 coaching —

15 A. I had a bonus program. Nick and Steve set out

16 a bonus program, and I think it started in '98.

17 Q. Is this document likely reflective of that

18 bonus program as to one that was —

19 A. No.

20 Q. — in place for the riders?

21 A. I don't think so. Marty wouldn't have been

22 there for me. I would never have received a bonus for

23 Marty at any time, for example.

24 Let's see. EDS vendors, do you want

25 that?

29

1 MR. CARLSON: Let's go off the record for

2 a minute.

3 (Off the record 11:08-11:09.)

4 Q. Let me have the court reporter mark another

5 black binder that on its spine has the label EDS memos,

6 Nick in parenthesis, team splits, and then schedules,

7 and in parenthesis —

8 A. Let me read it.

9 Q. Does that say Marty?

10 A. Oh. Schedules, Marty, Chris, Michael. Just

11 some of the old schedules that were in there.

12 Q. Okay. We'll mark that as Exhibit 5.

13 (Exhibit No. 5 marked.)

14 Q. Now, I've got a red notebook, which on its

15 spine has the label Team EDS/Corima correspondence. I'm

16 having that marked as Exhibit 6.

17 (Exhibit No. 6 marked.)

18 Q. Skip, let's go back to Exhibit 5 for a moment.

19 A. Which is?

20 Q. Can you generally describe what's in Exhibit

21 5?

22 A. Sure. It's — was some basic team

23 information. I added to this by adding any of the memos

24 that I could find that might have gone to Nick or the

25 team, in general, that was not included in the original

30

1 Nick memos here.

2 Within this folder already were some

3 schedules they kept for a while. Team split stuff,

4 where the prize money would come up and was split up

5 among the team members. Nick's record attempt that he

6 made in Bordeaux happened to be in here. That's all.

7 That's all there is to it.

8 Q. Okay. Thank you.

9 And then can you generally describe

10 what's in Exhibit 6 now, please.

11 A. Exhibit 6 is the Corima correspondence. I do

12 not have most of my correspondence to Corima. I was up

13 to — I believe my last one was Corima '91, which would

14 have meant from the time I started numbering, that was

15 '91 faxes from memos that I sent over to them. Most of

16 that was deleted when the hard drive crashed.

17 So I put in what I did have, what was

18 left in another file or on a floppy or something like

19 that that I could find, as well as, then, the memos that

20 they sent me. So — and these generally deal

21 with — with team issues and equipment issues that they

22 might have. The financial part of it is in the — is in

23 the other one that you have, which is titled what,

24 Chris?

25 Q. Well, you're referring, I think, to a black

31

1 notebook that on its cover and spine has a label that

2 reads Team EDS vendor, and we'll mark that as Exhibit

3 7.

4 (Exhibit No. 7 marked.)

5 Q. And you're saying that contains billing

6 information about the Corima equipment that Team EDS

7 had?

8 A. Right. All of that — all of the stuff that

9 was bought, whether I handled it or not, and sometimes

10 it was very confusing as to where it was going or who

11 was getting it and sometimes even who was paying for it,

12 but it also contains my — the summaries that I had done

13 back when it was going on as to how I paid and all that

14 kind of stuff.

15 Q. Okay.

16 A. Copies of the bank transfers.

17 Q. Before we do anything more with Exhibit 7 —

18 A. Uh-huh.

19 Q. — Exhibit 6 is — have you described

20 generally what you think you need to say about what's in

21 Exhibit 6?

22 A. That's everything. Corima correspondence

23 only.

24 Q. Now, Exhibit 7, we've said, includes billing

25 information about Corima equipment. Does it also

32

1 contain billing documentation from other vendors?

2 A. Some.

3 Q. And I think you mentioned that some of those
4 are Richardson Bike Mart, is that right —

5 A. Yeah, I never —

6 Q. — Texas Racing Works.

7 A. Texas Racing Works. I never paid either one
8 directly. I think there's a — there's a memo in there,
9 too, to Richardson Bike Mart saying this is the way
10 billing was supposed to be done, and it was never done
11 that way.

12 At one time, they were supposed to send
13 me the — whatever anybody would have gone in and
14 charged, and then I would say — and I did. On the ones
15 that I have in there, I would say, okay, this went to
16 this person, this went to this person, you know, these
17 are all legitimate. Then, I would forward that on.

18 The problem being that I was traveling so
19 much that, you know, at times I would come home and
20 there — you know, there would be two and a half or
21 three months' delay on that, and Richardson Bike Mart
22 didn't want that, so they would just bypass me and go
23 ahead. So it was a system that failed quickly.

24 Q. Richardson Bike Mart, then, would invoice EDS?

25 A. Indirectly.

33

1 Q. You'd review the invoices?

2 A. Initially, right, or during that period of
3 time.

4 Q. When you say indirectly, what did you mean by
5 that?

6 A. Me, I never saw — I would — let me show you,
7 Chris. Here's what I saw. I would see these things. I
8 would see a ticket on here, and I would review that.

9 Now, this is when I didn't print out who

10 it went to, but let me flip back on this one. There's
11 some smaller ones. They aren't very good examples, are
12 they? Anyway, I was supposed to review them and see if
13 they were legitimate expenses.

14 Q. All right. Right now you're looking at some
15 documents that are in tab R of Exhibit 7; is that right?

16 A. Uh-huh. Here's one, and this is yours, Chris
17 Carlson's. Probably before a race or something. Jen
18 Evans. And here's kind of a — this is what was sent to
19 Richardson Bike Mart originally, saying this is the way
20 this is supposed to work, but as I said, it never really
21 worked because we were gone way too much.

22 Q. Any equipment that was purchased for Team EDS
23 at Richardson Bike Mart would have been invoiced by
24 Richardson Bike Mart to EDS?

25 A. Yes.

34

1 Q. And then you would, at times — it was
2 difficult because of the travel and being away, but you
3 would, at times, review those invoices; is that right?

4 A. Only when they would send them to me, and I
5 would get — you know, get a fax copy of the ticket.

6 Q. Nevertheless, Richardson Bike Mart would send
7 invoices to EDS and EDS would pay those invoices?

8 A. Yeah, and I really never knew any more than
9 that.

10 Q. And is it your understanding that that's the
11 manner in which equipment was purchased —

12 A. From Richardson Bike Mart?

13 Q. — from Richardson Bike Mart?

14 A. Uh-huh.

15 Q. That any equipment that was purchased for Team

16 EDS would have been purchased on account and invoiced to

17 EDS?

18 A. Right.

19 Q. There are also, I believe, some billing

20 documents in here regarding Texas Racing Works?

21 A. Uh-huh.

22 Q. Was the situation as far as how they were paid

23 the same as it was for Richardson Bike Mart?

24 A. As I recall, initially, we were going to try

25 and do the same thing, and I think this is kind of

35

1 simultaneously as to when Brett went to — went over to

2 start his own place as an employee from Richardson Bike

3 Mart and then left.

4 Q. So Brett Hydrick is the person you're talking

5 about?

6 A. Brett Hydrick.

7 Q. And he originally worked at Richardson Bike

8 Mart?

9 A. Right.

10 Q. And then later started his own bike shop,

11 which is known as?

12 A. Texas Racing Works.

13 Q. Okay.

14 A. And Brett was going to send me invoices of

15 whenever riders came in and picked anything up, but

16 again, that didn't last a month or two, and Brett

17 particularly needed to have his money turned around, I'm

18 sure, fast because it was a small business.

19 Q. And so what system was put in place?

20 A. There really wasn't. He simply billed

21 directly then.

22 Q. So he also would send invoices to EDS, and EDS

23 would pay those invoices?

24 A. Right.

25 Q. And is it your understanding that that's the

36

1 manner in which equipment — if it was obtained from

2 Texas Racing Works, that's the manner in which it was

3 billed and paid for?

4 A. Right.

5 Q. EDS would send a check or an electronic funds

6 transfer to Texas Racing Works?

7 A. Uh-huh.

8 Q. Okay. Is that all of the documents, or are

9 there some others in the box?

10 A. I have bank statements in there.

11 Q. Okay.

12 A. That's not requested of this one, perhaps. I

13 don't know, but I want to talk about the bank stuff at

14 the end.

15 Q. Okay. You've got another stack of documents

16 here by your side. Can you describe what that is?

17 A. Payments made directly to Nick Chenoweth. Oh,

18 not — I mean, directly/indirectly.

19 Q. Okay. Can you explain?

20 A. Let's see. '94, '95 — '95. Nick asked that

21 I put a reimbursement through for some SRM equipment,

22 which I did, and then that I — I turn that money over

23 to him so that he and the Cycling Federation could

24 purchase the SRM equipment on their own.

25 Q. This is what he told you, or this is what you

37

1 know happened?

2 A. This is what he told me.

3 Q. Okay. And so these documents reflect —

4 A. Reflect that —

5 Q. — you transferring money from your account at

6 NationsBank to —

7 A. Right.

8 Q. — an account at NationsBank that Nicholas

9 Chenoweth and apparently his mother, Ms. E.B. Chenoweth,

10 shared?

11 A. Uh-huh.

12 Q. Is that your understanding?

13 A. That is.

14 Q. Okay. There are —

15 A. The difference in these two, Chris, is that

16 that's what came in my bank statements, and this is

17 what — this is what — my originals.

18 Q. Okay. So we've got two sets of documents here

19 relating to transfers of funds between NationsBank

20 accounts. Let's mark the first set — and there are six

21 documents here. Does that mean that there were six

22 transfers of funds?

23 A. Approximately.

24 Q. Or at least these documents reflect six

25 transfers of fund?

38

1 A. That's correct.

2 Q. Let's mark those as Exhibit 8.

3 (Exhibit No. 8 marked.)

4 A. Now, those are identical. The two sets are

5 exactly the same.

6 Q. Okay. And you're — you're comparing now

7 Exhibit 8 to what we're going to mark as Exhibit 9.

8 So now there are six additional

9 documents, and let me try to identify some
10 distinguishing marks. Exhibit 8 is what you say that
11 you got in your bank statement evidencing the —

12 A. Yes. The blue copies came in my bank
13 statement.

14 Q. Okay. And then what we'll mark as Exhibit 9,
15 which at the bottom of each — again, there are six —
16 is the language, customer advice, which is not at the
17 bottom of the six pages of Exhibit 8. Let's mark those
18 as Exhibit 9.

19 (Exhibit No. 9 marked.)

20 Q. Explain what Exhibit 9 is.

21 A. The originals of the transfers that were made
22 over to his account.

23 Q. And by originals, what — is that what you
24 took home with you or that you left the bank with after
25 you did the wire — the transfer?

39

1 A. The transfer, uh-huh. Yeah, this is what I
2 took home.

3 Q. So this would actually be what initiated the
4 transfer, Exhibit 9?

5 A. I guess so, yeah.

6 Q. And then later on, you would get in your bank
7 statement Exhibit 8 as evidence that the transfer took
8 place?

9 A. Right.

10 Q. Now, I've noticed that on the back of each of
11 the six documents that make up Exhibit 8, there's some
12 information similar to what you would find on a returned
13 check, I guess indicating the account number and so
14 forth, both the account number that was — possibly the
15 account number that was debited and then the account

16 that was credited. Does that look right to you?

17 A. There is — there is a bank cancellation on
18 the back, and on the front is the account that was
19 debited. That's my account. I don't know what that is,
20 Chris. It just looks like a cancellation from
21 NationsBank. I don't think it leaves any doubt where
22 it's going. It has the account holder's name.

23 Q. You've got —

24 A. A summary.

25 Q. — one other —

40

1 A. That's my summary. That's my summary.

2 Q. Well, it's still responsive to the subpoena, I
3 think, Skip, so we need to mark it.

4 A. Well, in a sense, it's good. I just didn't
5 get a chance to type it out.

6 Q. Okay. We'll mark this as Exhibit 10. And
7 you're describing it as a summary of what is reflected
8 in Exhibits 8 and 9?

9 A. Right.

10 (Exhibit No. 10 marked.)

11 Q. Skip, with respect to the bank statements that
12 you've got, let me refer you to Exhibit A, and
13 specifically item 4, which reads, all documents
14 reflecting or relating to payments made by EDS to you.

15 A. Uh-huh.

16 Q. I think those documents —

17 A. I'm assuming that's — that's in response to
18 that.

19 Q. Yeah. So let's —

20 A. I just want to make sure, because in reading
21 the — in reading the — the subpoena here, I was a

22 little bothered — excuse me. In the financial
23 institutions and business, are you — you're asking for,
24 you know, the agreement to go to the bank, which —
25 which I don't think is a problem, but I may think it's a

41

1 problem. I don't know yet.

2 You know, if I come out of here feeling
3 that I need a lawyer, it's probably a problem. But it
4 says, the affected party — and let me see — shall give
5 notice to the rights of the customer all certificates.
6 You've got — you've got — what did I read here? In
7 the time under the Texas Rules — anyway, I've got
8 questions regarding that, and I —

9 Q. Let me address those so —

10 A. But this is a different issue, and you're
11 welcome to those. I said that from the very beginning.

12 Q. Okay. Well, let me kind of address your
13 concerns. I don't in any way intend to deny you the
14 right to assert whatever rights you have with respect to
15 the subpoena duces tecum or the subpoena on written
16 questions to the bank. The documents that you're
17 producing in response to the subpoena duces tecum, I
18 don't think are subject to what you're reading there.

19 A. Right.

20 Q. I think that applies to the bank.

21 A. Well, that's why I brought them. So I wanted
22 to have you clarify that for me, but here is...

23 Q. Okay. I've got another black binder which on
24 its cover and on its spine has a label that reads bank
25 statements 1995-1997, which we'll mark as Exhibit 11.

42

1 (Exhibit No. 11 marked.)

2 Q. And Skip, let me have you generally describe
3 what is in here, and if you could, mention time periods,
4 the banks, whose accounts they are —

5 A. Okay.

6 Q. — and, generally, what the documents are. It
7 looks like they are all just bank statements, but if
8 there is something different in that, please describe
9 that. And let me mention to you that there's a tab in
10 here for '94, which the label doesn't make mention of.
11 So why don't you start there.

12 A. These are bank statements on my account and
13 then mine and Robin's at some point or another after we
14 were married. It looks like it doesn't start —

15 Q. Robin is Robin Conley?

16 A. Robin Conley Cutting, my wife.

17 Q. Okay. Y'all were married when?

18 A. Nineteen — late 1996. I probably didn't get
19 around to changing the names on the account until '97 or
20 '98. And this is all on the one account number
21 1293062791.

22 Q. With what bank?

23 A. NationsBank here in Texas. My branch is at
24 Independence and Legacy.

25 Q. And is it correct that there are some

43

1 statements here from '94, though they're not mentioned
2 on the label?

3 A. Yes.

4 (Exhibit No. 12 marked.)

5 Q. Okay. All right. Then, I've got a maroon
6 binder which on its cover is the label bank statements
7 1998-1999, joint 1996-1997, and then there's CL and an
8 X, and I don't know what that refers to. Do you know

9 what that refers to?

10 A. Let me have a look.

11 Q. Let me finish up describing the label and

12 then maybe you can — it goes on, then, to say, savings

13 CL. And now, Skip, I'll give it back to you. Any idea

14 what the CLX or CL means?

15 A. Not anymore.

16 Q. Can you, again, generally, describe what is in

17 Exhibit No. 12?

18 A. In Exhibit No. 12 is, again, bank statements

19 covering the years 1999 — 1998 and 1999, probably a few

20 from this past — they may be up current, but at least

21 through '99 on the same account, which is 1293062791.

22 Robin's name was added at some point to the account.

23 Q. And those are, again, with NationsBank?

24 A. Uh-huh, which is now Bank of America.

25 Q. Did the branch location ever change?

44

1 A. No.

2 (Exhibit No. 13 marked.)

3 Q. Okay. Now, we've got a smaller, flexible

4 black binder, which on its cover has the label, Skip,

5 NationsBank, personal; Skip, Wells Fargo, personal; and

6 Skip, Wells Fargo, savings. Skip, can you go ahead and

7 describe what is in Exhibit 13?

8 A. This would be an account that I opened in

9 order to have a personal account and then really never

10 used. I used it very little, and the same with the two

11 Wells Fargo accounts. I opened them when we moved to

12 McKinney, thinking that I would use an account up in

13 McKinney, and I didn't use it at all.

14 Q. When did you move to McKinney?

15 A. In May of last year.
16 Q. May of 1999?
17 A. Uh-huh.
18 Q. Prior to that time, where did you live?
19 A. I lived in — at 601 Water Oak Drive in Plano.
20 Q. Do you have any other documents with you that
21 are responsive to the subpoena duces tecum?
22 A. Should I have?
23 Q. I don't know.
24 A. I sure don't.
25 MR. CARLSON: Let's take a break and go

45

1 off the record.
2 (Off the record 11:37-11:49.)
3 Q. Skip, the records that you've produced today
4 in response to the subpoena duces tecum, are they
5 records that you have kept in the normal course of your
6 business?
7 A. I would say yes.
8 Q. And I take it you are the custodian of these?
9 A. Yes.
10 Q. They are kept in your house?
11 A. Yes.
12 Q. And they were made by you concerning events
13 that you have personal knowledge about?
14 A. Right.
15 Q. And they were made at or near the time of the
16 events that are documented within them?
17 A. Yeah, for — yes.
18 Q. Okay. Before we got off talking about the
19 documents that you've brought with you today in response
20 to the subpoena duces tecum, I was asking you about
21 invoices that you would have sent to EDS for the work

22 that you were doing, the coaching work you were doing
23 for Team EDS in 1991, 1992, and 1993.

24 You picked up one of the binders and you
25 were going to look for those. Can you check in the

46

1 applicable binder and see if there are invoices from
2 that far back?

3 A. Uh-huh. The earliest is 1993, and it shows in
4 '93, there's just one invoice. So for a — for a total
5 payment of \$15,000 for the year.

6 Q. Okay. Is that the oldest dated invoice you
7 were able to find?

8 A. Here is 1993. And I didn't make out these
9 invoices. This was made up here at EDS. So here's an
10 invoice for \$5,000 that I got a copy of. They probably
11 took care of that here. I don't know.

12 Q. Okay. Explain to me why it was that EDS
13 created the invoice here as opposed to you creating the
14 invoice and sending it to EDS.

15 A. I don't remember, Chris. I'm not sure there
16 was any — no, it would have been \$15,000 for that year,
17 too. So that's the third and final payment. The only
18 reason that I would — I would know is because I
19 probably didn't have much capability in that.

20 Q. Did you happen to —

21 A. You know, I may have sent in — sent in a
22 handwritten something, but on the other hand, it may
23 just have just been prompted out of here.

24 Q. Did you have a discussion with somebody about
25 that process, the creation of invoices?

47

1 A. At some point or another, I'm sure I did.

2 Q. Who did you have that conversation with?

3 A. I would assume at that time — talking about
4 these days?

5 Q. In 1993.

6 A. In 1993? Probably Kelly Martin. I'm sure she
7 was the one doing it. Kelly or Jennifer. I think Kelly
8 Martin handled everything.

9 Q. From looking at those invoices from '93, can
10 you tell the amount that you were paid for providing
11 coaching services to EDS, separate and apart from any
12 reimbursement?

13 A. Uh-huh.

14 Q. How much is that?

15 A. \$15,000.

16 Q. And how was that paid to you? You mentioned
17 that there was a third and final payment.

18 A. Three \$5,000 payments.

19 Q. And so for the three invoices that it appears
20 that you've got there, each for \$5,000, you were paid
21 \$5,000; is that correct?

22 A. Uh-huh.

23 Q. And provided coaching services to EDS in
24 exchange for those payments?

25 A. Right.

48

1 Q. We've talked about you as being the coach of
2 Team EDS. Can you describe what your responsibilities
3 were in that role?

4 A. Way more than coaching. Initially — of
5 course, initially, when I was — was part time during, I
6 guess, ninety — '91, '92, '93, whatever those years
7 were, then I would fly to the events and take care of

8 all of the coaching needs at the event.

9 I didn't write programs at the time.

10 Program meaning, I didn't write the weekly plan or the

11 long-term plans. I was only to provide on-site help,

12 tactical help, the other technicalities of bicycle-track

13 racing or road racing, as — as it may have been.

14 At the same time, I did most of the

15 mechanical work that was being done at those events. So

16 I would act not only as coach but as mechanic, as well.

17 Maybe I — maybe I was doing entries at the time. I

18 don't think so. I think that came later when y'all

19 started paying for the entries and stuff like that, but

20 all of that, which was a lot.

21 Q. Okay. And that was early on. Did your

22 responsibilities expand as time —

23 A. Oh, yeah.

24 Q. — moved on?

25 A. During — during the — you know, the early

49

1 years, '94, '95, you know, then I was helping arrange

2 travel arrangements. I was paying for everything.

3 Oftentimes, when we traveled, you know, sometimes it

4 would be hotels, occasional flights, sometimes my own

5 flights, everything having to do with — with the trips.

6 Sometimes I would drive, meet people. When we stayed in

7 Oak Hollow that week, of course, I drove down to Oak

8 Hollow and drove back.

9 And at that point, then, I was also

10 starting to write the plans. Depending upon who the

11 riders were and how much I could help, I would write

12 various training schedules and all. It was like having

13 seven different teams at any given time because there

14 were different work schedules to work around, different

15 priority schedules to work around, and it was very much
16 a juggling act.

17 So I — so I did that. Of course, I —
18 you know, after a while, it was buying equipment for the
19 team or looking for equipment, making daily runs around
20 town here to track down stuff for riders. It was an
21 ongoing process, and then attending as many of the
22 training sessions as I could.

23 Q. And the responsibilities that you've now
24 described as being in 1994, '95, '96, did those remain
25 the same into '97, '98, and '99?

50

1 A. Well, whenever Steve Walsh came on board, some
2 of the burden of having to look — arrange for travel,
3 you know, the interface with EDS Travel, he took over
4 that. He took over a lot of the team management things.

5 Then, as Brett Hydrick came on board, so
6 to speak, he became — he helped in the — he took care
7 of the mechanical part and would often drive our
8 truckload of equipment wherever it might be needed so
9 that we would be able to operate with a full team and
10 all of the countless bikes and wheels that you need for
11 this kind of thing.

12 Then, I was able to focus more on
13 coaching. The time, really, never seemed to get any
14 easier. The time commitment was always — from the time
15 I got here in '94, was always during the spring, fall,
16 and summer, you know, seven days a week, because we were
17 racing on the weekends, you get home. So all that stuff
18 to do.

19 And I was helping with events whenever we
20 were putting on events, too, or the — or the National

21 Championships, I was helping write those programs. So
22 the time was always the same except in the wintertime.
23 I would try and take Sundays for my family only, and,
24 you know, the only saving grace on that was my wife
25 happened to race bicycles, too, and got to do a lot of

51

1 the same things we did.

2 Q. You mentioned that you were involved with
3 equipment. Were you the person who had principal
4 responsibility for deciding who was going to have what
5 equipment and where it would be purchased from and then
6 getting it —

7 A. I don't think —

8 Q. — paid for?

9 A. I don't think I decided who was going to get
10 what. I think, for the most part, the riders got to
11 choose, within a — within a very fine limit.

12 If we — if Wynn bicycles were going to
13 be used that year, then the riders would get to choose
14 or — or say, I need these Wynn bicycles. When we went
15 to Corima, the riders got to say, well, I need these
16 bicycles. Then, I would be involved in the design
17 sometimes. We would be involved in the design, the
18 procurement of it, working with the manufacturer,
19 getting it over here, getting it set up, and getting the
20 rider on it.

21 We did all of that, all of the equipment
22 kind of stuff that went along with it, and then, of
23 course, Brett would build it or somebody else would
24 build it. I didn't have to do the hands-on building of
25 the equipment onto the bike itself or the frame itself.

52

1 Q. In the '94, '95, '96, '97, '98, and into '99
2 time period, was — was Brett working with you in the
3 procurement of equipment?

4 A. Almost — almost never. I mean, I did less
5 and less in, of course, '98 and '99. We worked more
6 together in terms of most of the Corima stuff was being,
7 I think, bought through the shop by '98, '99.

8 Q. When you say, the shop, are you referring to
9 Texas Racing Works?

10 A. Texas Racing Works. '98, '99, and — but I
11 would be involved in the interface with Corima on that
12 sometimes, or if stuff was bought for supporting riders,
13 it could be either one of us to do that.

14 Q. Describe to me how equipment would get
15 purchased. What would the process be?

16 A. Well, sometimes I would purchase it up front
17 and then simply send in a reimbursement based on that.
18 On small equipment, I could do that with. Larger
19 purchases, like when we did all of the huge amount of
20 buying in '96 from Corima, that, I would basically have
21 to bill ahead based upon what those were, you know, and
22 generally just to make it, frames or whatever it was.

23 I would just write down X amount. I
24 would then total what was expected to come in, and then,
25 you know, once I got that total, if there was a

53

1 difference, which there never — which there wasn't, as
2 far as I know, but if there — I mean, usually we were
3 buying more, so we were always slightly behind, anyway,
4 or at least I was, but then I would send over an X
5 amount of dollars on account, basically. So that's how
6 it worked.

7 Q. So the Corima equipment was being purchased by

8 you?

9 A. A lot of it was being purchased by me,
10 initially.

11 Q. Okay. When you say, a lot of it, I guess that
12 leaves room for there was some of it that was purchased
13 by someone else.

14 A. Maybe, you know.

15 Q. To your knowledge, did anyone else buy,
16 themselves pay for, Corima equipment that became Team
17 EDS equipment?

18 A. Maybe, like, with the Rebecca Twigg bike, I
19 can't remember whether we bought bikes for her or not.
20 Hartwell, I think was sponsored. With one — with
21 possibly one or two exceptions, all of it would have
22 been purchased — purchased by me initially. Towards
23 the end of '96, I mean, it was more than I could handle,
24 too, and then EDS — and Corima became a vendor during
25 that time, and then EDS was able to pay them directly.

54

1 But all of that was for Team EDS-identified equipment,
2 I'm sure.

3 Q. Do you have any knowledge of individual riders
4 paying Corima for equipment that became Team EDS
5 equipment?

6 A. I do not.

7 Q. Do you have any knowledge of Nick Chenoweth
8 paying for Corima frames or wheels that became Team EDS
9 equipment?

10 A. I have no knowledge of that.

11 Q. Do you have any knowledge of Nick Chenoweth
12 buying any type of equipment that became Team EDS
13 equipment? And let me somewhat limit that by saying,

14 I'm not talking about socks or a cycling cap or a pair
15 of gloves. I'm talking about bikes for the team, tires,
16 wheels, the team uniforms. To your knowledge, did he
17 ever pay for that type of equipment?

18 A. To my knowledge, Nick never spent any of his
19 own money for that kind of equipment. Not only that,
20 I'm just — so that we're clear on this, when I would
21 travel with Nick, as I did a couple of times
22 individually, either — in Manchester, at one point
23 individually, we went to Bordeaux for his record, we
24 went to Bogota, Colombia for the record attempt down
25 there with a few others, I either drove Nick or there

55

1 was a driver with us at all times.

2 But I — I paid for everything and gave
3 him a little bit of cash so that he didn't have —
4 wasn't stuck someplace in Colombia, for example,
5 accidentally, and didn't have a few pesos in his pocket
6 to — to pay a driver to get back home. But I would
7 have paid for everything, and for that I would have kind
8 of kept a wad of cash on me that I paid, you know, with
9 and — and also paid otherwise, too, credit cards or
10 something like that.

11 Q. So in connection with Team EDS travel that you
12 and Nick were both on, generally speaking, he never paid
13 for anything, to your knowledge?

14 A. I think in — generally speaking, and to my
15 knowledge, whenever we traveled either as a team when
16 even others of us were — were paying — Steve might pay
17 part of the time or somebody else — Nick never —
18 generally, never pulled his wallet out.

19 Q. So if y'all went to dinner, you would pay,
20 generally?

21 A. For the team.

22 Q. And if it was you and Brett Hydrick and Nick
23 and you didn't pay, who would pay?

24 A. In that case, Brett would pay.

25 Q. On Team EDS travel, would Nick pay for the

56

1 hotel rooms that the riders were staying in?

2 A. The hotel rooms, to my knowledge, were always
3 booked through EDS Travel, and rarely — you know,
4 sometimes like Manchester, particularly the first year,
5 I know I had to pay all of that because there just was
6 no arrangement with EDS Travel, you know, for a foreign
7 country, but that was me paying.

8 Q. That was a trip that Nick was on?

9 A. Yeah, on my — on my debit card.

10 Q. And on other trips that you and Nick were on,
11 Team EDS trips, where the hotel rooms could not be
12 directly billed, would Nick pay for his room or would
13 you pay for his room?

14 A. I would always pay.

15 Q. On Team EDS travel, would Nick have his own
16 rental car if rental cars were being used on a trip?

17 A. Almost never.

18 Q. And how would he get car transportation on the
19 trips?

20 A. Someone always drove him.

21 Q. Who, generally, would that be? Who was that
22 at times?

23 A. Almost never me. Certainly toward the end, it
24 would be — I mean, once Steve Walsh came on, Steve went
25 to all of the events, as close as I can remember, at

57

1 least where Nick was on, and Steve would drive him or
2 somebody else.

3 Q. And further —

4 A. Or Brett would drive him, too.

5 Q. And further expenses that would be incurred in
6 some of these trips, things like fees to get into the
7 velodromes, entry fees, small cash expenditures for food
8 here or there, tolls, what have you, would Nick pay
9 those?

10 A. I don't think that there's any — any rider on
11 the team that probably didn't incur some expenses
12 themselves when they were by themselves, but those kind
13 of expenses always — if — if it were Nick and I
14 together, I would have always paid.

15 For the most part, if the — if I had
16 team members with me and I had money, I would always
17 pay, as well. Sometimes, you know, my debit — which I
18 only paid with a debit card in those days. Sometimes I
19 would flat run out of money and then team members would
20 have to help out.

21 Q. Did you ever witness Nick pay cash to anybody
22 who was providing services or equipment to the team?

23 A. No.

24 Q. Would it be a fair statement, in your opinion,
25 that by and large, the equipment that Team EDS had was

1 either purchased or obtained through sponsorship from
2 Richardson Bike Mart, Texas Racing Works, or Corima, and
3 that if it was purchased, it was either paid for by you
4 or it was paid for by EDS in response to an invoice that
5 one of those three would have sent to EDS?

6 A. Right. That's exactly right. Now, there's —

7 there's many other things, as you have — for example,
8 our wheels or tires. When we go to Europe, you know,
9 one year I bought white-stripped tires in bulk, and the
10 equipment expense was pretty significant. Straps when
11 we would go over, things like that.

12 But, in general, in terms of the general
13 things that are not throwaways, like our tires, all of
14 that equipment basically was TRW or Bike Mart or Corima.
15 Then, we had the Wynn bikes prior to that. So in place
16 of Wynn, the Yamaguchis. So in place of Corima —
17 before Corima, came Yamaguchi. Before Yamaguchi, came
18 Wynn, and I'm not sure before that.

19 Q. Were you involved in the purchase of the
20 Yamaguchi and Wynn bicycles?

21 A. I wasn't at all involved in the — in the Wynn
22 bicycles. I was involved in the purchase of the
23 Yamaguchi bicycles.

24 Q. How was Yamaguchi paid, to your knowledge, for
25 the bicycles?

59

1 A. I don't remember. I don't remember whether I
2 had to pay him or whether he was a vendor.

3 Q. To your knowledge, did Nick Chenoweth pay
4 Yamaguchi for the Team EDS bicycles?

5 A. To my knowledge, Nick would not have paid
6 Yamaguchi.

7 Q. You've mentioned tires. Where did the team
8 get its tires?

9 A. With — with a few exceptions — there are
10 specialty items out there that you can only get through
11 sources in Europe, and, again, it's just part of being a
12 small sport and not having a lot of available equipment,
13 particularly on the high technological end, but with

14 those few exceptions out of the way, we bought our tires
15 from Continental, through either Texas Racing Works or
16 through Bike Mart prior to that.

17 Q. Describe what Continental is.

18 A. Continental is a German tire manufacturer, and
19 as part of their — their tire manufacturing groups,
20 bicycle racing tires is one of those. I think we also
21 used some other road tires in there someplace, but
22 that — that was all through the bike shops.

23 Q. Okay. Are you aware of Nick Chenoweth ever
24 buying tires for the bicycles that were used by Team
25 EDS?

60

1 A. No, and I would have known. Had — had he had
2 his own supply of tires, I certainly would have known
3 that.

4 Q. Why do you say that?

5 A. Well, because he constantly had to have his
6 tires changed. As soon as the tread would show any kind
7 of wear, Nick would demand to have his tires changed.
8 And, of course, then, there is a safety issue with these
9 tires. These are racing tires that are 160 to 180
10 pounds or more. If they blow out, you can, you know,
11 have a serious fall. I've had them, so I know.

12 On the other, you would generally think
13 in terms of a pair of tires, two or three pair of tires
14 lasting a season, and we would go through many, many
15 sets of tires for Nick, rotating them in and out. It
16 was kind of a good source for me because I would take
17 the throwaways and pass them on to kids, other riders,
18 or, you know, occasionally use them for my wife.

19 Q. Where were the tires that the team had, the

20 stock of tires? Where — where was that kept?

21 A. Texas Racing Works, for the past few years. I

22 don't think we would have kept them in storage, so

23 always at a bike stop.

24 Q. And would Texas Racing Works take delivery of

25 them from Continental?

61

1 A. Uh-huh.

2 Q. Did Nick Chenoweth ever give to you any racing

3 tires that were to be put into the stock of Team EDS

4 tires?

5 A. Never.

6 Q. To your knowledge, did Nick Chenoweth ever put

7 into the storage facilities, either at Texas Racing

8 Works or elsewhere where tires were kept, tires for use

9 on the Team EDS bicycles?

10 A. No.

11 Q. From whom did either you or Texas Racing Works

12 obtain the Continental tires? Was there a local

13 distributor, and if so, where was that distributor

14 located?

15 A. I don't know. There is a U.S. distributor. I

16 have spoken with the salesman once or twice,

17 particularly when we were looking for specialty things.

18 I only know it's a U.S. distributor.

19 Q. Now, you mentioned that there would be an odd

20 occasion where you would buy specialty tires, and I

21 think you mentioned some that you yourself bought in

22 Europe, some — you said white, I think, stripped tires?

23 A. Dordogne white strips. I think you probably

24 remember them.

25 Q. Did Nick ever get involved in any purchase of

62

1 these specialty tires or — or kind of unique tires that
2 the team needed?

3 A. No. In fact, he wasn't happy when I did
4 that. I bought those tires, that particular set of
5 tires — gosh, it must have been 16 of them or so —
6 because the French sprint team had been using them, and
7 we could see that on the board tracks there were many
8 less slide-offs from the French than from anybody else.

9 So I talked to the French coach and asked
10 him — it was a longtime friend and all, and I asked him
11 about the tires, and he just said that they were
12 incredible, I should get some, so I did.

13 We used them on and off for a period of
14 time, but Nick really only wanted the Continentals being
15 used, as if it were a sponsorship deal, and I wanted the
16 best tires being used under the circumstances,
17 regardless. It was a point of contention, if anything.
18 He allowed me to do it, but it was kind of he allowed me
19 to do it under protest.

20 Q. You've talked about the need to change the
21 track tires, and I think you've mention that for a
22 normal rider, you might use two or three sets of tires
23 in a year. Was that right? I don't want to misstate
24 your testimony.

25 A. Well, you're a normal rider, and I would — I

1 would assume there are things that can change
2 occasionally. For example, when we went to the National
3 Championships a few years ago, we lost several of the
4 Conti Olympics — which are the most expensive tire that
5 we would purchase, a very specialty tire for time
6 trials — because they had been right by where the

7 riders came in and out of the track. They had been
8 putting up the rider postings on the bulletin board and
9 had started pulling those off, the kids or the runners
10 had, leaving staples on the ground, and we lost about
11 three or four of those tires just from those staples
12 being on the ground, and they are not patchable and not
13 reusable.

14 But generally speaking, you would assume
15 that I — really, when I was asked at the end of the
16 year usually to kind of think ahead of what equipment
17 would be needed, I would generally write down, you know,
18 four sets of tires for everybody, each specialty.

19 And like in your case, Chris, where you
20 were doing time trial specialty, two set of those. And
21 with what we had from the previous year carrying over,
22 that would usually give us about three sets, and add on
23 the specialties, that's about as many specialty
24 wheels as you could tie up then.

25 Q. Approximately, in your view, how many tires

64

1 would the team need to purchase in a year?

2 A. My — my estimation, based on that, is about
3 between 120 and 160 tires in a year. Now, that's of
4 the — of the general track tires. On top of that, you
5 would have the training-road tires, the training — the
6 racing-road tires when we were able to get those. You
7 would have usually some kind of training-track tire for
8 some of us. Nick, for example, never trained on
9 training-track tires. He only used the standard race
10 tire.

11 At times, you know, you can only — as
12 you know, you can only — you want to train on race

13 tires. As it gets closer and your form is coming, you
14 want the faster equipment, and you run the risk of, you
15 know, puncturing a good race tire, which you need it.
16 When we're dealing with a hundredth of a second as we
17 get to that, you know, National Championship or World
18 Championship time of the year, then the priorities do
19 shift a little bit on that stuff.

20 Q. And how many tires do you recall the team
21 purchasing, approximately, each year?

22 A. Seems like we generally made a big order and
23 then would — we'd need to buy a smaller order later.
24 I'm guessing — again, I would put it somewhere between
25 120 and 160 on Conti Sonderklasse, on the others,

65

1 probably around 100 on all the others, so maybe 250,
2 say.

3 Q. 250 tires a year is what you remember,
4 roughly, the team purchasing?

5 A. Yeah. Total, and that — probably from '95
6 on.

7 Q. If Nick Chenoweth were to have testified at a
8 creditors' hearing before this bankruptcy court that in
9 1999, he spent at least \$27,000 buying Continental
10 Sonderklasse tires from a traveling Continental sales
11 rep who was from Norway, is that testimony that you
12 could — factual testimony that you would substantiate?

13 A. No.

14 Q. Have you ever met a traveling Continental
15 sales rep from Norway?

16 A. No.

17 Q. Are you aware of anyone in the United States
18 that could even sell \$27,000 worth of Continental
19 Sonderklasse tires in the time period in 1999 when Team

20 EDS was in operation?

21 A. Well, that's a real tough question, Chris,
22 because I think that there are a few of the people that
23 we know, coaches or soigners, massage people who may,
24 indeed, be able to get deals on — on tires and stuff in
25 their — you know, Rick Valdic is one of the guys who

66

1 always seemed to have equipment or you could get stuff
2 through him. Andjez Bek is another one where you
3 could — I could always get toe straps through Andjez
4 Bek somehow, which I had to pay an enormous amount for
5 them.

6 But to the best of any knowledge, I don't
7 believe Continental would allow it. As far as I know,
8 it's a very protected product, and there are — this is
9 bicycle-track racing. There are very few people within
10 the sport, and we would know that, I think, and we
11 would — heck, it would have been a great deal, wouldn't
12 it, and we would have probably bought them from this guy
13 year after year.

14 Q. Well, let me ask you this question: Do you
15 think Continental even shipped to the U.S., in a
16 three-month time period in 1999, \$27,000 worth of
17 Continental Sonderklasse tires?

18 A. Oh, I never even thought about how much that
19 would be in terms of tires. I know on a couple of the
20 years like '95 and '96, the total number of Sonderklasse
21 that were brought into the country, we almost — we kind
22 of bought out. Other riders couldn't get them when it
23 came time for the National Championships, often, because
24 we had — we had purchased the supply, basically. Not
25 intentionally, but we just had.

1 Then, I'm assuming we were at about 100
2 tires. So if Continental brought in 250 tires, I would
3 think that would cover the needs for everybody in the
4 country, unless the National Team were buying supplies
5 on their own. But they would probably buy those out of
6 Germany, as they had before.

7 Q. And if Nick Chenoweth's testimony before the
8 bankruptcy court at the creditors' hearing was that he
9 bought these from some traveling sales rep, are you
10 aware of any — such a person who would have the total
11 supply of all of the tires that Continental would ship
12 into the U.S. in a one-year time period?

13 A. No.

14 Q. Was cycling equipment obtained for Team EDS
15 and its members through sponsorships?

16 A. Some was.

17 (Exhibit No. 14 marked.)

18 Q. Let me show you what's been marked as Exhibit
19 14 and ask if you can identify that document?

20 A. Yes. This is a Corima sponsorship agreement.
21 Somewhere in these books I have the original handwritten
22 stuff that I wrote out while I was in Bordeaux and first
23 met Pierre Martin from Corima, and it fairly — fairly
24 well matches this, as well. They actually gave us more
25 stuff than I had asked for or thought would be fair or

1 thought that we would get, maybe.

2 Q. So you were involved in the negotiations that
3 led to this sponsorship agreement?

4 A. Well, I never really said a word, as with most
5 things. When we went to Bordeaux, we had — we had

6 bought a bike for Marty, and Marty — Marty Nothstein —
7 and Marty, you know, claimed that this was the best bike
8 that there was, the best sprint bike in the world, and
9 so I had — I had made some contact with Corima during
10 that through Jeb Woods, their guy — their distributor
11 at the time here.

12 Q. Let me stop you for a minute. When did we buy
13 a Corima bike for Marty Nothstein?

14 A. I'm not sure that I could tell you exactly,
15 but it must have been '94, '95.

16 Q. Was the bike that we bought for Marty, the
17 Corima bike, the bike that you rode at the World
18 Championships in Italy in 1993?

19 A. The World Championships were in Hamar in 1993,
20 I believe. Would that — and 1994 in Palermo.

21 Q. You're correct.

22 A. Well, that's — that's — I'm surprised.
23 That's as good as my memory will ever be.

24 Q. So Marty Nothstein rode a Corima, I think, in
25 1994 at the World Championships in Milan and won two

69

1 World Championships riding that bike?

2 A. Right.

3 Q. Was that the — was that the Corima that you
4 were speaking of that we purchased for him?

5 A. Now, I — and, you know, I could be wrong,
6 Chris. We may have purchased that and we might not
7 have. I don't remember, but I was involved in helping
8 Marty find Corima in whatever occurred then. So — and
9 I don't remember whether we purchased it or whether he
10 purchased it himself or whether they gave him the bike.

11 Q. And I've been saying we. EDS —

12 A. Meaning Team —

13 Q. — paid for that bike?

14 A. Team EDS or — right. Right, one way or the
15 other. Anyway, through that contact, when we, again,
16 went to Bordeaux for — and that was really early. When
17 we went to Bordeaux for Nick's record attempt, I had
18 faxed to Corima letting them know that we were going to
19 be there and inviting them to come over so we could
20 meet, and — just as a courtesy, also, that we did with
21 a few other people over there that I knew.

22 And Pierre came over and he — he had a
23 translator, and he and Nick talked at length, and — and
24 I, of course, sat there and listened. At the end of
25 that, they asked me if I would write out what I thought

70

1 the team's needs were, which I did that night at the
2 hotel. Then, the next day, I gave it to — to Pierre or
3 gave him a copy, and he took it back with him, and then
4 they sent us this, and that's the only reason I got to
5 sign off on it, I'm sure.

6 Q. And what — what equipment did EDS get, to
7 your recollection, initially, pursuant to this
8 sponsorship agreement, which is Exhibit 14?

9 A. Eight — eight track frames, eight rear disc
10 wheels, four front wheels — both of those sets of
11 wheels for the track — eight road frames — and these
12 are all without equipment on them at all — eight front
13 wheels, and eight rear wheels for those eight road
14 frames.

15 Q. I think you misspoke when you said front
16 wheels. You said, four-spoke wheels. Maybe we need to
17 be more clear. EDS received eight —

18 A. Four-spoke —

19 Q. — four-spoke wheels?

20 A. Right.

21 Q. Okay. So those wheels have four spokes in
22 them.

23 A. Basically, there was a frame and a set of
24 wheels for eight. Eight track frames with eight sets of
25 wheels and eight road frames with eight sets of wheels

71

1 for them.

2 Q. And those bikes were provided to EDS in
3 sponsorship; in other words, EDS did not have to pay for
4 those?

5 A. Right. And those — and their word is lent,
6 and it's really a pretty good word because we did not
7 own those bikes at any time. They were lent to the
8 team. They were — they were unpainted. We painted
9 them with our own team design.

10 Q. And so Corima would continue to own those
11 bikes even until today; is that your understanding?

12 A. That is correct.

13 Q. And is it your understanding that they have
14 asked to have all of those bikes and wheels returned to
15 them?

16 A. It's my understanding that those bikes and
17 wheels have been sent to California and they're being
18 sold through their distributor, but I have not had any
19 word directly on any of that, and I don't know.

20 Q. The bike — to your understanding, the bikes
21 have been sent back to Corima's distributor in
22 California?

23 A. That is what I heard.

24 Q. Okay.

25 (Exhibit No. 15 marked.)

1 Q. Let me hand you now what's been marked as
2 Exhibit 15 and ask you if you can identify that
3 document?

4 A. This looks like the sponsorship frames.

5 Q. So those are — I think they're titled
6 Delivery Forms documenting the delivery to EDS of the
7 eight track frames, eight road frames, and then the —

8 A. That is correct.

9 Q. — wheel sets for those; is that right?

10 A. Right.

11 Q. I'm going to ask you about the page that's
12 Bates-stamped EDS025665. It's part of Exhibit 15. Do
13 you see on there the entry that reads, carbon track
14 frame, 28-inch, plus fork, and then in parenthesis, Nick
15 Chenoweth, Boardman seatpost?

16 A. I do.

17 Q. What do you — what does that mean? What is
18 that talking about?

19 A. That's talking about a different style seat
20 pillar than we would have normally. The frame comes up
21 to meet the seat, basically, as opposed to there being a
22 seat — seatpost or pillar that the seat would sit on
23 and then go down into the frame.

24 Q. The bike has a seatpost that looks like the
25 the dorsal fin on a killer whale?

1 A. Basically, yes.

2 Q. And was that the bike — was that a type of
3 frame, a Corima track frame, that was lent, as Corima
4 put it, for Nick Chenoweth to use?

5 A. I hadn't realized that his Boardman seatpost

6 was one of those, because he had two. He took — I took
7 his old frame. He had a frame that was purchased prior
8 to. I took his old frame, and he took, then, the —
9 the — this frame and I assume that one, but I thought
10 we paid for the seatpost addition to that.

11 Q. Okay. But having looked at this document,
12 would you agree that it appears that Corima lent
13 that — that Corima track sprint frame with the special
14 seatpost as part of the sponsorship agreement?

15 A. It says that, to me. Like I said, at the
16 time, I thought — I thought we paid extra for the post,
17 though.

18 (Exhibit No. 16 marked.)

19 Q. Let me show you now what's been marked as
20 Exhibit 16 and ask you if you can identify that
21 document?

22 A. Oh, I think I had to explain to — you want me
23 to identify this — this document here?

24 Q. Please. The pages that make up Exhibit 16.

25 A. There is a fax message to me, which is

1 probably in mine, as well. Thanks for your prompt —
2 prompt reply concerning the information we need for Trey
3 Gannon's frame. You will hereafter find a list of our
4 products — which the next one, two, three, four pages
5 are a list of their products — and we don't understand
6 what's meant by the last sentence of your fax. What is
7 SRM? Could you explain it to us. We look forward to
8 hearing from you. Pierre.

9 Q. Now, the price list that you've referenced
10 that is part of Exhibit 16, was that something that was
11 provided to EDS in connection with a term that was in

12 the sponsorship agreement between EDS and Corima?

13 A. Which term are you talking about? We

14 purchased at a special price, as indicated in article 3.

15 Q. You're reading there from Exhibit 14?

16 A. Right.

17 Q. The third page, I think, and it's paragraph

18 numbered 5?

19 A. Right. Yeah, this is the price list that went

20 along with that. It's a little bit — as I found out

21 later, it is a little bit deceptive because they

22 don't — for example, on all of these wheels, they put

23 down the wheel. That's the cost of the wheel, not the

24 cost of the hub. The cost of the hub is then in

25 addition to what shows here, but that doesn't show here.

75

1 Q. But as far as the cost of road frames and

2 track frames, those were the prices that would have been

3 charged to EDS —

4 A. Uh-huh.

5 Q. — those that are set forth in the price list

6 that's part of Exhibit 16?

7 A. Right. And then it went up, I think, after a

8 period of time. I saw a memo where I questioned — I

9 made a memo here to Kelly or somebody saying, I think

10 you should check the price structures because I think

11 that Corima has bumped the prices. Anyway, that was

12 just a later memo.

13 Q. And to your recollection, did the prices go up

14 significantly or a couple of percentage points?

15 A. A hundred or two dollars, all on the frames.

16 Q. Okay. Was one of your responsibilities with

17 Team EDS and — and the role that you had with the team

18 to keep track of the equipment that the team had?

19 A. Well, very roughly, I would say, Chris. I
20 tried to keep track reasonably, but it was always my
21 feeling that, you know, I was dealing with professional
22 adults here, and I didn't — you know, I didn't need an
23 inventory list from everybody all the time.

24 What I did try to keep track of with
25 whomever, with Brett later on, or by myself, was to make

76

1 sure that we didn't run out of stuff that we needed,
2 particularly tires, and that we had enough wheels, and
3 there's — there's never enough of some of these things.

4 Q. Were you involved in the storage or
5 safekeeping of some of the equipment?

6 A. Uh-huh. Uh-huh. When the Corima equipment
7 first came in, most of the equipment was kept on the
8 roof of my garage. We all remember that, where there
9 was a hundred and some wheels, including the old ones,
10 my own wheels, my wife's wheels, and then all the team's
11 wheels hanging from — from the roof of my garage.

12 Then, when we got — when we got storage,
13 then I would put the older stuff over there and try and
14 keep the stuff that we were using immediately for
15 racing, you know, in the garage. That's when I was
16 still packing the bikes and mounting all the tires
17 myself, et cetera.

18 Once Texas Racing Works came in, then
19 pretty much everything went down to Brett's shop after
20 that. Of course, it gets easier for him there because
21 he was the one servicing them, not me, and then the
22 riders always had a good storeroom themselves.

23 Now, the exception is Nick on this
24 because Nick virtually kept nothing in his garage. The

25 two or three times that I had been to his house — well,

77

1 always to deliver something, never — never socially,
2 but — and I would go out to the garage or go through
3 the garage and usually look at whatever car he had in
4 there, but there was — there was no bicycle equipment.

5 He showed me what he kept in the garage a
6 couple of times, which he had a little storeroom off to
7 the side, a little larger than a coat closet, and there
8 he would have a few helmets or something like that, but
9 for the most part, Brett kept his equipment, and gee, I
10 don't remember. Before that, I probably kept the
11 equipment most of the time.

12 Q. Did you ever go to Nick's house on a social
13 occasion?

14 A. I don't think I've ever been to Nick's house
15 socially, not one time.

16 Q. Did he ever invite you over to his house for a
17 social occasion?

18 A. Not that I recall. The only time that Nick
19 ever really invited me over to the house was having to
20 do with that — that drug issue, and then he invited me
21 over to talk about that.

22 Q. Have you ever been inside Nick's house?

23 A. Uh-huh.

24 Q. How many — on how many occasions have you
25 been in Nick's house?

78

1 A. I would say — I mean — well, if I think back
2 since he moved there, I probably would have dropped
3 something off two or three times a year, something like
4 the new painted helmets. That's the last thing I can

5 remember dropping off at his house, and that would have
6 been the occasions that I would have been there. Once
7 in a while, he would be there at the same time or his
8 mom would be there, and I would always say hi and — and
9 all, but I've never sat down to watch TV, for example,
10 or...

11 Q. Did you ever actually get to go into the
12 house, and by that I mean something other than the
13 garage?

14 A. Uh-huh. Vicki, who was Nick's girlfriend in
15 years past, was living — living together with Nick
16 there when they first moved in, and one time when I was
17 delivering something, I ran into Vicki, and she took me
18 on a tour through the house.

19 Q. Had Nick ever taken you on a tour through the
20 house?

21 A. No.

22 Q. Had Nick ever invited you into the house, and
23 by that I mean beyond the garage?

24 A. Only the one time, and then we sat in — we
25 sat in, I guess, a study.

79

1 Q. You've talked about two different houses that
2 Nick's lived in.

3 A. Uh-huh.

4 Q. When was it that he moved to the house that
5 you're most — that you're familiar with that he lived
6 in most recently?

7 A. About 1996 sometime.

8 Q. And where is that house?

9 A. Off Preston — I couldn't tell you if I can
10 get there exactly, but I can tell you it's just above
11 Arapaho on Preston.

12 Q. Prior to that, where had he lived?

13 A. West of the Tollway off of Frankford about a
14 half mile.

15 Q. When was it that Vicki Whitmer gave you the
16 tour? Do you remember the year?

17 A. Oh, it would have been not too long after they
18 first moved in.

19 Q. Nice house?

20 A. Well, yeah. I mean, a nice house, not that
21 large.

22 Q. Is it on the golf course there?

23 A. It's on the last hole of the golf course, I
24 think.

25 Q. Was it — did they already have it furnished

80

1 when you took the tour?

2 A. They had different furniture, a little bit
3 different. I mean, very sparsely furnished. Nick, I
4 think, likes things black and white, and the house was
5 basically white with — actually, with a few of the EDS
6 posters up, which I thought was, no offense, but a bad
7 replacement for artwork, but very sparsely furnished,
8 very — I guess very modern.

9 Q. Did he have a TV?

10 A. In the study there was a TV, and in the — in
11 the main room where you would walk into to get into the
12 house, there was a TV, also.

13 Q. What kind of TV?

14 A. I have no idea, Chris.

15 Q. Big-screen TV? Little TV?

16 A. Oh, maybe in the living room, maybe that size
17 behind you, whatever size that is, something like that.

18 Q. 42-inch?

19 A. Okay.

20 Q. A big-screen TV?

21 A. Bigger than I've ever had, and in the — in
22 the study, just a regular, small, whatever, 20-, 25-inch
23 or something.

24 Q. Any other electronics that you would consider
25 to be expensive electronics?

81

1 A. No. I never heard a stereo system going on
2 and wouldn't recognize it anyway, I'm afraid, because
3 I'm not sophisticated on any of that stuff. I've just
4 lately come into the electronic age, as you can tell.

5 Q. Do you feel like you were generally familiar
6 with the cycling equipment obtained over the years for
7 the members of Team EDS, the types of equipment,
8 generally, what it was, and the — and the numbers?

9 A. I feel that I would be very familiar with
10 that.

11 Q. Subsequent to Corima and Team EDS entering
12 into the sponsorship agreement —

13 A. Uh-huh.

14 Q. — did they lend to EDS some additional
15 equipment in connection with Rebecca Twigg joining the
16 team?

17 A. After this?

18 Q. Yes.

19 A. I — I think they did, but I'm not real sure
20 whether it was a Fox frame that Rebecca used, and I
21 don't know whether that was a purchase or — I mean,
22 just because my memory fails me, I don't know whether
23 that was a purchase or — or otherwise.

24 Q. If it was purchased —

25 A. We — we used one of Trey's, which she didn't

82

1 know. We used one of Trey's old track frames for her
2 for a standard track frame, and I forget what the deal
3 was on the road frame. I just remember — and I think
4 she had two road frames. So we may have borrowed or
5 they may have lent to her a frame.

6 Rebecca — Rebecca was kind of outside of
7 my realm. She wasn't somebody I worked with. She had
8 Eddie Borchowysk, who was, you know, a coach who was
9 retained for her. I suppose she did all of her stuff
10 through the shop and through — through Texas Racing
11 Works. I saw some of it, but it was — you know, I was
12 just angry because it was so badly treated.

13 The one time I dealt with Rebecca was at
14 the National Championships, I think, in '98 or '97 in
15 Colorado Springs, and I did the on-site coaching there,
16 and that is the only really direct contact I'd had.
17 When she came and was with our team, it was as if she
18 was with our team but also by herself, and I had very
19 little contact.

20 Q. What Corima bikes did EDS have prior to the
21 time when EDS and Corima entered into the sponsorship
22 agreement that is Exhibit 14?

23 A. I think only one frame for Nick.

24 Q. Did Trey Gannon have a bike prior to the
25 sponsorship agreement?

83

1 A. Maybe. Not that I remember, though.

2 Q. Okay. And then you've mentioned a bike that
3 was purchased for Marty Nothstein?

4 A. Well, you keep saying purchased. I know it

5 was purchased for him — well, I don't even know that it
6 was purchased. I mean, we may have purchased it, but I
7 just don't remember.

8 Q. Was that — was that at that time even really
9 considered Team EDS equipment?

10 A. No.

11 Q. Okay. Do you recall Trey and Nick, prior to
12 Exhibit 14, the sponsorship agreement, having matching,
13 I think, pearl-blue Corima —

14 A. Uh-huh.

15 Q. — standard sprint frames that they rode on
16 the track?

17 A. Right, I do.

18 Q. And do you recall if both of those were
19 purchased prior to the sponsorship agreement that —

20 A. They probably — probably would have been
21 then.

22 Q. And I think you've mentioned that you think
23 that the one that Nick was riding that was purchased was
24 one that you ended up riding?

25 A. That's correct.

84

1 Q. And then the one that Trey —

2 A. And then gave back at the dissolve — when the
3 team was dissolved. That's the bike that I returned.

4 Q. And then do you know what happened to Trey
5 Gannon's bike that he was riding prior to the
6 sponsorship agreement, the Corima frame?

7 A. It would have gone into the shop. We used —
8 Trey used his bikes, you know, where we rotated all the
9 bikes throughout the years.

10 Q. In addition to the eight track bikes and the

11 eight road bikes that Corima lent pursuant to the
12 sponsorship agreement and the wheels for those, what
13 other track frames or road frames did Team EDS obtain
14 from Corima, or did Team EDS obtain? Maybe they didn't
15 get them from Corima.

16 A. I think we got everything from Corima. It's
17 all there in the Corima stuff, for sure. There was some
18 specialty bikes, a pursuit bike, of course, for Linda,
19 Linda Kruse. A 500-meter bike or kilo bike or starter
20 bike, whatever, for Trey Gannon. The same for Nick.

21 I believe this — I believe the same for
22 yourself, Chris. Would that be correct, or did you ride
23 the Hep Tech the whole time? I can't remember. You had
24 a — you had a kilo bike, maybe, for yourself, and then,
25 of course, as Hartwell came on the team — well, really

85

1 in '96, we got a Corima for Hartwell as part of the
2 Olympic effort thing.

3 Q. Was that purchased or — or did Corima lend
4 that?

5 A. I believe that's — that's purchased, for
6 sure, because I just saw that in my notes, so that
7 reminded me. Let me think. Trey, of course, had extra
8 sprint frames, so he had a tall — at least one tall
9 seatpost sprint frame. Jen Evans got an extra frame
10 because her frame initially went — went bad, and during
11 the repair time, Jen Evans — there was another frame
12 bought for Jen Evans.

13 Q. Can you think of any others?

14 A. Team or nonteam or just others in general?

15 Q. Other Corima frames, track or road, that EDS
16 would have paid for.

17 A. Gary Niewand in 1996, I know, and Tracy Lea

18 sometime around there.

19 Q. Any others?

20 A. Not that I can recall.

21 Q. Well, I've kept some notes here.

22 A. Yeah, I see it.

23 Q. And I want to try to put a number of how many

24 bikes would have been purchased —

25 A. Okay.

86

1 Q. — from Corima. You and I have identified the
2 eight track bikes that we got by sponsorship, the eight
3 road bikes that were acquired by sponsorship. There's
4 the possibility that there was a road bike or two that
5 Corima lent to EDS for Rebecca Twigg?

6 A. Okay.

7 Q. Well, that's a question. Would you agree with
8 that? It may have been purchased, it may have been
9 lent; you're not certain?

10 A. I would agree with that.

11 Q. And there's also a pursuit bike that may have
12 been purchased or may have been lent for Rebecca Twigg?

13 A. And in terms of the Fox frame, you're talking
14 about, yes. And there is — there is Nick's Fox frame.
15 I mean, that's — that's in there, too.

16 Q. Was that a bike that was purchased, or was
17 that lent or given to Team EDS by Corima?

18 A. I think that was given.

19 Q. Okay. So EDS would not have paid for that
20 bike, to your understanding?

21 A. No, I'm — definitely not.

22 Q. And the Hartwell bike, do you recall if that
23 was purchased by EDS?

24 A. Purchased, track and road.

25 Q. And the Jen Evans bike?

87

1 A. Purchased.

2 Q. That replaced the one that she had received?

3 A. It replaced — it was nothing I would have
4 okayed, but her bike was sent back. She wanted a frame
5 right now or had to have one for — let's say she had to
6 have one for competition. We bought one, and then when
7 the other bike came back in, then that became a backup
8 bike.

9 Q. Okay. Then the Gary Niewand and Tracy Lea
10 bikes, those are bikes that EDS paid for and gave to
11 those two riders —

12 A. Right.

13 Q. — or persons?

14 A. Right.

15 Q. I'm being a little generous to Tracy.

16 A. I caught that.

17 Q. Okay. Well, Skip —

18 A. Plus, you know, I think you've got to add a
19 bike or two in here. I'm sure we bought, you know, a
20 backup sprint bike or something for Nick, and Trey had
21 three bikes, three frames, I think. It seems like he
22 had two high seatposts —

23 Q. Well, for Trey, the bikes that, I think,
24 you've identified so far is the — the pearl-black one
25 he had originally?

88

1 A. Right.

2 Q. The high seatpost one that he had — and while
3 we're talking about that, let's pull out Exhibit 15,

4 which is the delivery form that you identified. We had
5 talked about the — the special high seatpost bike that
6 Nick received, apparently, according to the sponsorship
7 agreement.

8 Let me also refer you to the third line
9 item on the Bates-stamped page EDS025665 of Exhibit 15,
10 and do you agree that it appears that Trey Gannon also
11 received one of those special high seatpost bikes by the
12 sponsorship agreement?

13 A. It does.

14 Q. Okay. So then Trey had the original
15 pearl-black bike, the sponsorship bike with the high
16 seatpost, and then you're thinking another —

17 A. I'm thinking one more.

18 Q. — backup?

19 A. Yeah.

20 Q. Okay.

21 A. Here's another thing. That backup may have
22 been this 500 for Trey, but I'm — I don't know. He
23 rode that so few times. No, I think — I don't
24 remember, because, you know, the difference in the two
25 bikes had to do with the headset, whether it came

89

1 through from the bottom or not.

2 Q. Well, let me represent to you that there still
3 is in the Team EDS storage facility a Trey Gannon
4 500-meter or Olympic sprint-start bike that has the
5 headset that only comes up through the bottom.

6 A. Okay. I think when he was doing Olympic
7 sprint start — well, I think we had to — he eventually
8 ended up using this bike for all of the stuff, as
9 opposed to that one, because the Olympic sprint rules
10 changed, remember.

11 Q. So are you still thinking that Trey had four
12 bikes: the original —
13 A. Yeah, I'm thinking he had four then.
14 Q. — pearl-black one, the high seatpost one that
15 he got by sponsorship, the 500-meter bike, and then at
16 some point, a backup standard sprint bike was purchased?
17 A. I think so.
18 Q. Okay. And then for Nick, he had the original
19 pearl-black bike, the high — and then the high seatpost
20 bike that came by sponsorship, the 500-meter bike that
21 we bought was a backup standard sprint bike purchased
22 for him at some point?
23 A. Maybe. I don't remember.
24 Q. Okay. I'm going to eliminate that one since
25 you don't — you don't recall one being purchased.

90

1 A. We can certainly find out.
2 Q. All right. We've accounted for, now, 12 bikes
3 that it looks like EDS purchased from Corima. Does that
4 sound like a number that's correct, within a — a bike
5 or — or two, that would have been purchased from
6 Corima —
7 A. Uh-huh.
8 Q. — and that EDS would, then, have obtained
9 above and beyond the bikes that it got pursuant to the
10 sponsorship agreement?
11 A. I think so.
12 Q. And how would these bikes that EDS purchased
13 have been paid for?
14 A. Probably through me. At least initially
15 through me, you know, not necessarily later on, but
16 some — if it was in that first year in '96 kind of time

17 frame, the first part of '96. I think I stopped paying

18 directly for the Corima stuff sometime in late '96.

19 Q. And then what happened?

20 A. Well, Corima became a vendor then, and so they

21 could — they could be paid directly. And as I — the

22 burden on me was — was way too big, even though I got

23 some money ahead of time, you know, on it, but they

24 still were — you know, it was coming in and, gosh, all

25 of that, the bookkeeping that I can't do, et cetera.

91

1 Q. And so once Corima became a vendor for EDS,

2 then it sent invoices to EDS, and EDS would pay those

3 invoices?

4 A. Right.

5 Q. And to your recollection, at no time did

6 Corima receive payment from Nick Chenoweth for any of

7 these bikes that we've talked about?

8 A. No, none.

9 MR. CARLSON: All right. Let's go off

10 the record and take a break for lunch.

11 (Lunch recess 12:58-1:42.)

12 Q. Skip, do you recall EDS buying any road bikes?

13 I think earlier when you and I were talking about bikes

14 that EDS would have purchased from Corima, we only

15 talked about track bikes.

16 A. Nick has a second road bike, so there is one.

17 Q. Is that a bike that EDS paid for or one that

18 Corima gave to us because the one that he was riding

19 broke?

20 A. I don't remember that.

21 Q. Do you recall an instance where his dropout

22 broke and had to be replaced?

23 A. Yeah, but —

24 Q. And did that lead to Corima sending a
25 replacement for him to ride, to your recollection?

92

1 A. I don't think so. I think we bought a backup
2 bike because he wanted to have a backup bike.

3 Q. Okay. Any other additional road bikes that
4 you can remember EDS purchasing from Corima?

5 A. Not really.

6 Q. Okay. So now our number is approximately 13
7 bikes that EDS would have purchased from Corima.

8 A. Yeah, and probably a couple we haven't
9 remembered, but around there.

10 Q. You've talked some about Richardson Bike
11 Mart. Tell me about Richardson Bike Mart. What is it?

12 A. It is a large all — all-type-of-equipment
13 bicycle shop, meaning they've got high-end as well as
14 low-end. We only use high-end because that's racing
15 equipment.

16 They have clothing, food supplies for —
17 for cyclists and other athletes. They have a
18 full-service bay, and oftentimes they can get things
19 that other bike shops can't because they are so large.
20 They do have some power or they do have contacts, maybe,
21 that others wouldn't. And Tim Goodwin, who used to be
22 the manager there, would oftentimes find us stuff that
23 was very hard to get and would get it in very fast.

24 Q. Was Tim Goodwin the person that Team EDS, for
25 the most part, dealt with at Richardson Bike Mart?

93

1 A. Well, he's the person that I dealt with most.
2 In terms of everybody else, what they did, I couldn't
3 tell you, but I worked with mainly Tim. And then he was

4 gone for a while. Actually, I think when he was gone, I
5 didn't go in there very much. Occasionally, I dealt
6 with Jim Hoyt, the owner, or Rhonda.

7 Q. You've mentioned large. Is — is part of what
8 you included in defining Richardson Bike Mart as large
9 the number of bikes that they sell?

10 A. I would assume so, yes. They must have 400
11 bikes on the floor, which, for a bike shop, is very
12 large.

13 Q. And would you consider them to be a fairly
14 sophisticated operation? They've got an accounting
15 department, they've got a computer system, they've got
16 systems that generate printed receipts, and so forth.

17 A. I would.

18 Q. Did you ever purchase things for yourselves
19 at — for yourself at Richardson Bike Mart?

20 A. Almost never. Once in a while I would — I
21 have made some purchases there, but they've been on
22 behalf of, like, Bob Whitman who was, you know, another
23 athlete that I dealt with in the past few years, or for
24 Robin prior to that.

25 She was sponsored by them for a while, so

94

1 when she was sponsored we didn't have to buy anything,
2 really. And if it was for me and if it was a team
3 expenditure, something having to do with riding,
4 training, or coaching, then that went through the
5 regular stuff, but my needs were so very small.

6 Q. When you did buy something there that you were
7 buying for the team, would you send in an expense report
8 for that, or would that be included on your invoice to
9 EDS?

10 A. I think, for the most part, that would have

11 been — that would have gone to EDS.

12 Q. So those things would have been put on account

13 and then billed to EDS?

14 A. Right, right.

15 Q. To your knowledge, was there any advantage to

16 any of the members of Team EDS paying cash to Richardson

17 Bike Mart for purchases?

18 A. I can't imagine anybody doing that.

19 Q. Why?

20 A. Well, would you take cash out of your own

21 pocket if you didn't have to? It just — bicycle racers

22 are generally not rich, and it just — when the team is

23 there and able to cover and, you know, that's part of

24 the program, then that's what you would normally do.

25 Q. When you bought things for some of these other

95

1 riders that weren't part of Team EDS, did you get some

2 sort of receipt?

3 A. Uh-huh.

4 Q. What kind of receipt would you get for those

5 types of purchases?

6 A. Just like the ones we looked at in the vendor

7 book. I guess that would be Exhibit No. 7. A ticket.

8 And then if I used a card, of course, I'd have the card

9 receipt or something like that. Uh-huh, like that.

10 Q. Okay. So I think I'm back to tab R that we

11 had talked a little bit about earlier.

12 A. Tab R, because Richardson Bike Mart.

13 Q. And there are a number of what look like

14 computer-generated receipts that are on, like, computer

15 rolled paper?

16 A. This is out of the cash register.

17 Q. Okay. Is this the type of receipt that you
18 would receive when you would buy things for other riders
19 or for yourself at Richardson Bike Mart where you were
20 using a credit card, writing a check, that sort of
21 thing?

22 A. Right.

23 Q. Do you ever recall getting a handwritten
24 receipt in connection with a purchase at Richardson Bike
25 Mart?

96

1 A. The only handwritten things that I would have
2 gotten from Richardson would have — to my knowledge,
3 would have come from the — when we used the mechanic's
4 bays and we would handwrite out the repair tickets.

5 For example, if your bike needed cables,
6 you know, we would handwrite on there cables or
7 something like that, and I would do that usually for the
8 mechanics in the — in the early days. That's the only
9 thing, but nothing having to do with the transfer of
10 money or anything like that.

11 Q. Right. So the — the service-related tickets
12 that you're talking about, that's not a type of receipt?

13 A. No, it's not.

14 Q. It's just instructions to the mechanic as far
15 as what you want done?

16 A. Right, and then a claim check is part of
17 that. That's the only things.

18 Q. Now, you also talked about Texas Racing Works
19 and that Brett Hydrick left Richardson Bike Mart and
20 started Texas Racing Works. Can you talk a little bit
21 more about that? When did that happen? What is your
22 understanding as far as why that happened? Was that

23 something that was, to your knowledge, encouraged by
24 Team EDS in some way?
25 A. I never really thought about it in that way.

97

1 Brett left, I think, Bike Mart, where he had been for
2 some years, because of, I think — this is very much
3 opinion, because I've never really talked to anybody
4 about it — I think, from what I've heard, because of an
5 altercation or several altercations with the owner, Jim
6 Hoyt.

7 And Jim has a reputation of being
8 somewhat volatile sometimes, particularly towards his
9 employees, and I have had experience with other
10 employees who tend to indicate that. So I think Brett
11 left over reasons having to do with that, simply being
12 tired of working with Jim. Certainly I never talked
13 with him about it before it happened.

14 After it did happen, my instructions from
15 Nick were that we were going to try to support both
16 places, and in a sense, I was supposed to do — try and
17 do half my business with Brett and half with the bike
18 shop, you know, while — of course, I didn't have
19 control over the bike shop half, for the most part,
20 because individual riders would go in and — and take
21 what they needed and go out. So that's really not
22 something I had very much to do with.

23 But I did do the ordering that we could
24 do through Brett, if it were small parts or parts and
25 tires, and then if we had any other stuff, I would try

98

1 and order that through — through Jim Hoyt. It
2 wasn't — again, it wasn't a very workable system, and

3 that's the only instructions I ever had. I tend not to
4 go into Bike Mart very much.

5 Q. Why is that?

6 A. Well, it's just — it's a large shop. It's
7 fairly impersonal with personnel change — changes a
8 lot. I had — I had what I thought was really good
9 service when Tim Goodwin was there, and I worked just
10 with him, and I didn't — maybe I'm made a little bit
11 uneasy by Jim Hoyt's high-pressure tactics once in a
12 while.

13 Q. Any other reasons?

14 A. Oh, no. I've always had good relationships
15 with everybody there. I've been in there recently,
16 so...

17 Q. What kind of bike store was Texas Racing Works
18 as compared to Richardson Bike Mart?

19 A. Oh, they're not even comparable. One is a
20 very small service shop, basically, that has a small
21 showroom, 20 by 15 or something, about the size of the
22 room we're in, where there's probably 10 or 15 bikes,
23 and Brett is doing service on high-end bikes, basically,
24 rather than sales.

25 Whereas Bike Mart is a place that is

99

1 primarily supported, I would assume, through sales, but
2 it's a huge operation, so it's a one-person operation
3 compared to a, you know, 40- or 50-person business.

4 Q. When did Brett start Texas Racing Works?

5 A. I'm trying to remember. I think maybe 1997 or
6 so. I don't remember Brett being with us in '96.

7 Q. '96 was the year of the Atlanta Olympics, and
8 the Olympic trials were in Trexlertown, Pennsylvania.

9 Is that what you remember?

10 A. I mean, if Brett was there — but I think he
11 might have been there for that but was still with Bike
12 Mart at the time.

13 (Exhibit No. 17 marked.)

14 Q. Let me hand you what's been marked as Exhibit
15 17, and let me ask you to take a moment and review the
16 pages that make up that exhibit. It's a composite
17 exhibit, I guess is the correct way to refer to it,
18 because it consists of a number of pages, and each page
19 contains a copy of at least one document. Sometimes
20 there are multiple documents on a page.

21 A. This would be from our Vail, Colorado camp?
22 Just asking.

23 Q. You're referring to a page that's in Exhibit
24 17. What — what's the Bates-stamp number on that page?

25 A. '25851.

100

1 Q. And what's the document that you're referring
2 to?

3 A. July 5th, 1997, Evergreen Lodge, Vail,
4 Colorado.

5 Q. And what does the document reflect, Skip?

6 A. It looks like a night's stay or something.
7 I'm just kidding because we never — of course, we never
8 had a cycling camp in Colorado. There could be other
9 business. I don't know. Is there anything in
10 particular in here, Chris, that you're asking me?

11 Q. Does it appear to you that the handwriting
12 that's on the documents that are copied on the pages
13 that make up Exhibit 17 is — and I'm talking about the
14 principal writing that's on the documents. There's some
15 other handwriting in marginalia on — on certain pages,

16 but does it appear to you that there's one person's
17 handwriting on the documents that are copied throughout
18 Exhibit 17?

19 A. I'm certainly no expert, but I know the
20 printing kind of looks the same. The Cs look the same.
21 You know, I mean, it looks like the same person. If I
22 were just looking at these and, you know, this were one
23 of my daughter's papers, I would think my daughter wrote
24 the whole thing.

25 Q. Okay. In your role as coach for Team EDS from

101

1 1991 until 1999, did you become familiar with Nick
2 Chenoweth's handwriting?

3 A. No, not really. I never really saw him write
4 that much. I'm familiar with his signature, which is
5 this kind of squiggly thing.

6 Q. So in your role as coach for Team EDS from
7 1991 through 1999, did you become familiar with Nick
8 Chenoweth's signature?

9 A. Yeah. Occasionally I would see his — his
10 signature, and I always remembered it doesn't look a
11 thing like Nick, Nick Chenoweth. I would never...

12 Q. Okay. Do you see Nick Chenoweth's signature on
13 the documents that are copied on the pages of Exhibit
14 17?

15 A. On some of them, I do, yes.

16 Q. What do the documents that are copied on the
17 pages of Exhibit 17 appear to you to be?

18 A. Most are receipts from — from Bike Mart of a
19 sort, and I say receipts because this is not a kind of
20 receipt that I've — I've seen at Bike Mart.

21 Here, this one, for example, on page —
22 or on number '26195, there is a Bike Mart stamp and

23 number and special order and a customer copy, and it
24 looks like it could be a receipt. A customer must have
25 signed. There's an amount, but I have never seen any of

102

1 these before.

2 I would either get no receipt, or if it
3 was something like we spoke about that I had bought
4 myself, there would be the little cash register receipt.
5 The reason I would not get any receipt is because if I
6 did a charge for team stuff, that was taken and put into
7 a book or wherever they were putting it at the time, and
8 then if I happened to be around, I might get a copy of
9 that from Tim, and if I wasn't around, I certainly
10 wouldn't. The last was faxed to me.

11 Q. Do you see on the documents that are copied on
12 the page of Exhibit 17 where they're marked paid?

13 A. Yeah. Yes.

14 Q. And then there is a signature which you're
15 identifying as Nick Chenoweth's signature; is that
16 correct?

17 A. I am. To the best of my knowledge, that's
18 Nick's signature.

19 Q. And he's generally signing on a line for
20 customer's signature. Is that where you're finding his
21 signature?

22 A. Uh-huh.

23 Q. Is that a yes?

24 A. Yes, received by or paid. Received by
25 signatures, yes.

103

1 Q. And so — well, let me ask you, to the extent
2 that those appear to be receipts for equipment that was

3 purchased at Richardson Bike Mart, let me ask you about
4 some of them. You've scanned them now pretty good, so
5 I'm just going to kind of ask you, do you see in there a
6 document that appears to show or that someone has tried
7 to make evidence a purchase of an SRM from Richardson
8 Bike Mart?

9 A. I did see something about that. It was SRM
10 German, Mexico program or something. Do you have a page
11 number on that, Chris?

12 Q. Well, let me ask you, Skip, does Richardson
13 Bike Mart sell SRMs?

14 A. No, no. SRMs are sold through three sources,
15 that I know of: SRM directly, which I have bought some
16 from; SRM — there is two guys in the country that
17 represent SRM out of Colorado; and —

18 Q. Who are those two guys?

19 A. I could get you their names. You know,
20 they're two of the old exercise-phys guys.

21 Q. Dean?

22 A. Is one.

23 Q. And David?

24 A. Is the other.

25 Q. And I don't remember their last names either.

104

1 A. Right, but you know who I'm talking about.

2 Q. Yes, I do.

3 A. But those guys represent SRM now here in this
4 country. They started doing that a few years ago, and I
5 don't know whether they're still doing it or how
6 successful they were. And then you can buy SRMs in
7 Europe from various — I mean, there are guys selling
8 SRMs over there all the time.

9 Q. But to your knowledge — strike that.

10 To your knowledge, Richardson Bike Mart
11 has never sold SRMs?

12 A. No, to my knowledge, Richardson Bike Mart has
13 not sold SRMs.

14 Q. And to your knowledge, has Nick Chenoweth ever
15 purchased an SRM?

16 A. I would — that, I would think, I would know
17 more than whether Richardson Bike Mart actually sells
18 them, because they may have a source they can buy
19 through like Dean and David, but I would think that I
20 would know, given training — even though I didn't do
21 anything with Nick's training programs or anything like
22 that, but we would see him at training or he would come
23 out to have me implement training. I would think I
24 would know.

25 Q. And an SRM is something that would need to be

105

1 installed on a bike to make any use of it, correct?

2 A. SRM requires pretty sophisticated
3 installation.

4 Q. And in your view, would Nick be capable of
5 installing an SRM on a bike?

6 A. No.

7 Q. Did Nick ever work on his bikes, to your
8 knowledge?

9 A. I've recently — the one time this year that I
10 saw — that I was at the track last year that I saw Nick
11 Chenoweth, he actually changed his gears on his bike,
12 which was the most that I've ever seen him work on a
13 bike right there, which is very small thing. Every
14 rider is expected to know how to do that, and it's a
15 very small thing, but I have never seen him work on his

16 bike, other than that.

17 Q. Where is SRM located? You said that you could
18 buy an SRM from SRM. Who are they and where are that?

19 A. SRM stands for Schoenberer Messtechnik
20 Radrennen, which is Schoenberer, S-C-H-O-E-N-B-E-R-E-R.

21 Uli Schoenberer is the developer of this piece of
22 apparatus, and it's — it's just simply a mechanical
23 apparatus or technical apparatus for bicycles. It's the
24 whole SRM thing.

25 Q. I'm referring you to page — it's

106

1 Bates-stamped 026239 of Exhibit 17. Is that the
2 document that contains some information about an SRM?

3 A. That is one, yes.

4 Q. Okay. Let me refer you now to the page that's
5 Bates-stamped 026235 that has written on it information
6 about a Corima sprint frame, Euro version, factory
7 direct, 62-centimeter. Has Richardson Bike Mart ever
8 sold Corima track bikes?

9 A. Again, to the best of my knowledge, no.

10 Q. Let me refer you now to a page that's
11 Bates-stamped 026231, which has, in handwriting,
12 information about one FES track sprint frame. Has
13 Richardson Bike Mart ever sold FES frames?

14 A. That, I can tell you for sure, and the answer
15 is no.

16 Q. And why are you so certain of that?

17 A. Well, because I have twice tried to purchase
18 FES, and we talked about this a little bit before. It
19 is a German National Team bike that is owned by the
20 German government. Occasionally, a rider will get one
21 that is sold one way or the other, black market, or some

22 other way, which is how I tried to buy the FES sprint
23 frame that we were trying to buy. It is an incredible
24 bike, but it is definitely not sold through a bike
25 shop.

107

1 Q. I now refer you to a page that's Bates-stamped
2 026131. It's got some handwriting about a Lotus time
3 trial track frame.

4 A. Uh-huh. Okay.

5 Q. And I think it goes on to say, deliver to
6 Manchester for pickup. My first question is: To your
7 knowledge, has Richardson Bike Mart ever sold Lotus
8 frames?

9 A. No. I bought a Lotus frame for the team, and
10 that was — that was bought on a trade. Actually,
11 that's a — that was a Corima. I bought a Corima and
12 traded for the Lotus for Linda Kruse.

13 Q. When did you do that?

14 A. Come on, Chris, do you remember when she got
15 that thing? Maybe '96. It was with J.P. Van Zyl. I
16 was around J.P. quite a bit. Maybe '96.

17 Q. Okay. Who is J.P. Van Zyl?

18 A. He's a rider from South Africa. The Lotus
19 bike was being made in South Africa at the time, so he
20 had access to them.

21 Q. Let me represent to you — and I'll ask you to
22 assume that it's a true representation — that each of
23 these documents were submitted as part of an expense
24 reimbursement request by Nick Chenoweth to EDS —

25 A. I understand.

108

1 Q. — which expense reimbursement was paid on by

2 EDS to Nick Chenowth —

3 A. I understand.

4 Q. — and that the total amount of these — well,
5 first, let me tell you, in here, there is — and I won't
6 ask you to count them, but I think if you do, you'll
7 find there's evidence of — well, someone has tried to
8 indicate that they purchased 14 Corima frames from
9 Richardson Bike Mart.

10 Now, you and I have talked earlier about
11 the number of frames that Team EDS — the approximate
12 number that Team EDS would have purchased from Corima,
13 and that number didn't even get as large as 14. I think
14 we ended up at 13.

15 A. Right.

16 Q. Is it in any way possible, in your view, that
17 Nick Chenowth purchased 14 Corima frame sets from
18 Richardson Bike Mart?

19 A. I think we would have seen additional frames
20 that we would have known. I don't think it's possible.

21 Q. These documents also reflect the purchase,
22 from 1994 through 1999, 857 tires. Did EDS ever
23 purchase that number of tires from Richardson Bike Mart?

24 A. No.

25 Q. And they also reflect the purchase of five

109

1 SRMs from Richardson Bike Mart, and I take it you would
2 agree that Richardson Bike Mart never sold five SRMs to
3 anyone?

4 A. I would — I would — I would assume that to
5 be true, Chris.

6 Q. If Nick Chenowth had testified at the
7 creditors' hearing in this bankruptcy matter that the
8 \$233,365, roughly, that's reflected by these purported

9 expense — or receipt documents he used to buy equipment
10 for Team EDS, do you believe that that could be
11 possible?

12 A. I don't believe it's possible or true.

13 Q. Have you seen any evidence at all of such
14 equipment purchases by Nick Chenoweth?

15 A. I never have.

16 Q. To your knowledge, does Richardson Bike Mart
17 even sell Continental Sonderklasse tires?

18 A. To my — to my knowledge, they don't sell
19 them, in general, but I believe we ordered the first
20 couple of times through them, but I'm not sure of that
21 either, not 100 percent sure.

22 I think we made special orders through
23 them with Continental, originally, but they do not —
24 again, to my knowledge, they don't stock Continental.
25 It doesn't — it doesn't fit with their product line,

110

1 which is more — which has been directed towards road
2 racing, et cetera.

3 Q. They don't stock Continental track tires?

4 A. Continental track tires.

5 Q. They have other Continental road tires?

6 A. Oh, yeah.

7 Q. But Continental Sonderklasse and Continental
8 Olympics and Continental Tiempos —

9 A. It's a specialty item that we wouldn't find
10 unless there was a track in the immediate area. Now
11 there is, in the past year, but prior to that, of
12 course, our nearest track was Houston. So they might
13 have two or three or four hanging on the wall, perhaps,
14 if some track rider wanted to go down to Houston for a

15 weekend or something like that, only to service them in
16 that way, but I never saw any.

17 Q. Did Richardson Bike Mart ever sell to Team EDS
18 any equipment and arrange for Team EDS to pick up the
19 equipment at the manufacturer's factory, for example, in
20 Germany, East Germany, France, England, or Mexico?

21 A. Not to my knowledge.

22 Q. Did Richardson Bike Mart ever sell any
23 equipment to Team EDS and arrange for the equipment to
24 be delivered to somebody in Germany or East Germany or
25 France or anywhere in Mexico?

111

1 A. No.

2 (Exhibit No. 18 marked.)

3 Q. I'm showing you what's been marked as Exhibit
4 18 and ask you if you can identify the pages that make
5 up that exhibit?

6 A. Just these — these blanks, Chris?

7 Q. Correct.

8 A. It looks like some kind of — I mean, it's a
9 ticket from Richardson Bike Mart of some type.

10 Q. If those were found in Nick Chenoweth's files
11 here at EDS while he was an employee here, would you
12 have any idea how he obtained them?

13 A. I would have no idea.

14 Q. Has anyone ever indicated to you that they
15 gave Nick Chenoweth blank receipt-type documents —

16 A. Absolutely not.

17 Q. — from Richardson Bike Mart?

18 A. No.

19 Q. Let me go back and ask you about Exhibit 17.
20 Do you believe the documents copied on the pages of
21 Exhibit 17 to be true receipts for purchases of

22 equipment from Richardson Bike Mart?

23 A. Absolutely not.

24 Q. Did Team EDS have an account at Richardson

25 Bike Mart that the members of Team EDS could use to make

112

1 purchases there?

2 A. Yes.

3 Q. And did all riders have access to the use of

4 that account?

5 A. I think all riders did all the time, although,

6 as you read — or you may have read in my — my notes —

7 where was it? In the Team EDS vendors, the note, at one

8 point, we had tried to put a system in place by where

9 riders would be able to make small purchases, but not

10 large purchases, without an okay-type thing. That — as

11 I told you, that never flew, and all riders, as far as I

12 know, were able to go in and make just about any

13 purchase.

14 Q. And would that include Nick Chenoweth?

15 A. That would include Nick Chenoweth.

16 Q. And so he could buy things there on account,

17 and there wouldn't be reason for him to, in your view or

18 to your knowledge, pay cash for purchases there?

19 A. No.

20 Q. Did you ever see him pay cash for any

21 purchases there?

22 A. I've never been with him in Bike Mart, that I

23 can recall.

24 Q. In your view, could Nick have used the account

25 to purchase anything that he wanted to at Richardson

113

1 Bike Mart?

2 A. Yes.

3 (Exhibit No. 19 marked.)

4 Q. Let me show you what's been marked —

5 A. I bet someday you will be doing this, too.

6 MR. CARLSON: The witness is referring to

7 someday I might be wearing glasses.

8 Q. Actually, I already have.

9 A. No.

10 Q. Yeah, that was before you and I met.

11 A. I'll be darned. Did you have surgery?

12 Q. No. I just decided I was going to go outside

13 more and stop reading so much.

14 A. That does help.

15 Okay. I'm looking at a TRW invoice.

16 Q. Okay. Let me start the question over again.

17 We kind of sidetracked there.

18 Let me show you what's been marked as

19 Exhibit 19 and ask if you can identify the documents —

20 or pages that make up that document?

21 A. Okay. This appears to be an invoice from

22 Texas Racing Works. It is — it is blank. There is no

23 item in here, but it is a bill-to document to EDS Sports

24 Marketing. The next one is the same, and the next one

25 is a sample that is completely blank, as is the last

114

1 one, is completely blank.

2 Q. And if those blank Texas Racing Works invoice

3 forms were found in Nick Chenoweth's files at EDS, do you

4 have any idea how they got there?

5 A. No, I do not.

6 Q. Have you ever talked to anyone about how Nick

7 Chenoweth might have obtained possession of blank Texas

8 Racing Works invoice forms?

9 A. I had no idea that he had. I would not know
10 to make the question.

11 Q. Did D'Rinda Taylor ever indicate to you that
12 she had blank Texas Racing Works invoice forms?

13 A. No.

14 Q. Did you ever see Texas Racing Works invoice
15 forms that had writing on them that you recognized to be
16 the writing of D'Rinda Taylor?

17 A. No. I don't think I would recognize D'Rinda's
18 handwriting. I know her signature is neat.

19 (Off the record 2:23-2:25.)

20 (Exhibit No. 20 marked.)

21 Q. Let me hand you what's been marked as
22 Plaintiff's Exhibit 20, and I'll ask you to review that
23 and tell me if you can identify it.

24 A. It looks like an invoice for three quad-spoke
25 wheels and two racing tires at \$800 a tire — a wheel,

115

1 so \$2400, and \$200 a tire from Texas Racing Works.

2 Q. And do you see the handwritten notation on
3 there, paid in full, cash?

4 A. Uh-huh.

5 Q. And then there's a signature?

6 A. Right.

7 Q. Do you recognize that signature?

8 A. If I can read it, it's Brett, maybe, and I
9 assume that's Hydrick at the end. I don't know that
10 that's Brett signature.

11 Q. Are you familiar with Brett's handwriting or
12 writing?

13 A. You know, I've seen his signature a few times,
14 and vaguely that looks like it, but I'm not sure.

15 Q. Okay. Let me ask you first, quad-spoke
16 wheels, do you understand that to be referring to Corima
17 quad-spoke wheels?

18 A. They are the only quad spokes that I know of
19 on the market, so I — I'm assuming it is.

20 Q. Do those sell for \$800 apiece?

21 A. Maybe retail, but we've never paid that for
22 them.

23 Q. And I think earlier you and I had identified
24 the price list that Corima provided to EDS that set
25 forth how much EDS would pay for —

116

1 A. Uh-huh. It's about \$450 for a rear quad spoke
2 or so, \$400-plus, plus the hub.

3 Q. Okay. I'm referring to Exhibit 16 —

4 A. Uh-huh.

5 Q. — and it's the second page of that exhibit,
6 the one that's Bates-stamped 031444 on the bottom,
7 Corima carbon four-spoke wheel for road.

8 A. That's HR for road. You want to go to the
9 track. If you would look at the most expensive, I think
10 HM or HR — HM, it would be \$436, plus the hub would be
11 about \$480, \$490, somewhere around there.

12 Q. And if this was a track tire — I mean, a
13 track wheel, there wouldn't even be a hub involved,
14 correct?

15 A. No, that's not correct. That was one of the
16 things that I found after I started buying things, that
17 the hubs were separate. So the hub is an extra charge
18 on top of that. But still, it's \$480 or so. It's not
19 \$800.

20 Q. It's not \$800?

21 A. And — and we bought wheels every year based
22 upon rider needs and backups and et cetera, et cetera,
23 almost every year. You know, there would be no reason
24 to go out and buy other wheels, that I know of.

25 Q. There's also referenced on this invoice racing

117

1 tires, \$200 each. Are you familiar with any tires that
2 cost as much as \$200 each?

3 A. The only tire that comes near that category is
4 a Continental Olympic, which if this is for Nick's
5 personal use, he would not use. And I don't know the
6 cost on those tires because we have paid, depending upon
7 how bad we need them, above and below that price, but
8 mainly below that price.

9 We've bought some above that price. I
10 think it was through Bike Mart, actually, but again, our
11 normal racing tire, we buy the Sonderklasse, the only
12 tire that I've ever seen Nick ever use on his track
13 bike, and I think it's somewhere between 90 and 110
14 bucks or something like that. It's still expensive.
15 It's still a lot of money for a bike tire. The answer
16 to your question, I can't imagine that being bought by
17 Nick at that price.

18 Q. Let me have you look at the second page of
19 Exhibit 20, and I want to direct your attention to
20 certain entries on it.

21 A. Okay.

22 Q. Towards the bottom, in the description
23 section, there's a notation, paid by Nick Chenoweth on
24 January 23rd, '98.

25 A. Okay.

118

1 Q. There's the list of the various pieces of
2 equipment. The total amount is \$2,985.59. And why
3 don't we just continue to run through these. The third
4 page, again, there's the notation, paid by Nick Chenoweth
5 on 1/23/98. Above that is a description of some
6 equipment. Then, on the final page of Exhibit 20,
7 there's the notation, paid by Nick Chenoweth on 4/15/98,
8 and the items of equipment.

9 My question to you is: To your
10 knowledge, did Nick Chenoweth ever pay for the equipment
11 described in the documents that are copied on the pages
12 of Exhibit 20?

13 A. Everything for the storage unit, if that's
14 what this is for, was paid for by Brett and myself.

15 Q. Okay. So the second page contains some
16 equipment that — that your recollection is it was used
17 in the storage equipment, if that's what that invoice is
18 supposed to be reflecting?

19 A. Right, if that's what he's talking about here,
20 storage beams. I don't know what that would be.

21 Q. And you remember paying for that and invoicing
22 EDS for it?

23 A. Either Brett or I both. We both — Brett
24 bought the two-by-fours for the racks. I bought the —
25 I bought the stands, you know, and all of that, I

119

1 think. The Johnny G. Spin bikes, I have no knowledge
2 of. Aero bike mounts, I don't know.

3 I mean, I don't know what any — any of
4 this — and here's an SRM crank set for Marty — for
5 Marty Nothstein. I can't comment on that. I just have
6 no idea. If it's an — if it's an SRM unit, it could
7 conceivably be \$3,400. SRM crank sets, the extra cranks

8 or the new SRM cranks, I don't think we ever bought any,
9 but if we did, they're about \$400.

10 Q. Right. And that actually says, SRM crank set?

11 A. It says — it says, crank set, yeah.

12 Q. As opposed to an SRM computer unit?

13 A. Right.

14 Q. So you would expect that that would be
15 something far less than the \$3,400 for a crank set?

16 A. I would.

17 Q. Did Brett Hydrick ever indicate to you that
18 Nick Chenowth was making these types of purchases from
19 Texas Racing Works?

20 A. No.

21 Q. Would you have expected to see this type of
22 equipment in — in the Team EDS storage facilities or in
23 the inventory that you were aware of, of the equipment,
24 if it had, in fact, been purchased by Nick Chenowth?

25 A. I would.

120

1 Q. Did you ever have a discussion with D'Rinda
2 Taylor where she — she raised with you invoices or
3 invoices that have been marked paid by Nick Chenowth
4 that were from Texas Racing Works that had been given to
5 her by Nick Chenowth as part of a request for an expense
6 reimbursement?

7 A. No. I'm sure I would have remembered if I
8 would have okayed anything like that.

9 Q. Did Nick ever indicate to you that there was
10 some reason why he needed to pay expenses in any
11 manner — Team EDS expenses in any manner other than in
12 connection with an invoice from the person that the
13 expense was being incurred with?

14 A. Give me an example, Chris.

15 Q. Did Nick ever indicate to you in some manner
16 that there was a reason that he needed to be paying cash
17 to people for certain expenses associated with Team EDS?

18 A. No.

19 Q. Or that he needed to be paying cash for
20 certain expenses associated with the Superdrome?

21 A. No.

22 Q. Did Nick ever indicate to you in any way that
23 he was directed by his management to obtain equipment
24 for the team on the, quote, black market, unquote, and
25 that that was going to require cash purchases or —

121

1 A. No.

2 Q. — the creation of false documents like the
3 ones that you and I have talked about?

4 A. Are you talking about these, now? Because
5 that could fall in that category.

6 Q. Okay. And you're referring now to Exhibit 8
7 and —

8 A. 8 and 9.

9 Q. 8 and 9? Now — for now, let's leave those
10 out, and let me back up a minute.

11 The documents that I've showed you so far
12 that make up Exhibit 20 and that make up Exhibit 17 —

13 A. Uh-huh.

14 Q. — would you agree that those could be
15 accurately described as false documents, fraudulent
16 receipts, fraudulent documents?

17 A. It could be. Certainly for Richardson Bike
18 Mart, I would be sure of it for these because — I don't
19 know that signature, but the descriptions and the prices
20 are all wrong. It would have to be 95 percent sure.

21 Q. And if the documents that make up Exhibit 17
22 were submitted by Nick as part of an expense
23 reimbursement request, would you consider that to be an
24 act of fraud?

25 A. I would.

122

1 Q. And did Nick ever indicate to you that his
2 management had directed him to use false documents in
3 order to pay the expenses of Team EDS so that those
4 expenses could be hidden from other members of EDS
5 management?

6 A. No.

7 Q. Did Nick ever indicate to you that he was
8 asked to conduct transactions off the books, if you
9 will? Off the books being a sort of term.

10 A. No.

11 Q. We've talked some about Marty Nothstein. Can
12 you explain how he came to be a part of Team EDS?

13 A. I'd say I think the year would be 1994. I —
14 let's assume it was 1994. We knew Marty from, of
15 course, bicycle racing. Like I said, it's a small and,
16 certainly at that level, somewhat elite group, and we
17 knew Marty very well from that. We knew that he was a
18 bronze medalist in 1993 at Hamar.

19 In the spring event, either 1994 or '95,
20 asked Marty if he would ride the tandem with Nick in
21 exchange for partial support or — or something to that
22 effect. Marty ended up being in the World Championships
23 in 1994, after tangling heavily with — was it '94 or
24 '95? '94 — tangling heavily with Trey Gannon, our own
25 rider, and following the World Championships was signed

123

1 as an employee and then became a part of Team EDS.

2 That's probably an oversimplification, but that's the

3 basic steps.

4 Q. Did Marty actually ever do any work as an

5 employee of EDS different than being a bicycle racer for

6 EDS?

7 A. Well, again, not to my knowledge, but I was

8 not privy to any of that. I did not handle Marty. The

9 only — the only thing that I ever had with Marty was I

10 sat in on the Corima — because whenever Corima was

11 involved — Corima liked me, I guess, or something.

12 But anyway, I would be called over to sit

13 in and listen in on whatever it might be when Marty was

14 negotiating with Corima for wheels or more during the

15 past few years. I would sit in on those. That's the

16 only exposure, other than coaching Trey and probably

17 going head to head with Marty, most of the time.

18 Q. How did you feel about Marty joining Team EDS?

19 A. Well, probably, in a sense, I — I recommended

20 it, in the first place, because I thought Marty would

21 make a great tandem driver and could use the support.

22 Q. Who initiated the topic of Marty being a

23 tandem driver for Team EDS?

24 A. I have no idea. That's so long ago, Chris.

25 Q. Well, that wasn't a very good question by me.

1 Who initiated the topic of Marty being a tandem driver

2 for a tandem team that would include Nick Chenoweth?

3 A. Well, Marty was already a tandem driver, so

4 putting Nick on the back is just one of these questions

5 you probably — you know, that get asked, if you've got

6 a rider who's got an interest in it, and that was Nick's

7 interest in bicycle racing at that level and his end.

8 As an individual, he wouldn't be able to compete at the

9 Senior National level, the Elite National level, but

10 with a tandem driver of very high quality, he could,

11 so —

12 Q. How about of the very highest quality?

13 A. No.

14 Q. Well, you — you don't agree that Marty was

15 the highest qualified tandem driver in the United States

16 at the time?

17 A. Absolutely. Absolutely, and one of the best

18 riders in the world at the time, and still is.

19 Q. And did Nick ask you to pursue him to be the

20 driver of the tandem that would be ridden by Marty and

21 Nick?

22 A. Marty and Nick had their own rapport.

23 Initially, I became kind of caught in between, because

24 whenever they made the initial agreement, Nick was

25 supposed to ride faster than 11.1 by such and such date,

125

1 and he never did.

2 I was back in T-Town with you guys, with

3 Trey and yourself and all, and Marty cornered me and

4 said, hey, what's with this guy, you know, he's not

5 cutting it. And then we tried to figure out what to do

6 at that point.

7 Q. And what did you do?

8 A. Marty ended up doing it. I called — Marty —

9 Marty, I think, was asking for a stipend of, like,

10 \$3,000 or \$2,000 or something if he rode it and if they

11 won, and I think he ended up with \$5,000.

12 Q. Do you remember what year this was?

13 A. Again, I think it's '94, but I'm not sure.

14 Q. What was your understanding of how Marty was
15 to be compensated as a member of Team EDS?

16 A. I was real clear, because I think we all sat
17 in on the same meeting, that Marty was going to be an
18 employee of Team EDS — I mean, of EDS and would work
19 remote, would work here in the office, would spend part
20 of the time here, part of the time in T-Town, part of
21 time with the National Team. He was a paid employee
22 like the rest of us, and, you know, maybe would have a
23 bonus program; maybe not. I don't know. I mean — the
24 rest of us. I don't mean me. I mean you guys. But he
25 was to be a working employee.

126

1 That changed over a period of time. I
2 think he was going to be doing outside PR for Global
3 Sports. The reality was I never saw Marty work a day.
4 He had made things — it made me angry all the time
5 because, you know, I had coached Trey Gannon for a few
6 years. I thought of Trey as a — as a great rider, and
7 one that could possibly make it to the Games, not as
8 good as Marty, but at least given a shot, and had hoped
9 Marty would come in and make a difference in Trey's
10 program and life.

11 Instead, the opposite occurred. Trey's
12 workload never changed, basically, except for a few
13 months at a time. Marty certainly kept Trey on the
14 outside of the — of the intertraining group, as did his
15 coaches, and as far as I was concerned, Marty was never,
16 never a teammate.

17 Q. Let me ask you to go back for a minute and
18 think about some earlier testimony, because you talked a
19 little bit about a bonus program in your answer just

20 now.

21 A. Uh-huh.

22 Q. And I think it's your testimony that you don't
23 recall a bonus program for any Team EDS riders other
24 than Mark Garrett and Erin Hartwell?

25 A. No. That's — that's not what I said, Chris.

127

1 I laid out a bonus program at one time that covered
2 everybody, but there was talk about it for — forever.
3 I mean, I brought up to Nick right after coming here in
4 '93 or '94 both — two things. One was a per diem
5 program, and the other was a bonus program, going, well,
6 why can't — why can't we do things like this, you know.

7 Q. Okay. But to your knowledge, bonuses were
8 never paid to any riders other than Mark Garrett and
9 Erin Hartwell?

10 A. Yes, I think that would be correct.

11 Q. Okay. Did Nick Chenoweth ever make any
12 statements to you or indications to you as to how much
13 Marty was going to receive as compensation for being a
14 member of Team EDS?

15 A. Never. I never was privy to anything that
16 anybody would be making as a member of Team EDS.

17 Q. Did he ever make any indications to you that
18 Marty was being compensated like the rest of the riders,
19 and that is, he was receiving a salary from EDS and no
20 other money?

21 A. Yes, and we all questioned that, of course, on
22 the side.

23 Q. Did anyone ever question Nick directly on that
24 issue?

25 A. I don't think so.

128

1 Q. But you do recall Nick making representations
2 that he was receiving a salary like the other riders and
3 nothing outside of that salary? You're shaking your
4 head. Is that yes?

5 A. Yes. Sorry.

6 Q. Did you ever pay any money to Marty Nothstein
7 as compensation for him being a Team EDS rider?

8 A. Me personally?

9 Q. Yes.

10 A. Maybe the first year of the tandem I might
11 have given him — before he was Team EDS, I might have
12 been the one to give him his stipend or something, as I
13 would with any riders who came on part time, whoever it
14 might be. But no, no.

15 Q. What year was the first year that he rode the
16 tandem and would possibly have received a stipend
17 payment from you?

18 A. I think — I'm wondering whether they did in
19 '94. I don't — well, '93 is not possible, so '94, '95.

20 Q. If you had paid him a stipend in '94, would
21 that have been, then, something that you would have
22 included on your invoice —

23 A. Right.

24 Q. — to EDS?

25 A. Right.

129

1 Q. And it would have been, then, reimbursed to
2 you?

3 A. That's correct.

4 Q. Do you recall the amount of the stipend in
5 '94, if '94 is the right year? I understand you're not
6 certain.

7 A. No, and I'm not, and isn't that the year Marty
8 fell and broke his ankle? I believe it is.

9 Q. Well, do you recall that it was the year that
10 Marty fell and broke his heel that he went on to win the
11 World Championships at the 1994 —

12 A. So he ended up not riding the tandem that
13 year. Paul Swift ended up riding the tandem, I
14 believe.

15 Q. Did you ever have any indication that Marty
16 was receiving payments outside of the salary that he was
17 getting from EDS, and that those payments were coming —
18 were being funded by EDS through actions of Nick
19 Chenoweth?

20 A. No, no, and what we were told — and, you
21 know, Steve may have alluded to it once in a while, but
22 we were told it was Marty — that Marty had Federation
23 money, Marty had sponsorship money, GT helmets. I don't
24 know who else. Oh, GT bikes and helmets, et cetera, and
25 that there was — basically, because Steve was able to

130

1 act on his behalf, to work interface with the
2 Federation, et cetera, Marty's extra monies were
3 supplied from that.

4 Q. Did you ever question Steve Walsh as to
5 whether or not it was true that Marty was only receiving
6 the normal EDS salary like the other riders?

7 A. No, not that I remember. Maybe I did. It
8 probably would have been jokingly, because I wouldn't
9 have expected him to tell me anything.

10 Q. Did — did you ever wonder for yourself if
11 that was all that Marty was receiving, giving — given
12 his — his lifestyle that was clearly evident to —

13 well, were you aware of his lifestyle, the kind of car

14 that he drove and his house, that sort of thing?

15 A. Somewhat.

16 Q. Did you ever wonder if it was true what you

17 were being told by Nick and Steve, that all Marty was

18 receiving in compensation for being a member of Team EDS

19 was the salary that he was receiving like the other

20 riders were?

21 A. Yeah, we wondered, of course.

22 Q. And did that ever lead to you questioning

23 either Nick on that subject or Steve on that subject or

24 Brett Hydrick on that subject or D'Rinda Taylor on that

25 subject?

131

1 A. I don't think I really ever questioned anybody

2 except maybe in jest.

3 Q. Okay. And in jest, what kind of response did

4 you get from any of those people?

5 A. I never questioned Brett, I'm sure, or

6 D'Rinda, and I think maybe directed towards Steve, but

7 nobody ever indicated that it was anything other than

8 what — what it was said to be.

9 Q. Okay. Did you ever — did you ever, even in

10 jest, raise your suspicion to Nick Chenowth?

11 A. No.

12 Q. Okay. You did so with Steve. And what was

13 Steve's reaction? What did he say back to you?

14 A. Nothing of significance. I think Steve's

15 handling of Marty was always his personal realm, and

16 however he did it, I mean, he wasn't going to share it

17 with me. You've got to kind of remember, Chris, in this

18 instance, I'm kind of the enemy.

19 Q. Did you ever observe or hear about Brett

20 Hydrick paying supplemental — is the term I'll use —
21 money to Marty Nothstein?

22 A. No. In fact, I asked Brett after — before we
23 talked, but after the dissolution of the team, if he had
24 been doing anything with Marty, and that was the first
25 time I ever had any indication that he was, and then he

132

1 wouldn't even say what, and he said it was all
2 through — all through EDS.

3 The reason I — I mentioned the reason
4 that I even asked him was I walked in the Superdome
5 office and I looked at what I think was a lawsuit, some
6 statement or something, from Marty — from Marty's
7 lawyer, and it said \$250,000 on it, and then I'm going,
8 well, I mean, even if he was doing really well at EDS,
9 that would be, like, \$90,000 or \$100,000, I'd say, you
10 know, something like that. What's this other \$150,000
11 about? And I was just going for that.

12 Q. When you asked Brett about it after the team
13 had been dissolved, he commented to you — to you that
14 it was all through EDS. Did he — was he ever more
15 specific or did you understand him to mean that it was
16 all arranged by Nick Chenoweth?

17 A. I didn't understand it either way, either way,
18 and he would not —

19 Q. So he never implied that anything that he had
20 been doing was authorized by EDS?

21 A. He implied that it was — whatever he had been
22 doing was authorized by EDS. He implied that, yes.

23 Q. Did he — did he state that that — his sole
24 contact on his activities, to the extent that they were
25 paying supplemental income to Marty, was all arranged

1 through Nick and Steve?

2 A. I — honestly, I'd assume through Steve.

3 Q. Did Brett ever indicate to you that he had
4 talked to anyone other than Nick or Steve about paying
5 supplemental payments to Nick — to Marty Nothstein?

6 A. No.

7 Q. Did Nick Chenoweth ever indicate to you in any
8 way that he had received authorization from his
9 management, EDS management, Les Alberthal, Gary
10 Fernandes, John Harris, to pay supplemental monies to
11 Marty Nothstein, monies that were above and beyond his
12 salary as listed in his employee records with EDS?

13 A. No, but what — what Nick often indicated — I
14 wouldn't say often, but whenever, I guess, the
15 opportunity arose was — is that everything —
16 everything that Team EDS was doing was known, was being
17 checked, was watched by the management, by the managers,
18 by the management, you know, that — that all of
19 that — all of everything was approved and, you know,
20 was moving forward.

21 The only time I ever heard of any — any
22 waves in that was with Gary Fernandes and — and the
23 velodrome, was that Gary, who had originally came up
24 with the idea in '96 when he was at the cycling track
25 and said to Nick — Nick said Gary said to him, you

1 know, wow, what are they doing with this? And then
2 afterwards, could we get this to Frisco, and started
3 that whole — I mean, get this to Dallas, and started
4 that whole idea rolling.

5 Then, once Nick started making his

6 presentation here in Plano and it was shot down, Gary
7 Fernandes backed off of the idea and, you know, was
8 making life hard, in that sense. Other than that, other
9 than the — the audits or something like that, you know,
10 all we ever heard was that everybody knows everything
11 and it's — you know, it's approved.

12 Q. What — what would give rise to Nick feeling
13 compelled to tell you that everything he was doing had
14 been approved?

15 A. Well, not me directly. He would always be
16 within a meeting setting or — or —

17 Q. Okay. Well, what would give rise to Nick even
18 saying to
an audience that was at a meeting that

19 everything he was doing was authorized?

20 A. Well, I think Nick was — Nick was constantly
21 marketing. When we would go in and
listen to something
22 about the team — for example, the team could be sitting
23 in there — you would hear the same marketing verbiage
24 that you — that, you know, that he was spewing out over
25 everyplace else, as far as we knew. We would hear, we

135

1 are the number one amateur track team in the world.

2 Q. Was that true?

3 A. Well, in a sense it was. It's just — I mean,
4 there's a sense of truth about it. Yes, we were
5 probably the only amateur track team in the world to —

6 Q. Well, let me ask it a different way. Was
7 that a — was that a fair representation to make about
8 Team EDS?

9 A. I don't know.

10 Q. Or was it just puffery?

11 A. A lot of — a lot of puffery within marketing,

12 I think, in general, in my experience, which isn't very
13 great.

14 Q. In your view, did Nick seem overly defensive
15 or paranoid about this authority issue —

16 A. No.

17 Q. — when he was making comments to this
18 audience at this meeting about everything I'm doing is
19 authorized?

20 A. No.

21 Q. Did you ever wonder yourself whether
22 everything he was doing was authorized?

23 A. No, not until recently.

24 Q. Was Nick Chenoweth an equally skilled and
25 capable athlete to Marty Nothstein, such that it would

136

1 be logical that Marty, without some incentive, would
2 want to ride a tandem with him?

3 A. A, there is nobody in this country who is
4 equally skilled with Marty. So any tandem rider that he
5 had with him would not match his skill level. That you
6 would — you would ride with a master of Nick's level,
7 meaning about a half a second slower, at least, on a
8 given day — that would be at least — would be very
9 unusual, and B, I don't think Marty would ride with
10 anybody without compensation, and it would be — it
11 would be kind of abnormal, in a sense, for a rider of
12 his level to do that.

13 (Exhibit No. 21 marked.)

14 Q. Let me show you what's been marked as Exhibit
15 21.

16 A. Thank you.

17 Q. What do you recognize that document to be?

18 A. It is a — is it a 1099 — a 1099 for 1998
19 from Brett Hydrick to Marty Nothstein in the amount of
20 \$213,000 plus a little.

21 Q. Okay. Did you have any knowledge that Marty
22 Nothstein was receiving payments in that amount from
23 Texas Racing Works?

24 A. No.

25 Q. Can you imagine any circumstances that would

137

1 give rise to EDS — and by that, I mean Les Alberthal,
2 Gary Fernandes, John Harris, any of the people who were
3 involved in the management of this company, approving
4 payments of that magnitude on an annual basis to Marty
5 Nothstein for being a bicycle racer?

6 A. Well, it may not be the answer you're looking
7 for, Chris, but as far as — as I can tell, there is no
8 relationship between the level of athlete you are and
9 the amount of compensation you might get. In fact, we
10 just had the basketball player here — what's his name?
11 You know who I'm talking about, the tattoo kid.

12 Q. Dennis Rodman?

13 A. That guy, yeah. Dennis Rodman here making a
14 million dollars for four weeks' worth of playing. You
15 know, it has very little to do with his — or it has
16 something to do with his value as an athlete, but it has
17 something to do, also, with — with the program that
18 he's in.

19 I don't know, because companies give
20 golfers a million dollars sometimes to do various
21 things, you know, and that's companies like this, or car
22 racers or whatever. It's a small amount — in a sense,
23 it's a small amount to pay a guy who is, you know, an
24 Olympic silver medalist and three or four times World

1 On the other hand, within bicycle racing,
2 I would have been floored. If Marty got \$100,000, I
3 think that that would support his lifestyle and — and
4 do quite well, or a little more, you know, plus his
5 other sponsorships that I assumed he would have.

6 Q. Well, I take it given that you'd be floored to
7 know and you are floored to know —

8 A. I am floored.

9 Q. — that he was paid that much, you find it
10 surprising that Nick could have had authorization from
11 his management to pay that amount to Marty?

12 A. Yeah, that would surprise me. I mean, not
13 that it couldn't be done. You know, it would just
14 surprise me, but if it were done — and it was my
15 complaint all the time. If Marty was just going to race
16 his bike, you know, why not call Marty a professional
17 bicycle racer for Team EDS and be a bicycle racer?

18 Q. And if Nick Chenoweth did have authority to pay
19 him that much, why would —

20 A. Why not just pay him?

21 Q. — he be paying it through Texas Racing Works?

22 A. Right.

23 Q. Do you know any reason why?

24 A. No. Marty is an employee.

25 Q. Is that some kind of special practice in the

1 bicycle racing world, that —

2 A. No.

3 Q. — leads to small bicycle shops paying
4 hundreds of thousands of dollars to members of a

5 corporate bicycle racing team?

6 A. No. It's one thing if you've got riders with
7 a little bit of support or — or something like that,
8 where there — you know, in this case, where there
9 wouldn't be vendors or something, but that's a lot of
10 money.

11 Q. Does the fact that Texas Racing Works was
12 paying this money to Marty Nothstein cause you to
13 seriously doubt that Nick Chenoweth had authority to pay
14 Marty Nothstein this kind of money?

15 A. I assume this is being done on something — I
16 assume this is being done through an equipment purchase
17 or something like that, I mean, or was this — was Brett
18 billing as for Marty Nothstein?

19 If it's billed from Brett's invoices
20 coming in \$5,000 or \$10,000 this month for Marty
21 Nothstein — which I still don't know why it would have
22 to be done that way since Marty is an employee.

23 Q. It doesn't make any sense, does it?

24 A. No.

25 MR. CARLSON: Okay. Let's take a short

140

1 break.

2 (Off the record 3:04-3:23.)

3 (Exhibit No. 22 marked.)

4 Q. Skip, let me hand you what's been marked as
5 Exhibit 22 and ask you to review the pages that make up
6 that. It is, again, I think, what's fairly described as
7 a composite exhibit. So if you can, identify the pages
8 to make up that composite exhibit.

9 A. Reimbursement invoices for me.

10 Q. So those would be invoices that you would send

11 to EDS for services that you provided to EDS as the
12 coach of Team EDS?

13 A. Right.

14 Q. And invoices that you would include in
15 pass-through expenses such as the purchase of equipment
16 for Team EDS that — that you made that, then, you were
17 asking EDS to reimburse you for?

18 A. Right.

19 Q. And in addition to equipment, there could be
20 other items in there that you were passing through?
21 Cell phone? Is that yes?

22 A. That is yes.

23 Q. Gas for the team vans? Is that yes?

24 A. Yes.

25 Q. And meals and various other expenses?

141

1 A. That is correct.

2 Q. On each of these, generally, there's some sort
3 of invoice number, and the invoice number is not always
4 in a — they're not in a consistent format. There's
5 some kind of — it changes, and I was — is there any
6 significance to the changes? I mean, I've seen various
7 different formulations of the invoice number.

8 A. Not really, Chris. None of this is ledger.
9 There was never any time to do that. If, for example,
10 on this it was FES, I tried to keep it together so that
11 would show that this somehow went together. The general
12 format that I came up with, and I'm not sure when I
13 did — I see 96Skip5; I didn't make that up; that's not
14 mine — was to have a year and then SCR and then the
15 month and the date.

16 Q. What does SCR stand for?

17 A. Skip Cutting reimbursement.

18 Q. Okay.

19 A. Like — like that, for example.

20 Q. And are all of the invoices SCR?

21 A. I think so. There's a few others that might

22 be different.

23 Q. If it's SCR, does it mean it's reimbursement

24 versus a partial payment of the annual amount that you

25 were to receive for providing coaching to EDS?

142

1 A. I think most of the time I didn't have to

2 do the — do the annual amount myself. That was done.

3 So basically, this is reimbursement amount.

4 Q. Okay. If you didn't have to do the invoices

5 for the annual amount, who did those?

6 A. It would have been generated here in the

7 office.

8 Q. By whom?

9 A. I assume D'Rinda Taylor, but I don't know

10 that.

11 Q. And before D'Rinda Taylor?

12 A. Jennifer White.

13 Q. And before Jennifer White? Was Kelly —

14 A. Kelly, I think.

15 Q. Kelly Martin was involved in generating some

16 of your invoices? I think you've mentioned that

17 earlier.

18 A. Yeah, I think with that first one, but I don't

19 know, Chris. I wouldn't know. I would assume it was

20 Kelly. I would assume Jennifer and then D'Rinda Taylor.

21 Q. So it sounds like it would be possible for

22 D'Rinda, Kelly, or Jennifer to generate an invoice that

23 looked like one of your invoices and you wouldn't even

24 know that they had done that?

25 A. That's correct.

143

1 Q. And they could submit it for payment, and you
2 wouldn't know that either?

3 A. Well, I would assume that at some point I'd
4 find out if I ever looked back on an — on an income
5 deal, but with the — with the EFT payments, I would get
6 a notice. I don't have them all. You know, some of
7 that discarded or something, probably, when I wasn't
8 there.

9 Q. Did you ever get paid by a check that was
10 hand-delivered to you either by D'Rinda or Jennifer or
11 Kelly?

12 A. No, not that I can recall. I can't imagine
13 for what.

14 Q. I may have asked you this earlier. Whose idea
15 was it that Jennifer or D'Rinda or Kelly would generate
16 your invoices?

17 A. Well, again, I'm sure it was Nick's. I mean,
18 he was the only one I had contact with early. You know,
19 Nick would call me on the phone in California and say,
20 can you do this event, or, you know, whatever it might
21 be, and, you know, I never — I never submitted
22 anything, other than the phone reimbursements,
23 initially.

24 Q. Okay. Well, let's just start talking about
25 some of these invoices.

144

1 A. Okay.

2 Q. The first two pages of Exhibit 22 appear to me
3 to be related. Do you recall those invoices?

4 A. Uh-huh.

5 Q. And what were they for?

6 A. This was for an FES frame, complete bike,
7 actually, from Michael Hubner in Germany that I tried to
8 buy.

9 Q. Why did you try to buy that bike?

10 A. As a sprint bike for Nick for the team.

11 Q. And who prepared these two invoices?

12 A. I did.

13 Q. Were those invoices paid?

14 A. Yes, they were.

15 Q. Was the FES bike purchased?

16 A. No, it was not purchased.

17 Q. What was done with the money that EDS paid to
18 you in response to those two invoices?

19 A. Well, when I called Nick and told him that
20 Michael had backed out of the deal, Nick said that he
21 was going to give me a bonus for the year anyway, to
22 take this and use it as a bonus; that they would change
23 the invoices in the office, and that was that. That's
24 what I did. I thought it was — for me, from my point
25 of view, I'm thinking, well, it's about time I got a

145

1 bonus.

2 Q. Did you report that as income on your income
3 tax return?

4 A. The way that I did my income tax returns have
5 always been the same, was that — yes, I did — was I
6 just go through and take the total amount of expenses
7 that I've got for a category and subtract that from the
8 total 1099.

9 Q. Did you receive a 1099 from EDS that reflected
10 these amounts?

11 A. Yes.

12 Q. Have you produced that today in response to
13 the subpoena duces tecum?

14 A. No. I didn't know that I was supposed to.

15 Q. Okay. I had asked you to supplement your
16 production with that, because I think I'd like to
17 confirm that those amounts were reported on the 1099
18 that —

19 A. It should be right there, right there in front
20 of you. That would be the 1099 report.

21 Q. Do you recall if you received a single 1099 or
22 if there was a supplemental 1099 that was done to
23 account for —

24 A. A single 1099, just the sum of whatever I was
25 paid or reimbursed during the year. It always came the

146

1 same way.

2 Q. Prior to 1994, had Nick paid you a bonus in
3 connection with the coaching that you had been doing for
4 Team EDS?

5 A. No.

6 Q. I think you earlier testified that one of the
7 thoughts you had about this was that it was about time
8 that you had received a bonus?

9 A. I was thinking that, yeah.

10 Q. Why — what caused you to say that or what
11 caused you to have that thought at that time?

12 A. I think because I felt I was working so hard
13 at that time and we were getting results that, you know,
14 started to — to reflect that kind of thing within the
15 athletic world.

16 You know, when I came here, I asked, you

17 know, Nick what — what the deal was, of course, and,
18 you know, he told me he would keep me as an — you know,
19 I could be an outside vendor. And, of course, I'm
20 going, well, great, you know, I get to do my own taxes.
21 What about retirement and what about medical, what
22 about, what about, you know.

23 And he says, well, you know, at some
24 point, you know, if we continue to grow, you should have
25 a bonus every year or bonuses, dependent upon how the

147

1 team does, you know, and I'll cover your phone, gas, and
2 all that kind of stuff, and you should be fine. Well, I
3 bought that. I should have bought in for the medical
4 instead.

5 Q. What was the annual amount of compensation
6 that was agreed upon between you and Nick for the
7 coaching services or work that you were going to do in
8 connection with the Team EDS in 1994?

9 A. Well, when I first came here, it was \$5,000 a
10 month.

11 Q. And again, you first came here in January
12 of —

13 A. 1994.

14 Q. — 1994? So \$60,000 a year. How was that
15 paid to you?

16 A. Just \$5,000 a month.

17 Q. And in '94, was it paid to you as a result of
18 invoices that were generated at EDS by the people
19 working for Nick?

20 A. I think so.

21 Q. And at that time, was that Jennifer Bryant?

22 A. I believe it was. Jennifer White or Bryant.

23 Q. It was, I think, originally Jennifer Bryant,

24 and then she got married and changed her name to

25 Jennifer White. Is that your recollection?

148

1 A. I remember her as Jennifer White.

2 Q. Skip, do you have an accountant that helps you
3 do your tax return?

4 A. I do. Well, I have a — yes, I do.

5 Q. Did you ever have a discussion with that
6 accountant as far as how this money should be supported
7 in your tax return, in other words, what the source of
8 the funds was and that these were the documents
9 that — that supported that — that \$6,000 of bonus
10 income?

11 A. Chris, I don't think so. I don't know.

12 Q. Did you ever address with Skip — I'm sorry.
13 Did you ever address with Nick the fact that you were
14 receiving a bonus in connection with documents that
15 showed that an FES sprint bike was being purchased?

16 A. Right. I did, and I told you that.

17 Q. Okay. What did you —

18 A. He — he said that he would correct the
19 invoice here.

20 Q. All right. So you asked him, well, shouldn't
21 you send me —

22 A. I did.

23 Q. — shouldn't I send you an invoice for a
24 bonus?

25 A. I did, yes.

149

1 Q. And what did he say?

2 A. He said, don't worry about it, we'll change it
3 here at the office.

4 Q. Why was it that you believed that it would be
5 more appropriate for there to be some document from you
6 that was an invoice for a bonus — or some document from
7 Nick saying, enclosed is a check for \$6,000 which is a
8 bonus that I have decided to pay you?

9 A. Well, there was no, enclosed, here is a check.
10 There was nothing like that. There was an EFT payment
11 that had already been made by then.

12 Q. Okay. Correct. I'm asking why was it that
13 you felt like it would be more appropriate to have
14 something like that? Because apparently you raised the
15 issue with him.

16 A. Yeah. I don't know why I never, ever changed
17 it in my own records, except I did make a notation at
18 the time. I wrote on there that this was to be a bonus,
19 and that's all I did, and I probably did it as a
20 courtesy to Nick: shouldn't this go through as what it
21 is?

22 Q. Okay. So there should be some copy of this in
23 EDS' records, if it wasn't destroyed, indicating that
24 this was going to be used as a bonus —

25 A. That's correct.

150

1 Q. — and that notation on there is one that you
2 made?

3 A. No. The notation is only on mine. What there
4 should be here at EDS is an invoice just like this for
5 \$6,000 or something, saying — saying this one is
6 invalid, this invoice is invalid, and that is a bonus.

7 Q. Okay. I'm not following you, what you're
8 saying, one of them is invalid.

9 A. Both of them. These — these two, for the

10 FES, total up to \$6,000.

11 Q. Right.

12 A. These are invalid. There should be an invoice
13 here saying, paid to Skip, \$6,000, bonus 1994, period.

14 Q. Right. Okay. All right. Let me try to make
15 sure that the record is not confusing. By — by — you
16 don't mean to say by invalid that they weren't paid.

17 These invoices were paid?

18 A. They were paid.

19 Q. But what you were told by Nick was that you
20 should keep the money because it was going to be your
21 bonus for 1994?

22 A. He was going to do a bonus anyway and —

23 Q. You asked him, well, shouldn't you send me
24 some kind of record indicating that I'm receiving —
25 or — or the money that I have received, I should keep

151

1 as a bonus?

2 A. And I probably assumed that. What I said to
3 him was, Nick, would you like me to rewrite my invoices
4 and send it over to you as a bonus. His response, at
5 the time, was, no, don't worry about it, we'll change it
6 here in the office.

7 But I never got a copy of it. I just
8 never — I just never came back on it. I never thought
9 about it much. I just made a notation at the top on my
10 record that that was changed to be a bonus.

11 Q. So where is — where is your record of that?

12 A. You have it now. It's in here.

13 Q. Okay. Can we try to find that in there?

14 A. It's 1994. It won't be too hard. Was that
15 '94 or '95?

16 Q. '94, I believe.

17 A. 2/27, unable to buy, spoke with Nick on —
18 Nick the phone, he said invoices to be changed to \$6,000
19 bonus or training-expense reimbursement.

20 Q. So did he give you the choice as to whether or
21 not it should be treated as a bonus or an expense
22 reimbursement? Because I'm not understanding what that
23 means, if it says one or the other.

24 A. In my mind, it's always been a bonus, so —
25 and that's my note in there.

152

1 Q. Would you agree, if it was to be treated as an
2 expense reimbursement, then it should have resulted in
3 you —

4 A. Me generating something to show that, which I
5 wouldn't have had. I would have written it — I would
6 have had to have written it as a bonus.

7 Q. Well, let me finish my question there. If it
8 was to be used as an expense reimbursement, then you
9 should have sent in approximately — or you should have
10 sent in, at least, \$6,000 worth of receipts to offset
11 that payment to you?

12 A. That is correct.

13 Q. And did you ever do that?

14 A. No, Chris.

15 Q. Because you treated it as a bonus?

16 A. Yes, and he said he would change it there in
17 the office.

18 Q. Did you ever talk to D'Rinda Taylor about the
19 fact that this was going to be treated as a bonus?

20 A. Was D'Rinda here then?

21 Q. Well — I'm sorry. Did you ever talk to
22 Jennifer White, or Jennifer Bryant?

23 A. I don't know. I don't know. Probably not.

24 Q. Other than Nick, would there be anyone else

25 that was knowledgeable about the situation with these

153

1 two invoices for the FES bike?

2 A. Other than — other than Robin.

3 Q. Okay. So Robin would know about this, also?

4 A. Oh, yeah. And she knew — she had followed

5 the — when I tried to purchase it both times, and I

6 tried to buy it from Hubner.

7 Q. And Michael Hubner would be able to confirm

8 that you were trying to buy an FES sprint bike from him?

9 A. I'm sure he would.

10 MR. CARLSON: Let's see. For the record,

11 the — Skip's copy of the two invoices that we're

12 talking about — his copy's got the handwritten note on

13 it — is found in Exhibit 3 in the tab for 1994.

14 Q. Skip, would you agree that these documents

15 also could — or do fall into the class of false

16 documents or fraudulent documents such as the one that

17 we've identified — or the ones that we've identified in

18 Exhibits 17 and 20; in other words, they're documents

19 that reflect the purchase of equipment that wasn't

20 actually purchased, but that EDS was asked to pay for

21 and did pay for?

22 A. Well, no. I wouldn't agree, because when I

23 sent this in, I thought we were buying the equipment,

24 and I thought that it was changed to — to bonus, so how

25 would I — how would I agree to that, Chris?

154

1 Q. Okay. But on the face of the document, if

2 someone were to look at this in EDS' records, it would

3 appear that —

4 A. The appearance would be there, sure. If — if
5 from your side you've not made the change in the
6 invoices, then that would be correct.

7 Q. Did Nick ever explain to you why he did not
8 make the change?

9 A. Nick never told me anything about that.

10 Q. Did you ever ask Nick why you didn't get some
11 form of amended document?

12 A. No. Chris, I never thought about it after
13 that.

14 Q. Let me hand you the next six pages of Exhibit
15 22. They are Bates-stamped — I'm just going to give
16 you the last two numbers — '87, '88, '89, '90, '91, and
17 '92. I'll represent to you that '89 and '90 are
18 duplicates of one another. For some reason, that's the
19 way that they were maintained in EDS' file. If you
20 disagree with that, let me know, but it looks like they
21 are duplicates to me. Can you tell me what those
22 invoices are?

23 A. Wait a minute, Chris. Okay. These are
24 invoices that Nick asked me to generate for the purchase
25 of SRM equipment that would be done through him for the

155

1 Federation.

2 Q. So he represented to you that he was going to
3 buy some — some SRMs for the Cycling Federation?

4 A. Right, right.

5 Q. That's the national governing body of cycling
6 or bicycle racing in the United States?

7 A. Yes, and it was being done through me because
8 when they had done the accounts, my account was — was
9 oversized or whatever and had the extra money in it, as

10 opposed to the Federation accounts that were small, and
11 the fastest and best way was to — to do it this way.

12 Q. I'm not understanding what — what you're
13 meaning by saying your account was oversized. Are you
14 talking about a personal bank account of yours, or are
15 you talking about —

16 A. No. Whatever the account — whenever they did
17 the budgets here, my Team EDS account, so this was a —
18 this was, like, a Team EDS purchase for SRM, except it's
19 going to go through Nick and they're going to purchase
20 it for — they're going to give the stuff to the Cycling
21 Federation.

22 Q. When did he ask you to do this for him?

23 A. Well, it would have been right about this
24 time. Probably the first of December of '94, sometime
25 in there.

156

1 Q. And tell me exactly what he asked you to do.

2 A. He asked me to generate a series of invoices,
3 and they just could be just in odd amounts, it didn't
4 matter, to the amount of about \$50,000.

5 Q. Did he give you a total amount that he wanted
6 the invoices to be for?

7 A. Yeah, but I'm not sure exactly what that was.

8 Q. Okay. Did he tell you to divide the amount up
9 into a number of smaller invoices?

10 A. Probably.

11 Q. And did he tell you to keep each individual
12 invoice below a certain amount?

13 A. I'm sure he did. I'm sure he did.

14 Q. And did you have a understanding as to why
15 that was to be done?

16 A. Well, I always understood that invoices — and
17 there was the approval amounts over here or something
18 like that — invoices were always supposed to be under a
19 certain amount so it didn't have to go all the way
20 upstairs or wherever it went.

21 My understanding was that with \$10,000 or
22 \$15,000, or whatever it was, that Nick and Vicky
23 Yaccavonni signed off on that, or something to that
24 effect. That was all I was ever — ever told, and Nick
25 has a way of — Nick had a way of putting these things

157

1 so they made a lot of sense. I'm not sure I can
2 regurgitate that in the same way.

3 Q. Was it your understanding that the amounts
4 were to be kept below a certain level on each invoice so
5 that they wouldn't have to go up above Nick for
6 approval?

7 A. I think on most all of the stuff, that was the
8 case.

9 Q. Okay. Was that true for these invoices
10 that —

11 A. I believe that's —

12 Q. — I'm asking about?

13 A. — that's true for these invoices.

14 Q. Okay. Did he suggest to you — did he say to
15 you what the invoices should be for?

16 A. Yes.

17 Q. And what did he say?

18 A. He said that I would — you know, this is for
19 the purchase of this — the SRM equipment for the
20 National Team, and we're going to do — it should
21 include all the SRM stuff. We're going to do some
22 heart-rate monitors along with it or stuff like that.

23 You know, it's all of the stuff having to do with SRM,
24 extra units, whatever — whatever. He says, it doesn't
25 really matter what's on here, he says, but that's what

158

1 we're buying.

2 Q. Okay. Did you ever see any evidence that Nick
3 Chenoweth actually did buy SRMs and heart-rate monitors
4 for the United States Cycling Federation?

5 A. Well, you know, as I told you before when we
6 talked about this, Chris, this — these things — you
7 know, after — after I ran this all through and
8 everything, you know, I told Nick, I said — I mean, I
9 finally cornered him at some point or another and I
10 said, well, you know, why do we have to go through you
11 on this? Why couldn't I just buy this stuff myself,
12 because I have SRM connections? Why couldn't I buy it
13 and send it up there? You know, why am I going through
14 you on all of this, and, you know, has this stuff been
15 bought or all been bought or partially been bought? I
16 don't remember when I asked him that.

17 But anyway, his — his answers to me were
18 kind of that, really, it's none of your business, Skip,
19 that this is the way it's done between me and the
20 Federation and — you know, and you are — you know, you
21 are an employee, basically, and this is the way we're
22 going to do it. And I simply reflected back to him
23 that, really, I didn't want to do this anymore.

24 Q. Did he make you feel threatened with the job
25 that you had —

159

1 A. Oh, very much so.

2 Q. — for EDS if you continued to raise questions

3 about these invoices that I'm asking you about?

4 A. Well, I don't think he made me feel like
5 something — that something hadn't been done. I think
6 he made me feel like it was none of my darn business and
7 that I — you know, that this is — this is just the way
8 business is done and, you know, I should do it and be
9 happy that I could do it.

10 Q. Did his actions make you feel compelled to do
11 it, and that if you did not, you might lose your
12 coaching role at Team EDS?

13 A. You know, you're talking about initially, and
14 I'm talking about later. Initially, I didn't think a
15 whole lot about it. When he explained to me, initially,
16 you know, your account, we put too much money in your
17 account when we did the budget, too little in their
18 account, we need to get this SRM equipment to them, you
19 know, quickly, you know, this is what we need to do, I
20 really thought, well, okay, then that's what we'll do.

21 It was later on that I'm kind of
22 thinking, you know, what if this isn't going toward
23 SRMs, what if this is going to Marty, or what if this is
24 going — I don't even know if Marty was there. I don't
25 know where this money is really going.

160

1 Later, after that, that summer, I told
2 you, then I got up to T-Town and I'm actually seeing
3 guys with SRMs, new SRMs, and I asked them about it, and
4 they said it was, you know, EDS-supported SRMs. I don't
5 know. I still don't know. I do not know whether this
6 money went to get SRMs through Nick, through the
7 Federation, through whomever would be doing their buying
8 like that. I still don't know.

9 Q. Well, sitting here today, Skip, aren't you
10 certain that that money did not go to the Federation and
11 that, in fact, Nick kept that money?

12 A. I feel certain today that that's the case,
13 yes, but back then, you know, I — I thought this man
14 was the savior of track cycling.

15 Q. Now, you did know back then that Nick didn't
16 have any SRM connections, correct?

17 A. Oh, I knew Nick didn't have SRM connections,
18 but that's nothing to do with the Federation.

19 Q. Well — and you've worked for the Federation,
20 correct?

21 A. Sure.

22 Q. You were an employee of the United States
23 Cycling Federation?

24 A. Didn't like it.

25 Q. But you were aware of how they went about

161

1 buying equipment, correct?

2 A. What do you mean by that?

3 Q. Well, they've got an office that has a number
4 of mechanics and a chief mechanic, and a person that
5 buys equipment for the U.S. National Team certainly
6 would be expected to buy items like SRMs, if the
7 Federation were to buy SRMs?

8 A. I think that's true, Chris.

9 Q. And I take it in your experience as an
10 employee of the United States Cycling Federation, you
11 never saw something like this, where an individual was
12 asking another, in your position, to create some
13 documents for some things that he wasn't actually
14 purchasing in order to get some money to that person so
15 that he could buy something for someone else, right?

16 I mean, the way that you were used to the
17 Federation getting their equipment was Keochi Yamaguchi,
18 if he was the chief mechanic back then, he bought it.
19 He ordered it, and it was mailed to him and an invoice
20 was sent to him and the Federation paid it?

21 A. My experience with the Cycling Federation back
22 in those days — and that's earlier than this, by five
23 years or so, and prior to that — was that there were
24 times when we had people in Europe who would buy stuff
25 in Europe and, oftentimes, for cash. So, you know, the

162

1 Cycling Federation got their red-label Sonderklasse
2 because we had somebody over there paying cash to
3 somebody for Sonderklasse, as far as I know, so...

4 Q. Yeah, but they would send a bill for that
5 stuff to the Federation?

6 A. Oh, there would be a bill, sure. I didn't
7 mean that the money couldn't go to the Federation, you
8 know, and them not get a bill and a receipt and all that
9 kind of stuff for it, you know.

10 At the time, this was when we were just,
11 you know, going into the Federation. We were gung ho,
12 and, you know, we were trying to do everything to
13 support it and make the program work for them and work
14 for Team EDS, as well, and...

15 Q. How much later than this happened did you form
16 suspicions about what had been done and questioned Nick
17 about it?

18 A. Well, within the next couple of months.

19 Q. Did you, at some point, tell Nick that you
20 would no longer do things like this?

21 A. I did tell Nick that I would —

22 Q. Did he ask you at some point subsequent to
23 when he made this — the request relating to these
24 invoices, to conduct a similar type of transaction, to
25 create some documents for some things that you weren't

163

1 actually purchasing in order to get money to him?

2 A. No, absolutely not.

3 Q. So did you, on your own and without there
4 being a second request for this type of activity, go to
5 him and say, I'm not going to be doing this anymore?

6 A. I — you know, I absolutely did, yes. No, I
7 was saying I wouldn't do this anymore. Whether I was an
8 employee or not, and whether the money went that route
9 or something, I just didn't comfortable.

10 Q. Did Nick tell you not to talk to anybody about
11 the fact that you had done this?

12 A. No, he really didn't.

13 Q. Did you feel free to talk to people about the
14 fact that you had done this?

15 A. I actually shared it with people over the
16 years.

17 Q. Who else have you shared it with?

18 A. I know Robin. Of course, Robin.

19 Q. Okay. Well, Robin is your wife?

20 A. Yeah. Brett, I shared it with. You know, Tim
21 Redus.

22 Q. When did you share it with Brett?

23 A. Oh, I'm sure years ago now.

24 Q. Okay. When did you share it with Tim Redus?

25 A. Probably the same time.

164

1 Q. Did you ever talk to anybody at the Federation

2 as to whether Nick had supplied them with SRMs or
3 heart-rate monitors that he had purchased?

4 A. No, and I asked the boys at — you know, up at
5 T-Town or wherever it was. When I asked the boys, they
6 said it was EDS — you know, EDS-sponsored equipment. I
7 thought, well, that's great.

8 You know, at the time, it kind of put
9 aside any nagging doubt that I had that Nick was
10 actually doing something else with this money. I
11 thought — I thought there were a number of
12 possibilities, you know, that Lisa Voight needed money
13 for one of her little funds or — you know, or something
14 like that.

15 Q. But if that were the case, given that EDS was
16 a sponsor of the United States Cycling Federation and
17 that Nick was the person who was in charge of that
18 relationship and managed that relationship, couldn't he
19 have just written a check to Lisa Voight or written a
20 check to the Federation for SRMs or heart-rate monitors?

21 A. There again, that's — you know, I certainly
22 did not understand the — and still don't — understand
23 the workings of what happens here within EDS in that
24 sense.

25 To my mind, I was — you know, the

165

1 budget, I've never seen. I've never seen any budget out
2 of this for the cycling team or anything else, but in my
3 mind, what he was telling me was that they just budgeted
4 too much on my line and that that's where we were going
5 to pull it out of.

6 My real question was, well — you know, I
7 wanted to do stuff for the Cycling Federation, I wanted
8 to be a good guy, too — is why, you know, if you were

9 buying 12 SRMs or 10 SRMs plus other stuff, you know,

10 well, why not let me do it?

11 Q. That's what would have made sense, right?

12 A. To me, it would have made sense.

13 Q. Right. Does this —

14 A. Why not let me do it?

15 Q. Does this make any sense to you?

16 A. Well, no.

17 Q. And doesn't it appear very suspicious to you?

18 A. Chris, it does now, and it was suspicious

19 enough at the time for me to ask Nick not to have me do

20 it again, but again, I kind of got confirmation when —

21 when I went up North and there was a bunch of new SRMs.

22 Q. Is it your understanding that in 1993, EDS

23 signed a sponsorship agreement of some sort with the

24 United States Cycling Federation to support the Cycling

25 Federation for the next four years, so for '93, '94,

166

1 '95, and '96?

2 A. Yes.

3 Q. And that pursuant to that sponsorship

4 relationship, EDS would be providing both cash and, in

5 kind, contribution services to the United States Cycling

6 Federation?

7 A. Yes.

8 Q. And so when you asked the riders at T-Town,

9 the National Team riders who are being supported by the

10 United States Cycling Federation, about the SRMs that

11 they had on their bikes, about the heart-rate monitors

12 that they were using and they said, well, it's

13 EDS-supported, it could have been through EDS' written

14 contract, the sponsorship contract, that that equipment

15 was being supported?

16 A. Could have been.

17 Q. And that equipment could have been purchased

18 by the Federation using funds that it had received from

19 EDS in connection with that sponsorship agreement,

20 correct?

21 A. Right.

22 Q. Okay. We've — do you agree that there is one

23 missing invoice of yours in that series? There is a

24 'DRT001, a 'DRT002, '3, there's not a '4, and then

25 there's a '5 and a '6.

167

1 A. Let me find mine. Here is a '4.

2 Q. Okay. And you're referring to a document

3 that's in the 1994 —

4 A. Uh-huh.

5 Q. Is it the '94 or is it the '93?

6 A. '95. '95.

7 Q. Okay. You're referring to a document that's

8 in the '95 tab of Exhibit —

9 A. 3.

10 Q. — 3? Okay. So there were actually six

11 invoices that supported a payment that you made to Nick

12 Chenoweth of an amount of money?

13 A. Yes.

14 Q. And I think we should probably figure out what

15 that amount of money is, at least according to the

16 invoices. Give me a second.

17 Okay. The six invoices that I have been

18 asking you about, do they total \$55,524.27?

19 A. That's what I have.

20 Q. What — and was that the amount that was paid

21 to you by EDS as a result of the six invoices?

22 A. Yes, as far as I know, Chris.

23 Q. Okay. What, then, did you do with that money?

24 A. Then I — I paid Nick on 1/27 — he asked me
25 to send it over in different amounts — 1/27, 2/1, 2/14,

168

1 2/10, 3/1, 3/22, and it looks like — and I have no
2 idea, but it looks like I shorted him — well, I've got
3 some possibilities here — shorted him \$7,427.47.

4 Q. Okay. You're — you're now referring to
5 Exhibit 10 and some notes that you've made about these
6 invoices?

7 A. Right.

8 Q. When did you create this document?

9 A. I just went through this, and this is just
10 yesterday. The only reason that I would have thought —
11 I would have thought to check this at all was because
12 when we met and talked about — talked about these
13 slips, when I recognized you were asking — when we
14 first met and when that whole question about Nick came
15 up, then I got to thinking about, oh, my gosh, you know,
16 wait a minute, I did something with Nick back then, and
17 then I brought these in —

18 Q. Exhibits 8 and 9?

19 A. Exhibits 8 and 9. When I brought in Exhibit 9
20 and we added those up, I thought that was — that these
21 two should have balanced, and I never thought a thing
22 about it.

23 Q. Did Nick indicate to you why you should send
24 the invoices in at different times?

25 A. Yeah, and I — I'm probably thinking at the

169

1 time he said he didn't want anything over \$10,000, or

2 something like that, to hit his account. I'm thinking
3 that he also indicated that they were going to be buying
4 these, you know, units, like, in March or April, and if
5 they had the money in by then, that that was fine. I
6 think it had more to do with money hitting his account
7 that was large, and that's a fear for everybody, I
8 think.

9 Q. Okay. So how did he tell you that he wanted
10 you to get to him the \$55,524.27?

11 A. To wire-transfer him to this account, the E.B.
12 Chenoweth or Nicholas E. Chenoweth account.

13 Q. So he gave you specific instructions that the
14 money should be —

15 A. Right.

16 Q. — transferred from an account that you had at
17 NationsBank —

18 A. Uh-huh.

19 Q. — to an account that he had at NationsBank?

20 A. That's correct.

21 Q. Had you — did you have an existing account at
22 NationsBank at the time he made the request?

23 A. Yes.

24 Q. And to your knowledge, did he have a
25 preexisting account at NationsBank at the time that he

170

1 made the request?

2 A. That was my assumption, at least. That's
3 his — you know, he and his mom are on that account,
4 so...

5 Q. When did — where did this — was this a
6 telephone conversation, or did this take place in a
7 meeting?

8 A. Telephone conversation.

9 Q. Do you remember where you were when he called?

10 A. At my home, I think.

11 Q. And do you remember where he was when he
12 called?

13 A. My assumption was here.

14 Q. Did you write down this information on these
15 account numbers and amounts and some forth — so forth
16 on some piece of paper somewhere?

17 A. Well, on this, you don't need an account
18 number. He just — he gave me the name, and because it
19 was a NationsBank account — I may have had an account
20 number at the time, but I don't remember.

21 Q. Well, let me refer you to Exhibit 8, because I
22 think you do need the account number that the money is
23 going to.

24 A. So he would have had to have given me that. I
25 wouldn't have had it otherwise.

171

1 Q. Okay. Do you recall making any notes about
2 all of this?

3 A. I'm sure.

4 Q. Have you looked for those notes in response to
5 this subpoena duces tecum?

6 A. I've looked for everything that has to do with
7 that and I don't see anything like that, Chris. I
8 wouldn't have had any reason to hang on to it.

9 Q. Did Nick indicate to you that you could keep
10 \$7,429 of this amount in exchange for creating these
11 invoices and transferring this money to him?

12 A. Absolutely not.

13 Q. What do you think happened to that other
14 \$7,429.47 that you can't account for as going into

15 Nick's banking account at NationsBank?

16 A. I think it — I think it didn't go to Nick's
17 bank account. I think — I think I didn't think that it
18 was supposed to go in there. I'm believing, to the best
19 of my recollection, probably what I did was — was
20 misadded all my invoices and billed for too much money,
21 to begin with, because in my mind, I thought I was
22 paying Nick \$48,000 or so. I think even the \$100 is —
23 is in error.

24 But I think it — you know, I wrote down
25 what I thought may have happened: hold pending another

172

1 purchase, I don't remember anything like that; sent
2 monies to Nick on request and forgot the extra amount,
3 I don't think I did that; travel or some other expense
4 was rolled into one of these invoices and I used the
5 money to offset those, I don't remember doing that.
6 Although, we were traveling very shortly after this.

7 I think I just accidentally billed an
8 extra invoice and — and never — because this isn't
9 something I balanced or anything, I never caught it.

10 Q. Okay. Well, then would you agree at this
11 point that you owe EDS \$7,429.47?

12 A. Actually, I think that's \$27.

13 Q. Excuse me. You're right.

14 A. And, yes, I would agree that I owe EDS
15 \$7427.47, and just like whenever I've caught other
16 errors throughout all of my invoices, I would pay that
17 back, and you have — you have been witness to see that
18 that's always been the case.

19 Q. Have you checked the bank statements that
20 you've brought here today to see if there was another

21 wire transfer — I keep saying wire transfer; I don't
22 think that's correct — another transfer of funds that
23 we don't have records for?
24 A. I really didn't get time, Chris, to do that,
25 but I don't think there is. I would have — I mean, if

173

1 I saved these, I would have saved another one, I'm sure.
2 And besides, I checked my check box where all my checks
3 are, you know, check file, and these were in their
4 proper places, but there's no more.
5 I think I simply forgot. I think I — I
6 honestly think what I did was overbilled, in the first
7 place, didn't catch it, didn't realize it, he didn't ask
8 for any more money, and I just didn't pick up on it.
9 And because, if you look at my — when you look at the
10 bank statements, you will see that at times my account
11 is pretty fat, but most of the time it's real slim, and
12 I'm paying for things for the team, the hotels and the
13 food and all that, on a very, very slim budget.

14 And a lot of the times, sometimes — and
15 you know, if I got to balance or try and balance once a
16 year, that was a big deal. So, you know, I'm just
17 thinking, okay, well, we've \$10,000 in there, great, we
18 can do another trip, you know.

19 Q. The expenses that you paid for the team, I
20 think that you've already mentioned today that you
21 principally paid for those with a debit card?

22 A. For the most part, yes.

23 Q. Did you also pay expenses by check?

24 A. Occasionally.

25 Q. And those expenses, then, would be passed on

174

1 to EDS through your invoices and you'd be reimbursed?

2 A. Right.

3 Q. Now, you've mentioned you've got, I guess,

4 boxes of canceled checks?

5 A. I have check files with canceled checks. I

6 have receipts. I have boxes of receipts. I've never

7 really thrown any receipts away.

8 Q. Okay. I think all of that stuff is responsive

9 to the subpoena duces tecum.

10 A. You want all of those receipts?

11 Well, Chris, let me ask you this, since

12 that's about this. You — here we've got this form from

13 you that you need to go to the bank, and the bank, once

14 you produce, you know, says signature cards, loans,

15 agreements, documents, documents. I mean, it's

16 everything. Copies of checks, deposits of checks,

17 electronic funds transfers, records of automatic-teller

18 machines. Is there anything that they're not going to

19 give you?

20 Q. Well, that's going to cost me thousands of

21 dollars, to get that stuff from NationsBank. So if

22 you've got it —

23 A. Well, I've told — I've already got it.

24 Q. — it will save me a lot of money to get it

25 from you, the canceled checks, the statements, what have

175

1 you, whatever you've got, and I think that it's in your

2 interest to allow us the opportunity to confirm that all

3 of the expenses that you've submitted to EDS to have

4 reimbursed to you and that EDS did reimburse to you were

5 actual expenses that you incurred.

6 A. Well, you are — you are welcome to do all

7 that.

8 Q. I think that's in everyone's interest that we
9 do that. So do I want it?

10 A. That is no problem.

11 Q. I certainly want to reserve the right to get
12 that documentation from you. I understand that you
13 didn't bring it here with you today, and I'll follow up
14 with you —

15 A. Yeah. You know I'll drop it off.

16 Q. — on — on getting that information — or
17 documentation.

18 A. I believe that I have voluntarily brought
19 you — as I've told you before, that I would be glad to
20 provide you with anything. I just want to know how and
21 why.

22 Q. Well, that's — that's the explanation why,
23 and I think you can see that it makes sense.

24 A. That's fine.

25 Q. Would you agree with me that — well, let me

176

1 ask the question a different way.

2 The six invoices that we've talked about
3 that you've created to get this roughly \$55,000 to Nick,
4 these invoices contain — or indicate that you
5 purchased, for EDS, equipment which, in fact, you never
6 did supply to EDS and never did purchase for EDS?

7 A. I would agree with that, but in my mind, I was
8 purchasing — or we were purchasing.

9 Q. And that EDS paid each one of these six
10 invoices to you?

11 A. Right.

12 Q. And likewise, with the initial two invoices
13 that we've talked about, the 94SkipFES001 and the

14 94SkipFES002, those invoices also reflect the purchase
15 of equipment by you for Team EDS, which, in fact, you
16 never purchased and that EDS never received the use of,
17 but for which EDS paid?

18 A. Well, that's correct, but I thought those
19 invoices were changed, remember that.

20 Q. Are there any other documents such as the ones
21 that we've just talked about where —

22 A. No.

23 Q. — there are invoices that — for equipment
24 that you're indicating you purchased for EDS that, in
25 fact, you did not purchase and that EDS did not receive

177

1 the use of, but that you were paid for?

2 A. Not to my knowledge, and the bulk of it is —
3 is, of course, Corima, and I think it's in the books.
4 It's all —

5 Q. Okay. Well, I'm asking you to think real hard
6 about that, because if there's anything else, I want to
7 know it now.

8 A. Well, if there's anything else I can think of,
9 I will tell you now. Do you have anything in mind, any
10 questions?

11 Q. Okay. Let me show you the next five pages of
12 Exhibit 22 and ask you if you can identify what those
13 are?

14 A. They look like just payments.

15 Q. For what?

16 A. For coaching.

17 Q. So that would be payments towards the annual
18 amount that you had agreed with Nick that you would be
19 paid for being Team EDS' coach?

20 A. Right.

21 Q. Who did you negotiate your — your coaching
22 relationship with or the financial details of that?
23 A. I'm not sure you could call it negotiate, but
24 Nick, only Nick. Who else was there?
25 Q. Did you feel free to discuss with others how

178

1 much Nick was —
2 A. Others on the team or in general?
3 Q. — Nick was paying you? Others in general.
4 A. Yeah.
5 Q. Did you ever discuss that with anyone else?
6 A. Any team members?
7 Q. Well, no, anyone, how much you were being paid
8 to be the coach for Team EDS.
9 A. I don't think I really kept it a secret. I'm
10 not sure that it was something people asked.
11 Q. Did Nick ever give you any indication that you
12 should not?
13 A. Always, among EDS, it was my understanding
14 nobody was to talk about their compensation, and nobody
15 ever asked me.
16 Q. Okay. Did Nick actually state to you that you
17 should not indicate to anyone in EDS, any employees of
18 EDS or anyone associated with EDS, how much —
19 A. I don't think so.
20 Q. — he was — let me finish the question.
21 A. Excuse me.
22 Q. Did Nick ever indicate to you in any way that
23 you should not reveal in any manner to anyone associated
24 with EDS, employed by EDS, how much he was paying you to
25 be the coach of Team EDS?

179

1 A. I don't think so.

2 Q. Did you ever come to have an opinion that he
3 expected you not to reveal to anyone associated with EDS
4 how much he was paying you to be the coach of Team EDS?

5 A. I think I felt like because within EDS,
6 salaries are not discussed person to person — and I had
7 heard that from numerous people — that that was
8 something that you didn't discuss among EDS people.

9 Q. The six invoices that make up the \$55,000,
10 roughly, that was paid by you to Nick — the invoice
11 number is 94SkipDRT006. What does the DRT stand for?

12 A. I don't remember.

13 Q. Are those D'Rinda Taylor's initials?

14 A. They are D'Rinda Taylor — I mean, they are D
15 and T.

16 Q. Do you know what D'Rinda's middle name is?

17 A. No idea. No idea at all.

18 Q. Do you recall what they stand for?

19 A. No, I — I knew that I didn't want to make
20 them SRM because SRM was something I figured we'd be
21 using later ourselves, and, you know, I wanted to keep
22 them identified. Of course, I don't know why I changed
23 over my other — just the year, day, and month. No, I
24 don't, Chris.

25 Q. Had you, prior to Nick asking you to create

180

1 these invoices, purchased SRMs for Team EDS?

2 A. I don't think so.

3 Q. The invoice numbers for the last set of
4 invoices that I asked you about which you said were
5 payments towards the annual amount that you were to
6 receive for being Team EDS' coach, they have an invoice

7 number of 95Skip7, sometimes 'Skip8, 'Skip9, 'Skip10.

8 Would it be generally correct that I ought to see, for

9 '95, 'Skip1 through '12?

10 A. I don't know. I didn't make those.

11 Q. Okay. So the ones — these ones that I've

12 just recently asked you about, these five pages that are

13 Bates-stamped '31193, '94, '95, '96, and '97, those were

14 all created by either Jennifer White or D'Rinda Taylor.

15 Is that your belief?

16 A. That's my belief, yeah.

17 Q. Do you know when D'Rinda Taylor started as an

18 admin for Nick Chenoweth?

19 A. No.

20 Q. And actually, here's an easy way to answer

21 this question. They're directed to Jennifer White.

22 A. Yeah.

23 Q. So it's probably safe to assume that at this

24 point, she was still Nick's admin. Would you agree with

25 that?

181

1 A. Yeah.

2 Q. Is there some way to tell, other than that

3 these are for your annual payment for coaching, that

4 Jennifer created these as against the others that we've

5 talked about already?

6 I'm looking at the forms, and they appear

7 to be very similar. I guess the ones dealing with the

8 amount that you paid to Nick have your fax banner on

9 them indicating that it was faxed from you to someone.

10 A. Someone over here.

11 Q. There's no recipient phone number. There's

12 just an indication of your fax number, I believe. Is

13 that right?

14 A. No, there's a phone number on there.

15 Q. Right, but that's your fax number, correct?

16 A. Oh, I see what you mean. Yeah, that's my
17 number.

18 Q. So you were looking at the first page of
19 Exhibit 22, at the top, (214) 527-9609. That's your fax
20 number?

21 A. Yeah.

22 Q. I'm now going to ask you about the next
23 invoices in Exhibit 22, and these are Bates-numbered
24 031198, '99, '00, '01, '02, '03, '04, and '05 and '06,
25 and I think that there might be duplicates here. I

182

1 think the first two pages are duplicative of pages 3 and

2 4. Can you tell me what those invoices are for?

3 A. General team equipments, team meals at some
4 place, Los Angeles. And then these?

5 Q. Yeah. What page is that, the Bates number,
6 Skip?

7 A. '31202. It's just another payment.

8 Q. Towards the annual amount for your coaching?

9 A. Towards the annual amount.

10 Q. Okay.

11 A. And this is at Kutztown. Well, no. This
12 is — oh, part of the time at T-Town and part of the
13 time at Seattle, CoreStates, and this is just more of
14 the same: hotels, food.

15 Q. Now, you mentioned earlier that you've got a
16 box or boxes of receipts?

17 A. Yes, I do.

18 Q. And are those receipts support for the items
19 that are listed on these invoices and others that are

20 likely part of Exhibit 22?

21 A. They are. Of course, you'll have to identify
22 them. They're all numbered, but the numbers have long
23 ago been mixed, and also, you know, there's a set of
24 receipts that are 1, 2, 3, that match here, but some of
25 their paper slips have long ago come off.

183

1 Q. And is it your belief that, generally
2 speaking, you have receipts that support all of these
3 expenses?

4 A. No, no, it is my belief — I mean, something
5 like this, Shimano cleats, 20 pair, I bought those, as I
6 recall, at a bike shop in — outside of Allentown,
7 Kutztown. I know I bought them there, you know, 20 pair
8 at \$100, and I'm sure I have a receipt for that, but if
9 I bought them from Valdic, for example, there would be
10 no receipt. I may have handwritten something. There is
11 some of that. There is some of that.

12 But for the most part, yeah, I mean, I
13 just — like I do now, I put all of my receipts on top
14 of the dresser, and, you know, at some point or another,
15 I — I don't have to do reimbursements for them anymore,
16 but what I used to do is just pile them all together or
17 put them in my briefcase, and at some time, I would sit
18 down in the evening or in the afternoon and I would just
19 make a number and put it on, make a number and put it
20 on.

21 So they could be from several different
22 times or they could be from — you know, from one trip
23 or several trips. I tried — and, I mean, in defense of
24 D'Rinda and I think Nick even once spoke once about it,
25 you know, they tried to get me to do it every couple of

184

1 weeks or every few trips, but there was no way. I was
2 way busier than that. So I'd just have to sit down, and
3 sometimes, you know, there would be — they would be
4 huge, but...

5 Q. Okay. Let me hand you Bates page 031207 and
6 '08 of Exhibit 22 and ask you to identify what that
7 invoice is for?

8 A. This is for expenses breakdown. Worldway for
9 Colombia, a ticket to the — a ticket to Colombia for
10 the Worlds, a payment to Paul Swift for the Nationals.
11 So Paul Swift was the tandem driver.

12 Q. In what year?

13 A. This was 1995. And Briarcliff Apartments. So
14 that's when we all stayed at — in Kutztown at the
15 apartments, at the Briarcliff, and I paid for all of
16 that rent, as you know.

17 Q. Okay. I believe there's a second page of that
18 invoice.

19 A. Okay. That — isn't that this? Yes. What
20 they had me do for a while — what Nick had me do for a
21 while was I would do my — my breakdown here for — like
22 he said, well, you know, also make it for additional
23 services. And to me, because it just comes back as one
24 deal, it didn't matter.

25 But he says, you know, based upon how

185

1 your account is, we may put it through as additional
2 service or we may put it through as an expense. It just
3 depends upon where it's funneled. To me, I sent in
4 both, so this is the one that I had.

5 Q. Did he — did he explain in more detail why he
6 wanted you to send in two invoices for —

7 A. Just all about accounting.

8 Q. And what did he say about accounting that —
9 that caused him to believe that that was what you should
10 do or caused him to ask you to do that?

11 A. Initially, when they did the accounts for the
12 year, you know, they would put X amount into service for
13 me and X amount into equipment and X amount into travel
14 and X amount — and so they were trying to keep those
15 things in balance. That's all. And to me, it kind of
16 made sense, as long as I had both going in, you know,
17 and I had exactly down what I was doing, you know, and
18 this is it.

19 Q. So for this invoice number 95SCR0831, which is
20 Bates-stamped 031207 and 031208, you were only paid one
21 time?

22 A. Yes.

23 Q. Do you still have the computer that you
24 created all these invoices on?

25 A. I told you it went down.

186

1 Q. I understand, but do you still have it?

2 A. One of them you have, that little laptop.
3 That probably was used back in this day.

4 Q. Okay. So there was a laptop that EDS provided
5 you to — that you used to create some of these
6 invoices?

7 A. Uh-huh.

8 Q. Did you also have a desktop computer that
9 you, at times, used to create invoices?

10 A. Yeah.

11 Q. Is that the one that the hard drive went bad
12 on?

13 A. Yes, it is.

14 Q. Do you still have that computer?

15 A. Uh-huh.

16 Q. Has the hard drive been replaced?

17 A. The hard drive has been replaced and now

18 there's two hard drives in it.

19 Q. Two good hard drives?

20 A. Uh-huh.

21 Q. So the bad hard drive has been taken out and

22 thrown away?

23 A. Well, I don't know what Micro Center does with

24 them, but I assume you can keep them.

25 Q. Okay. So generally speaking, anytime I see an

187

1 invoice that has, for additional services rendered,

2 added and then there's some event and date, there's

3 going to be another invoice that you sent in that would

4 actually have the itemized —

5 A. That's correct.

6 Q. — expenses that make up the total amount

7 that's on the one that just says, for services; is that

8 right?

9 A. That is correct.

10 Q. And which one was used to pay you, you don't

11 know?

12 A. No. I am assuming this one, the one that

13 shows the itemized expenses, but I don't know.

14 Q. D'Rinda or Nick or Jennifer were the ones that

15 decided which one they were going to use to pay you on;

16 is that right?

17 A. Yeah.

18 Q. Did you, at times, send in invoices in

19 anticipation of upcoming receipts for travel or events?

20 A. Occasionally.

21 Q. Was that something that Nick Chenoweth

22 authorized you to do?

23 A. It would only be with authorization, sure.

24 Q. Let me show you Bates page 081213 of Exhibit

25 22.

188

1 A. Okay. Uh-huh.

2 Q. And ask if you can identify that document?

3 A. Right. And this was for cash to go down to

4 Bogota with.

5 Q. So that would have been one that was sent in

6 in advance?

7 A. Right, and it was very rare for this kind

8 of — I don't know that — I mean, maybe — maybe for a

9 Manchester lunch or something I might have gotten it in

10 advance, but this is very rare. And of course, the

11 problem being with South America, you're never sure

12 what's going to work down there, other than cash.

13 Q. What steps would you take to account for your

14 cash expenditures and to then reimburse EDS if you

15 didn't spend the full amount that had been paid to you

16 by EDS in response to an invoice?

17 A. Well, A, I always spent — in this — this is,

18 really, the only one I can think of — there might be

19 more, but I spent way more than that; and, B, I sent in

20 a little summary of that, and I have — I have the —

21 the receipts.

22 Q. Do you recall how much Paul Swift was paid to

23 drive the tandem for Nick Chenoweth?

24 A. I think we saw \$3,000 there.

25 Q. Do you recall if that's the total amount he

1 was paid?

2 A. No, I don't.

3 Q. Do you think that there was more than \$3,000

4 paid to Paul?

5 A. No. I think that was all.

6 Q. Did Paul receive any other form of

7 compensation for driving a tandem for Nick?

8 A. In '96, he was going to drive a tandem,

9 remember, and then — and then Marty came through, you

10 know, with the Corima tandem and all that, and Marty

11 came through and then had crashed, but that year, he got

12 a Meteron, you know, a Meteron sprint bike.

13 Q. Okay. That's a track frame?

14 A. Track frame.

15 Q. And fork?

16 A. And fork.

17 Q. That EDS paid for?

18 A. Right.

19 Q. How much did it cost?

20 A. I think about \$2,000.

21 Q. Who paid for it?

22 A. I don't know.

23 Q. Initially, who paid for it?

24 A. I don't remember whether I did initially or —

25 or it was done some other way. I really don't.

1 Q. Did Nick Chenoweth pay for it?

2 A. I'm sure Nick didn't pay for it out of his

3 pocket.

4 Q. Well, did Nick pay for it with EDS money, to

5 your knowledge?

6 A. I don't know, Chris. I just don't remember.

7 Q. Now, I think earlier today you — you said
8 that certainly Nick never paid with his money for
9 anything, and I want to make sure that it's clear. When
10 you say, his money, to your knowledge, did Nick pay for
11 various expenses? We've talked about travel expenses,
12 entry fees, equipment, that sort of thing. Did you ever
13 see Nick paying for those sorts of things with EDS'
14 money?

15 A. I never saw him really pay that much that way
16 either.

17 Q. Okay. When you said he didn't pay with his
18 money, you weren't meaning to imply his versus EDS';
19 you never saw him pay for anything when Team EDS was
20 traveling, for the most part?

21 A. Yeah.

22 Q. I understand he may have bought something here
23 or there, at the magazine store or something.

24 A. Yeah. Occasionally, I — I think early he
25 did, like, a team dinner or two when we were in L.A. I

191

1 don't remember there, even.

2 Q. Okay. I'm going to show you what's
3 Bates-stamped 031214 of Exhibit 22 and ask if you can
4 identify that invoice and what it's for?

5 A. So that's sent to Jeff. Are these the same
6 ones? Reimbursement to Jeff Solt.

7 Q. Okay. Who is Jeff Solt?

8 A. Jeff Solt is a rider who rode with us part of
9 the time.

10 Q. A guy who rode with — with on — in what
11 event?

12 A. When is this? 1995? I don't remember, Chris.

13 Q. Did Jeff Solt ride on an Olympic sprint team

14 that Nick Chenoweth was a part of?

15 A. He did in Manchester. It's probably the same

16 year, isn't it? He may have — he may have ridden on

17 the Olympic sprint team that year that Nick Chenoweth was

18 a part of.

19 Q. Whose decision was it that Jeff Solt should

20 receive —

21 A. Always Nick. \$3,500.

22 Q. — some payment from EDS?

23 A. That would be Nick.

24 Q. And is it your understanding that that payment

25 was directed to be made to Jeff by Nick because Jeff had

192

1 ridden on the Olympic sprint team that Nick was also a

2 part of — or let me put that a different way — because

3 Jeff had agreed to ride on Nick's Olympic sprint team?

4 A. I — I would think the more fair way of

5 putting it would be that he agreed to ride for Team EDS

6 in some form or another, and there's not just Jeff,

7 there's a lot of guys having to do with Nick and

8 everybody else on the team at some time or another.

9 I think the difference is, when it was

10 with Nick, it's usually more money, but there was

11 support riders all along, beginning in 1992.

12 Q. That were paid thousands of dollars to ride

13 for the team?

14 A. They were paid in some way or another.

15 Q. And when I say paid, I mean paid money versus

16 their expenses were covered.

17 A. Well, in some — in some instance, I think

18 Jeff's expenses were covered over there, but in some

19 instances, maybe it's covering their expenses.

20 Q. Okay. On this invoice that I showed you it's,
21 again, one that was sent in in two different ways. The
22 first one saying, for services rendered at the Masters
23 World Championships for \$3,500, and then the second
24 version of it says, reimbursement to be sent to Jeff
25 Solt for \$3,500. Does that refresh your recollection

193

1 that Jeff did ride on the Olympic sprint team at the
2 Masters World Championship in Manchester?

3 A. I think he probably did. I think that's the
4 year that Jeff was probably there with us in Manchester.

5 Q. And rode on Nick's Olympic sprint team?

6 A. Yes.

7 Q. Are you familiar with what this notation is at
8 the bottom of the majority of the documents that I'm
9 asking you about that are part of Exhibit 22, this
10 notation that reads, completed, and then there is a
11 number, sometimes a date — I think usually a date?

12 A. Not really.

13 Q. Is that writing that you put on the document?

14 A. That I put on this?

15 Q. Yes.

16 A. Here's what my documents look like, Chris.

17 Q. Okay. So the writing is not on yours. So,
18 then, is the answer to the question no?

19 A. No.

20 Q. Okay. You didn't put that writing on there?

21 A. No.

22 Q. Let me show you the next three pages of
23 Exhibit 22. They're Bates-numbered 031216, '17, and
24 '18, and can you tell me what that invoice is for?

25 A. This is Corima bikes coming from — it's

1 probably the first — first two frames, and this is a
2 duplicate of some kind. This is a duplicate of this, so
3 you've got another duplicate here.

4 Q. Okay. Now, what I'm wondering about is the
5 fact that there are two different completed dates on
6 this, which makes me wonder if that invoice wasn't sent
7 through and both of its versions —

8 A. Oh, I see.

9 Q. — was paid to you twice. It appears that it
10 was sent through on —

11 A. Uh-huh.

12 Q. — 10/2/96 in the version that you sent in
13 saying, payment for Corima bicycles, and then it appears
14 to me that the next day it was sent through, 10/3/96, in
15 the version that you sent in for additional services
16 rendered for Trexlertown Grand Prix.

17 A. Well, why don't we look. What's the date?

18 Q. 10/2/96 and 10/3/96.

19 A. Now, I was overpaid, as you saw when you
20 looked through all of those, or something, at one point
21 or another about \$7,000, and that was returned. I think
22 that was much later. Well, no, just paid one time, but
23 there was a double payment to Jeff Solt, which was then
24 deducted.

25 Q. How much was the payment to Jeff Solt?

1 A. It was \$3,500, wasn't it? But somehow that
2 went through as \$7,000, and then that was — that was
3 deducted from a future invoice, and that shows on the
4 invoices, and, no, that's only one time.

5 Q. Is there any such event known as the

6 Trexlertown Grand Prix that's held in September of
7 nineteen — that was held in September of 1995, in fact,
8 September 31st of 1995?

9 A. Oh, I don't think so. I don't know.

10 Q. Who came up with the idea to send in an
11 invoice for services rendered at an event that didn't
12 exist?

13 A. Probably me.

14 Q. And why would you have done that, Skip?

15 A. Always, remember, with one of these, they were
16 asking for an invoice that was — that could go in the
17 service part. That's all.

18 Q. Okay. And this — this whole thing about
19 creating two different forms of invoices, one that
20 reflected, it appears in some instances, equipment that
21 was actually purchased or expenses that were actually
22 incurred, and then another one that, at least in this
23 instance, is fictitious —

24 A. What's fictitious here?

25 Q. There were no services rendered at the

196

1 Trexlertown Grand Prix.

2 A. Right. Here's the invoice, Corima bicycles.

3 Q. Okay. Well, what would have been the reason
4 that was explained to you by someone for giving Nick the
5 option of deciding whether or not he should account for
6 expenses that he was paying with EDS money with accurate
7 documents — or —

8 A. Or inaccurate documents.

9 Q. Yeah, or false documents, fraudulent
10 documents?

11 A. Well, I was only — only told, Chris, and I

12 bought into it, that they would — it really didn't
13 matter, that it was — it was just this whole thing of
14 how they had done the budget originally.

15 Q. Did you ever —

16 A. And I never really gave it much thought.

17 Q. Did you ever form an opinion that Nick might
18 have been trying to hide the true nature of the expenses
19 that he was incurring and to hide those from his
20 management?

21 A. Well, I should have, but I didn't.

22 Q. You never wondered that?

23 A. Not really, not during those years.

24 Q. You created a false document, a document
25 that's admittedly fraudulent and — and never wondered

197

1 why Nick was asking you to do that?

2 A. Well, no. We've already gone through that.

3 Nick explained why to send in a service thing.

4 Q. Okay. Did the explanation make sense to you?

5 A. Yes, at the time it made sense to me.

6 Q. You didn't question the explanation?

7 A. Obviously, I sent it in, didn't I? I sent it
8 in, so I did not question the explanation. I thought I
9 was working well with — I also thought everything was
10 checked internally, et cetera, et cetera.

11 I mean, remember, I thought everything
12 was added and audited and checked. I had stuff stopped
13 at times for — for, you know, four or five, six days
14 while they audited all the stuff I was doing. I thought
15 there was numerous checks on this stuff.

16 Q. Well, Skip, as we go through these documents,
17 we're going to continue with more of the same, where
18 there are documents, again, that are for services that

19 weren't actually rendered —

20 A. So we need to look at every one, or can't we

21 just say —

22 Q. Well, let me finish my question. And we're

23 also going to find that as the years go on, you're paid

24 more and more money, and I think by 1999, you're getting

25 paid in excess of \$100,000 to be Team EDS' coach.

198

1 A. That's not true.

2 Q. Well, as I understand it, the monthly note

3 that was to be paid to you was \$9,000 in 1999?

4 A. No. 1999 was — well, I've got it here

5 somewhere. Well, maybe it was.

6 Q. Okay. My question is: Did you ever just turn

7 the blind eye to this activity for fear that you were

8 going to lose what was, for you, a very lucrative

9 arrangement with EDS?

10 A. No, I did not turn a blind eye to this or

11 anything else. I often went in and risked being fired,

12 but not on the basis of this, because I don't understand

13 this and never have, but always on the basis of —

14 Q. Well, are you telling me today you don't

15 understand this?

16 A. Well, I understand it better, but still, if

17 you — if you came to me and — well, forget it. The —

18 where I put my energies into the battle was always on

19 behalf of the athletes, and I often thought that I would

20 be let go. Not often, once or twice a year I thought I

21 would be let go for something.

22 Q. For arguing about what?

23 A. Arguing about road travel, oftentimes. Every

24 year at least one time over road travel. Often about

25 Danny Wilson's presence on — on or around the team,

199

1 about the — the treatment we had from the Federation.

2 I mean, any number of things.

3 Q. What was — did you think that the team was

4 racing and traveling to the extent that it should in

5 order to get the results that it was expected to get?

6 A. Absolutely not. I thought I and —

7 Q. Additional travel —

8 A. I thought I and we did miracles.

9 Q. Additional travel would have meant additional

10 expense, correct?

11 A. Nevertheless.

12 Q. Okay. Let me just — would additional travel

13 and the additional racing that you wanted the team to do

14 and that you frequently argued for and thought was —

15 the arguments were going to cost you your job, would

16 that travel and racing have led to additional expense to

17 EDS?

18 A. I believe so.

19 Q. And was Nick's objection to that additional

20 travel and racing the additional expense? Was his —

21 was his —

22 A. Well, sometimes —

23 Q. — resistance to it the fact that it was going

24 to cost him more money? He was going to have to spend

25 more money on it and he didn't want to?

200

1 A. At times, he would use that argument.

2 Q. Was that the principal argument that he used?

3 A. I think the principal argument was that we are

4 a, quote/unquote, track team.

5 Q. Okay. Well, a track team, in his definition
6 of it and what it does, is a lot less expensive than
7 what you wanted to do and what you believed would get
8 the team the results that it was capable of and that, in
9 your view, would have been a much more valuable thing
10 for EDS to have, correct?

11 A. That is correct.

12 Q. And knowing what you know now, it appears that
13 the fact that the team wasn't able to do that was
14 because Nick Chenoweth was stealing money from EDS?

15 A. That would be what I feel for sure now.

16 Q. And so the riders that dedicated their lives
17 to training and competing for Team EDS with the hope of
18 winning World Championships, setting national records,
19 world records, going to the Olympics, that lost time
20 with their families, made sacrifices in careers and
21 salaries, didn't achieve some of those goals, in part,
22 because Nick Chenoweth was stealing from EDS?

23 A. I would absolutely agree with that. I think
24 from my — and we've talked about this — from my point
25 of view through those years, you know, I had always

201

1 hoped for more of a breakthrough of some kind, and
2 finally got so frustrated that I said, well, when Chris
3 retires, why don't you just have sprinters, why don't
4 you just make it easy on yourself not to have any people
5 on the road, if that's what you want. He thought that
6 was a great idea, but it's not what we set out to do.

7 Every year, I thought, well, you know, we
8 can find a better way of doing this. That's the one
9 year — when you look through the notes, you'll see that
10 I had this whole per diem program planned so that we
11 could go race our bikes, work off of a limited amount of

12 money that we knew, but go wherever we wanted to go and
13 do it. If you don't race, you can't compete.
14 Immediately shot down, absolutely shot down.
15 I mean, in so many ways, the only memo
16 I've got in there from him is, like, an end-of-August
17 memo, and at the end of August, he says, that's it for
18 the year, we're shut down as a team. That's at the end
19 of August. And you know, as a competing athlete, you
20 compete from the first of March until, these days, the
21 end of October, and yet we were shut down in August
22 because Nick said there was no money. That's just not
23 true.

24 And then every year, we also had that
25 whole thing, well, gosh, it's the end of the year, now

202

1 we've got to come up with — we've got to buy equipment
2 right now because we've got money we need to spend. Of
3 course, I was used to that from teaching. That's
4 exactly the same way in teaching. So I'd have to put
5 together an equipment list, you know, right away.

6 It was not fair, and riders changed their
7 lives. But all riders, you know, in a sense, too,
8 choose this route, as well, but just didn't know what it
9 was going to be, just like me.

10 MR. CARLSON: Object to the extent that
11 answer was nonresponsive to the question.

12 A. What was the question? Yes.

13 Q. Skip, I think you told me about this document,
14 the one that's Bates-stamped 031216. This is for the
15 purchase of the first two Corimas?

16 A. I believe so.

17 Q. Okay. So whose Corimas?

18 A. Trey, Nick.

19 Q. Those were the ones that I've described as
20 being pearl-black?

21 A. Yes.

22 Q. How much does a Corima sprint frame cost?

23 A. About \$3,200 or 50 or so is what we paid then.

24 Q. Is it your recollection that that was what was
25 paid for the first two that we purchased?

203

1 A. We weren't paying our — our sponsorship
2 price.

3 Q. Okay. So that — would you agree that that
4 accounts for the approximate — that accounts for two of
5 the approximately 13 Corimas that —

6 A. About, yes.

7 Q. — you and I have determined EDS purchased
8 from Corima? Is that a yes?

9 A. Yes.

10 Q. Okay. Let me show you the pages that are
11 Bates-stamped 031219 all the way through 031228. It's
12 part of Exhibit 22. And those are all of them. There
13 could be some missing. The Bates — the Bates range may
14 not be consecutive. There may be some Bates numbers
15 that are missing. Can you tell me what those invoices
16 are for?

17 A. That's just regular payments. Here's one,
18 additional services at the Worlds, but I don't see the
19 other one along with it. Here's one for Atlanta, but
20 the other one is not with it. And then here's one
21 for — in part, for the World Championships in Bogota,
22 Colombia, and the pre-Olympic meet at Atlanta, Georgia.
23 These are just payments in there, Chris.

24 Q. All right. Let know show you the

25 Bates-stamped pages of Exhibit 22 that are numbered

204

1 031229, '30, '31, '32, '33, '34, '35, '36, '37, '38,
2 '39, '40, '41, '42, '43, '44, '45, '46, '47, '48, '49,
3 and '50, and ask — let me ask you if you can identify
4 what those invoices are for?

5 A. Let's see. We talked about this, too. Let's
6 see if they're all the same. These all say, Corima — I
7 assume they all say — they do. They all say, Corima
8 road bike. There's two of the same ones, Chris. We've
9 got two here, again. They are the same number on the
10 bottom, too.

11 Q. Okay. So Bates pages numbered '49 and '50
12 appear to be duplicates?

13 A. This was for the initial large order of Corima
14 equipment, of which there may have been a couple of
15 bikes in there. You can refer to the Corima stuff in
16 there. This is for the initial large order of Corima
17 equipment, which the bulk of it is wheels.

18 Again, you know, Nick said to put it
19 through as road bikes or, you know, Corima road bikes
20 because they simply weren't set up to do all of the
21 miscellaneous stuff. They just wanted it to go into the
22 bikes, and so I just sent it in as bikes, but it's
23 all — it's all the Corima equipment. It's all there.
24 It all matches up, so — per penny.

25 Q. Okay. So you were paid the amounts that you

205

1 submitted on all of these invoices?

2 A. Uh-huh.

3 Q. And all of that money that you received, then,
4 you took and paid to Corima for Corima equipment, but

5 not necessarily the Corima equipment that's reflected on
6 these invoices?

7 A. Right.

8 Q. And, in fact, you believe that it was probably
9 very little of the Corima equipment that's reflected on
10 these invoices —

11 A. Right.

12 Q. — because these are all bicycles? And as a
13 matter of fact, I think, you believe that all that was
14 purchased was wheels?

15 A. Are you done?

16 Q. Yes.

17 A. Wheels and all of the — wheels, seatposts,
18 all of the other parts, and mainly, the bulk of it is
19 wheels, and there's probably a couple of frames in
20 there, too, special handlebars.

21 Q. And Nick said to you that he wanted you to
22 send it in as invoices for road bikes because they
23 weren't set up to receive invoices for wheels?

24 A. Well — and again, as I recall — I mean, I
25 just didn't do this on my own volition because it was

206

1 easier. I could have sent wheels, as well.

2 I had already sent in the order to him.

3 There should be something in the file that shows all of
4 the stuff that — you know, that I had lined out, in
5 terms of wheels and how much, et cetera, et cetera. So
6 there should be something there showing all of that.

7 The only — it's about \$50,000. The only
8 question on — on that was, as I recall, just where he
9 wanted to put it. So he said, you know, it doesn't
10 matter, it's just all — it's all bike stuff, just put

11 it down as — as Corima bikes and send it in that way.

12 Q. Okay. But if it doesn't matter because it's
13 all bike stuff, why couldn't it be sent in as the actual
14 bike stuff being purchased?

15 A. I don't know.

16 Q. Did he ever say to you that he felt like he
17 could better justify with his management the purchase of
18 bikes, because everyone understands that a bike racing
19 team needs bikes, than he could explain to them why the
20 team needed \$50,000, if that's what it is — we're going
21 to find out here in a minute — of wheels?

22 A. Maybe. What you're saying sounds plausible.

23 Q. Okay. But my question was: Did he ever say
24 that to you?

25 A. Not that I recall, but he did say, draw it up

207

1 as bikes, and he did say, it doesn't matter.

2 Q. Okay. So for the invoices that we've just
3 identified, would you agree that, again, they are
4 invoices for equipment that was not actually purchased
5 by you for Team EDS, but EDS did pay these invoices to
6 you?

7 A. The equipment wasn't purchased.

8 Q. The equipment reflected in these invoices
9 wasn't purchased, correct?

10 A. That is correct.

11 Q. What's the significance of putting, Corima
12 road bikes serial number T004?

13 A. I don't know at all.

14 Q. Are there serial numbers on Corima road bikes?

15 A. Uh-huh.

16 Q. Where are they located?

17 A. I think — well, maybe it's on the other track

18 bikes, but I think there's — there's a tiny serial

19 number back on the dropout.

20 Q. But these serial numbers, T004, in no way

21 reflect real Corima serial numbers; is that right?

22 A. No.

23 Q. Who made the — did Nick say to you that he

24 wanted them sent in as Corima road bikes?

25 A. I think so.

208

1 Q. Did he tell you to put serial numbers on them?

2 A. Probably.

3 Q. And the dates of these invoices would have

4 been in a time period when the Corima sponsorship

5 agreement was in place; is that — is that correct?

6 A. That's correct.

7 Q. December of '95. So the amounts for these

8 road bikes is way out of line. Would you agree with

9 that?

10 A. Yes, I would agree with that.

11 Q. And would you agree that the total reflected

12 in these invoices is \$56,002?

13 A. I can agree to that, sure. I mean, you're

14 adding them up. I'm assuming that's correct. I'm not

15 sure there's no other duplicates.

16 Q. When we review your banking records, do you

17 believe that we will find that there's \$56,000 being

18 paid by you to Corima?

19 A. Oh, yes.

20 Q. And do you have — do you believe that there

21 are records in these documents that you've produced

22 today that would reflect \$56,000 worth of invoices from

23 Corima to you?

24 A. Easily.

25 Q. For wheels?

209

1 A. For all of that stuff. I did not just say
2 wheels. There was other stuff, too. Whatever it is, it
3 will match up.

4 Q. Skip, do you think that that comprises all of
5 those invoices? I've got 11 road bikes accounted for,
6 invoices for 11 road bikes. To your recollection, is
7 that the total amount that you sent in in order to fund
8 the purchase of the wheels?

9 A. I think so, Chris. There might be more later
10 when we get to the tandem.

11 Q. You're looking at the set of invoices that
12 you've brought with you today in response to the
13 subpoena duces tecum, and it looks those are
14 color-coded.

15 Of the invoices that we've talked to —
16 that we've talked about that are for equipment that
17 wasn't actually purchased but was being used to fund
18 purchases of other things, are they — are they in any
19 particular color code? For example, all the ones we've
20 just talked about are in pink.

21 A. No. This just — this just happens to be the
22 tandem, but in terms — otherwise, it just happened to
23 be what colored paper would be there at the time.

24 Q. Let me ask you about page Bates-stamped 031253
25 of Exhibit 22. What's that an invoice of?

210

1 A. That is for — and here, this went along with
2 it. That is for hotel payment in Manchester.

3 Q. Was there ever a team training camp in

4 Washington, D.C.?

5 A. No.

6 Q. Why was the invoice sent in?

7 A. Again, I was just doing the same thing, Chris.

8 It's like team services at the training — training camp

9 in Atlanta. We had one we did in Washington, but

10 attached to that is the actual invoice. It's just they

11 were still asking me to do the same thing, and that was

12 to provide a service invoice along with an actual

13 invoice.

14 Q. In your documents, then — I think it's

15 Exhibit 3 that you're looking in —

16 A. Yeah.

17 Q. — there's a corresponding different version

18 of this invoice which is for the actual expenses, and

19 those are expenses incurred in Manchester —

20 A. That's correct.

21 Q. — at an event that was held in — in that

22 city?

23 A. That you were at, yeah, '96.

24 Q. Was this invoice sent in in advance of that

25 trip?

211

1 A. No. I think I may have — what's — is that

2 from England? I think I may have run out of money over

3 there.

4 Q. Well, it strikes me as odd that if it's an

5 invoice for expenses of a trip, that it would come out

6 to exactly \$7,000.

7 A. It didn't come out to exactly \$7,000. That

8 was one payment that I made to them. So there's a

9 payment there and a payment there and then a little dab

10 more someplace later. There's a little less double

11 payment for Jeff.

12 Q. Skip, let me refer you to page 031276 of
13 Exhibit 22. Let me ask you to tell me what that invoice
14 is for. And again, I think we've got two versions of
15 that invoice. It looks like the one that just says, for
16 services rendered at an event, is the one that was used
17 to pay you. The other version, what does it show?

18 A. It shows Mark Garrett, Shaun Washburn,
19 Jason — Jason Beauregard and Jeff Solt as riders having
20 received — I'm not — a bonus of some kind or rider
21 expense money of some kind.

22 Mark Garrett rode on the Olympic sprint
23 team, Trey Gannon and Marty, Shaun and Jason rode on the
24 Olympic sprint team with you, and I'm not sure about
25 Jeff, what was — what was the deal there.

212

1 Q. Was this Olympic sprint team that Shaun and
2 Jason were going to ride on Nick's Olympic sprint team?

3 A. No. That was yours.

4 Q. Okay. Well, as I recall — and you correct me
5 if I'm wrong —

6 A. I'll try.

7 Q. — that team was put together to consist of
8 Nick and Jason and Shaun, and then they asked me to ride
9 on it when I didn't make the — make it past the
10 qualifier rounds in the pursuit, and they felt like it
11 would be better if I rode the qualifier in the Olympic
12 sprint to save Nick for the final, and I suffered
13 greatly —

14 A. Yes, you did. You all did.

15 Q. — in the Olympic sprint, and when the team
16 didn't qualify, I got embarrassed, and it appears that

17 Jason Beauregard and Shaun Washburn got \$500 each.

18 A. Well, regardless of how you personally felt,
19 Chris — and I didn't make — I didn't make the deal.

20 Q. Who made the deal? That's what I want to
21 know.

22 A. I'm — I'm really not sure in this case.

23 Probably —

24 Q. Did Nick direct you to make that — to pay
25 that money to Shaun and Jason?

213

1 A. Sure, and so I assume he probably made the
2 deal.

3 Q. Let me ask you this: Would Shaun Washburn and
4 Jason Beauregard have ridden with Nick except — in your
5 opinion, except for the fact that Nick was willing to
6 pay each of them \$500 to do so?

7 A. Maybe. I doubt it, but I don't know who they
8 would have been willing to ride with.

9 (Off the record 5:31-5:37.)

10 Q. Let me hand you Bates-labeled 081319 and
11 0 — I may need to correct myself. It's 031319 and
12 031320 of Exhibit 22. Can you identify for me, please,
13 what those invoices were actually for, if they weren't
14 for the equipment described in them?

15 A. This is for '1351 through '1358, '60. They
16 are for Corima bikes. Here's my old notes here. Two
17 for Hartwell, one for Gary Niewand, tandem, tandem
18 wheels, all of that. And again, you'll find all of
19 that. So that's what all of those are, are those bikes
20 and the tandem.

21 Q. Okay. You're looking at your own copies of
22 these invoices that are in Exhibit 3?

23 A. Uh-huh.

24 Q. And on many of them, you're finding notations
25 about what they're actually for, when they're not for

214

1 the equipment that's actually described in the invoices.
2 When did you make the notations on your copies of those
3 invoices?

4 A. I made these — this, I assume I made at the
5 time, and you'll be able to verify that. If you audit
6 this, you'll be able to verify that. It's not in this
7 pen and it's not in that pen.

8 Q. Okay. So help me to identify —

9 A. And I don't know. It's only — and here's
10 some figuring that I did. I don't know what that is.

11 Q. Help me to identify the invoices in Exhibit 22
12 that you just referenced that funded the purchases of
13 that equipment: Hartwell, two bikes; Gary Niewand, the
14 tandem —

15 A. Wheels.

16 Q. — and wheels?

17 A. I have et cetera here, also, so I would have
18 considered that.

19 Q. You identified a range of invoice numbers.

20 A. '1351 to '1361.

21 Q. And every invoice number similar to that in
22 between those two; is that what you meant to say? I
23 mean, is that what you meant by that, so I'm clear?

24 A. Yes.

25 Q. Okay. Again, each of those is similar to some

215

1 of the other invoices that I've asked you about?

2 A. Right.

3 Q. They are invoices that contain a description

4 of equipment that wasn't actually being purchased by
5 you; is that correct?

6 A. That is correct.

7 Q. And the invoice was used for the purpose of
8 getting to you funds to buy other equipment?

9 A. Other Corima equipment.

10 Q. Why did EDS pay for a bike for Gary Niewand?

11 A. Again, I mean, this is a marketing thing, not
12 to me. I — I thought it was great, because I thought,
13 for a while, Niewand was going to win the Olympic Games,
14 but I think it was part of the partnership aspect of —
15 of having a sponsorship with Corima. Nick was trying
16 to, you know, show good faith to Corima by doing some
17 things for them.

18 Q. But wouldn't Corima have been willing to just
19 give a bike to Gary Niewand?

20 A. You would think so, but I'm not sure. I don't
21 know that they weren't.

22 Q. Gary Niewand was a double World Champion in
23 1992?

24 A. Yes, in Stuttgart.

25 Q. And then the tandem, what tandem was it that

216

1 the invoices that you've identified —

2 A. The Corima —

3 Q. — funded?

4 A. The Corima tandem.

5 Q. And who was the Corima tandem made for?

6 A. Marty and Nick.

7 Q. And who was it that wanted a Corima tandem?

8 A. Marty and Nick.

9 Q. Did Marty ever say to you that he wanted a

10 Corima tandem?

11 A. You know, maybe he did; maybe he didn't.

12 Q. Do you remember Marty ever telling you that

13 he wanted a Corima tandem?

14 A. Marty and I seldom talked.

15 Q. Okay. Do you remember Marty ever telling you

16 he wanted a Corima tandem?

17 A. I do not remember.

18 Q. Do you remember Nick telling you that he

19 wanted a Corima tandem?

20 A. Oh, yes, I do remember that, that Corima was

21 going to build a tandem for the two guys.

22 Q. How much did the Corima tandem that Nick

23 wanted built — how much did it cost?

24 A. Actually, there's a memo in there on that, and

25 I think the development and the cost — and I'm sure a

217

1 huge amount went into the development of it.

2 Q. Well, I'd just like to know how much EDS paid

3 in total for the bike to get it over here into the

4 United States, how much they paid Corima, how much the

5 taxes were and the export tax and development and

6 everything. What did we pay for that thing?

7 A. I think about \$42,000.

8 Q. Why did — did Nick ever say to you why he

9 wanted you to fund the purchase of the Corima tandem

10 through a number of —

11 A. Smaller —

12 Q. — smaller invoices?

13 A. Smaller bikes?

14 Q. Well, invoices in smaller amounts for bikes

15 that weren't actually being purchased.

16 A. You know, he probably did.

17 Q. Well, what did he say?

18 A. And he — he probably said it had to do

19 with —

20 Q. Well, I'm not asking you what he probably

21 said. What do you remember him saying?

22 A. I remember him saying more about the bike

23 itself and then, Skip, would you — would you send in

24 the invoice, and, you know, send it in as a bunch of

25 Corima road bikes and divide it up into \$5,000 or so

218

1 amounts, you know, that's what we're — that's what

2 we're budgeted to do, and so I did.

3 Q. And did you know from previous conversations

4 with Nick that the reason for sending the invoices in in

5 smaller amounts, under \$5,000, was so that he could

6 approve them, rather than having to have his manager —

7 A. Well, I never knew that Nick was approving

8 anything by himself, so I never knew that until after

9 Vicky Yaccavonni died, was the first that, I think,

10 Steve Walsh — and I don't think Nick ever told me.

11 I think Steve Walsh told me that he could

12 make the approvals. But I never knew that he was

13 approving anything by himself. I always thought Vicky

14 Yaccavonni was signing off on it, as well, or somebody

15 else.

16 Q. Did Nick ever tell you that Vicky was signing

17 off on everything?

18 A. Oh, Nick told me that early, yeah.

19 Q. Was — was Vicky Yaccavonni Nick's manager, to

20 your knowledge, throughout the time when you were the

21 coach for Team EDS?

22 A. Not counting — real early, John Senderling, I

23 think, was — was Nick's boss somehow, but I never — I
24 remember I did met him one time.

25 Q. When do you understand that Vicky Yaccavonni

219

1 became Nick's manager?

2 A. Before I was here, I guess. Yes, and I would
3 say throughout the time I was coach and up until she
4 passed away.

5 Q. Or up until the time when she went on medical
6 leave of absence?

7 A. Could be.

8 Q. Which was much earlier than when she passed
9 away, correct? Is that a yes?

10 A. Yes. Maybe six months. I'm not real sure.

11 Q. Was it your understanding that the reason for
12 sending in the invoices in smaller amounts was so that
13 Nick could approve them?

14 A. I think that was my feeling.

15 Q. Did Nick ever indicate to you or state to you
16 that he wanted you to send them in in smaller amounts so
17 he could approve them?

18 A. I can't say that he did, Chris.

19 Q. Did Nick ever indicate to you or state to you
20 that he felt that if he sent in an invoice for \$42,000
21 for a tandem, that it would not be approved?

22 A. No, I don't think so, and, I mean, I — of
23 course, I was back East at the time and then at the
24 Olympic trials — or at the Olympic Games and all that.
25 I was talking to — it wasn't that I was here, but I was

220

1 talking to Steve on the phone almost every day or two or

2 three times a day, and I was supporting riders back

3 there, the Olympic team riders, then.

4 I honestly thought everybody here kind of
5 knew and was excited that there was going to be this —
6 you know, this super high-tech showcase deal that
7 Marty — and it's not about Nick — that Marty Nothstein
8 was going to be riding, you know, for EDS, and I thought
9 that — you know, that really, in a sense, the — the
10 opposite feeling prevailed. Of course, that doesn't
11 make any sense based on that, does it?

12 Q. Did anyone other than you and Nick know how
13 much that tandem cost?

14 A. Oh, I'm sure. Steve knew, I know, and —

15 Q. Who else besides you and Nick and Steve?

16 A. You know, beyond that, I wouldn't know,
17 because my contact was with Nick and Steve —

18 Q. Did —

19 A. — not Marty, not Andjez Bek.

20 Q. Did Nick ever indicate to you that you should
21 not communicate to people how much the tandem cost?

22 A. Not really.

23 Q. Well, you say, not really. Did he, in some
24 manner, indicate to you that you shouldn't tell people
25 how much the tandem cost?

221

1 A. I think Nick always indicated that, you know,
2 we weren't to discuss finances. It's a general
3 prevailing feeling, like the wages. You know, we don't
4 talk about EDS wages, we don't talk about how much our
5 wheels cost, we don't talk about how much our bikes
6 cost. You know, for one thing, there are guys out there
7 who can't afford that and they're competing against us.
8 You know, you don't talk about that stuff. It's just
9 stuff that helps the program.

10 Q. And you had had conversations with him about
11 that sort of thing to give you that feeling for
12 that — that feeling to be a shared feeling by yourself
13 and Steve, I take it, Steve Walsh?

14 A. Steve Walsh.

15 Q. Did Nick Chenoweth ever tell you or indicate to
16 you that Vicky Yaccavonni had given to him the tandem?

17 A. No. I heard some of that after — after the
18 dissolution of the team, that Nick had supposedly been
19 given his bikes or that Christi was given her bikes, and
20 I was told at the track, at the time, you know, working
21 to finish up my agreement. And I said, well, I never
22 heard anything like that.

23 It's — it's possible. I mean, you know,
24 in a sense — well, it's different on some teams, but
25 with some teams, when you get to the end of the time

222

1 frame, you get your equipment. It does happen. You
2 know, I've always — well, probably two-thirds of the
3 time had that with teams that I've ridden for; at the
4 end of the time, you get your equipment. That's just
5 part of it. But I never heard anything like that, and
6 not the tandem, my gosh.

7 Q. What about the other bikes that Nick rode?

8 A. Well, again, I never heard anything like that,
9 Chris.

10 Q. And again, could Vicky Yaccavonni give to Nick
11 one of the road bikes that you and I have identified him
12 as having use of and the track bike that he had use of
13 that had the special seatpost?

14 A. I don't know.

15 Q. Well, they belong to Corima, correct, so they

16 weren't Vicky Yaccavonni's to give?

17 A. Oh, sure. Sure. If it's a sponsored bike,
18 right, but if it was one of Team EDS' bikes, I don't
19 know. You know, we had obsolete equipment. So what
20 happens to that? I never knew. I always figured that
21 would just be passed on.

22 Q. Were any of the — were any of the Corimas
23 obsolete?

24 A. Not very.

25 Q. They're still pretty valuable bikes, aren't

223

1 they?

2 A. That's what I hear.

3 Q. Skip, what was the series of invoice numbers,
4 again, that supported the purchase of the Hartwell

5 Corimas, the Gary Niewand Corimas —

6 A. '1351 through '1361.

7 Q. And did Nick ask you to send those invoices in
8 over a period of time as opposed to all at once?

9 A. I would usually do that anyway, because, you
10 know, my account was being hit by tons of money for
11 this. I mean, this — I have a statement in there
12 you'll read, I'm sure, that I sent off to Kelly Martin
13 saying that, oh, I was just doing this smaller
14 reimbursement stuff as a favor and I don't want to do
15 this and I don't want this amount of money in my account
16 and why don't you guys do this directly. So I said that
17 right about this time. So I would have done that
18 anyway, probably.

19 Q. Let me ask my question again because I'm not
20 sure you answered it. I think you could have answered
21 it with a yes or no.

22 A. Okay. I'll try with a yes or no.

23 Q. Did — did — well, I'm not telling you you
24 have to answer it yes or no, if you think it's
25 inappropriate, but did Nick ever indicate to you that he

224

1 wanted you to send them in over time? Do you recall him
2 indicating that?

3 A. I do not, no.

4 Q. Did you send a 1099 to Nick —

5 A. I did not.

6 Q. — for the money that you paid to him in
7 connection with the — the invoices that were 94Skip, I
8 think, DRT001 and '002 and — that are part of Exhibit
9 22, and then the transfers of funds documents that are
10 in Exhibits 8 and 9?

11 A. No.

12 Q. Did you ever have a discussion with Nick about
13 giving him a 1099 for that money that you paid to him?

14 A. No, because in my mind, I thought this was
15 equipment and I thought that's all we were talking
16 about. Because, believe me, I would have, and I
17 probably will.

18 Q. Let me show you what's Bates-stamped 031357 of
19 Exhibit 22 and ask if you can identify what that invoice
20 is for, if it's something other than what the invoice
21 states that it's for, or what that invoice funded, if it
22 was something other than what it states that it's for?

23 A. No. I think it says right there. Why is
24 there three of the same one? No, it's just a
25 duplicative copy, because they are all the same. Hold

225

1 on one second, please.

2 Q. Was Erin Hartwell receiving supplemental

3 payments —

4 A. I don't —

5 Q. — from you in the same way that Marty

6 Nothstein had been receiving supplemental payments? And

7 I don't mean to describe the manner in which, but were

8 you paying them —

9 A. It says what it's for.

10 Q. Okay. Well, tell me what you were paying to

11 Erin Hartwell.

12 A. But Erin Hartwell is not an employee there.

13 Q. Okay. Well, the document I asked you about is

14 dated July 30th of 1997; is that right?

15 A. Right.

16 Q. And it shows that you're paying him \$5,000,

17 and the description is July and August payments to Erin

18 Hartwell at \$2,500 per month; is that right?

19 A. I believe so.

20 Q. Okay. Can you explain to me what the

21 arrangement was with Erin Hartwell at this time?

22 A. As I recall, that was for the riding for

23 the — for the team for the National Championships.

24 There may have been more to it than that.

25 Q. Okay. Let me show you what's Bates-stamped

226

1 031360, '61, '62, and '63 of Exhibit 22. I think they

2 are multiple copies of one invoice.

3 A. Uh-huh.

4 Q. Can you tell me what that invoice is for, if

5 it is funding something other than what's described in

6 the invoice?

7 A. Yeah. It is multiple copies of the same

8 invoices. Payment to Mark Garrett for his winning the

9 tandem National Championship with Nick Chenowth in
10 Colorado Springs. It's all a bonus payment of some
11 kind.

12 Q. And for driving the tandem — for driving
13 Nick's tandem at the National Championships?

14 A. Right.

15 Q. Who made — who made this financial
16 arrangement with Mark Garrett?

17 A. Nick.

18 Q. Would Mark Garrett have ridden with Nick
19 Chenowth unless he had been paid to do so?

20 A. Again, I don't know that Mark would have
21 ridden with anybody unless —

22 Q. Did Mark ever indicate to you that he would
23 ride with Nick unless he was paid to do so?

24 A. No, no. Mark wanted — you know, wanted to be
25 paid to do that, and that's that year. The next year he

227

1 got a whole lot more.

2 Q. Was Nick Chenowth equal in talent and athletic
3 ability to Mark Garrett?

4 A. No.

5 Q. Is it correct that Mark was second in National
6 Sprint Championships in 1998?

7 A. It is.

8 Q. And he was second behind Marty Nothstein; is
9 that right? Is that a yes?

10 A. Yes.

11 Q. Do you recall if Nick Chenowth was even able
12 to ride a qualifying time to compete in the 1998
13 National Sprint Championships?

14 A. He did not ride a qualifying time. That's not
15 something that he would do, but I do recall that he

16 rode — whether it would be approximately a 10.95 out
17 there when he did his flying lap later in the year. A
18 10.95 would qualify him, for sure, that he would —
19 whether or not he would get through the rounds, that's a
20 different story.

21 Q. Where would it have qualified him in, amongst
22 those that qualified: at the top or at the bottom?

23 A. Really, towards the top. When you think
24 about, Trey qualified fourth with a 10 — I think a
25 10.85 or a 10.82, so sixth — fifth, sixth, seventh,

228

1 eighth, somewhere in there.

2 Q. The time that you've mentioned that Nick rode,
3 though, was done at a different time than the rest of
4 the competitors rode there. It was during the National
5 Championships?

6 A. Uh-huh.

7 Q. As I recall, Nick rode a flying lap the same
8 night that the other riders did their 200s?

9 A. Right, but there was a — there was a
10 200-meter time on him, as well.

11 Q. Right, and what was that?

12 A. 10 — about 10.97 or 10.98, somewhere around
13 there. Between 10.95 and 10.9 — and 11.0.

14 Q. And where would that have put him in the
15 qualifying rank order?

16 A. That's what I said. That would have put him
17 somewhere in the — probably in sixth, seventh, eighth.

18 Q. I'm going to ask you about what's
19 Bates-stamped 031368. It's an invoice for a ticket for
20 Steve Walsh to travel to Australia. Steve Walsh was an
21 employee of EDS; is that right?

22 A. Yes.

23 Q. What was the reason for you to pay for his
24 ticket to Australia versus EDS Travel obtaining the
25 ticket and EDS paying it?

229

1 A. I think this was a lot cheaper, like less than
2 half than they could get the ticket through EDS Travel.
3 The same reason that I bought some of my own tickets,
4 occasionally, or when Trey and I went to Australia, we
5 bought outside because it was about \$4,900 through EDS
6 Travel, and it was about \$4,700 for both of us if we
7 went outside.

8 Q. Let me show you what's Bates-stamped 031377,
9 and can you tell me what that invoice funded, if it was
10 something other than expenses associated with what's
11 described there, which is a White Rock training camp?

12 A. Yeah, there you go.

13 Q. White Rock is a local Dallas lake, correct?
14 Is that a yes?

15 A. Oh, yes.

16 Q. So we likely never had a training camp there
17 since the team, by and large, lived right here in
18 Dallas; is that right?

19 A. And we did not, no, so it should be something
20 because I do not have this at all.

21 Q. Do you recall creating that invoice?

22 A. This part I do, and I'm sure it's just like
23 all of the others. There would be another one going
24 along with it. If you look at the number — there
25 should be a number on top, Chris, '09 — I've got '0915

230

1 or so. I don't know. But there would be another one

2 going along with it.

3 Q. When did Erin Hartwell become an employee of
4 EDS?

5 A. I think right after the first of the year
6 or —

7 Q. First of the year '98?

8 A. — no, no. Maybe late fall of '97.

9 Q. For how long did you continue to make payments
10 to him of \$2,500 a month?

11 A. Whatever it would say there.

12 Q. Well, did that continue after he became an
13 employee of EDS?

14 A. No, no.

15 Q. Did you pay him any amounts that were intended
16 to supplement his salary after he became an employee of
17 EDS?

18 A. World Championship or National Championship
19 bonuses.

20 Q. Any amounts other than those?

21 A. No.

22 Q. Did the amount that you were paying to Erin
23 Hartwell before he became an employee of EDS ever
24 increase above \$2,500 a month?

25 A. Gosh, Chris, I don't think so, but I don't

231

1 remember if there's something in there otherwise.

2 Q. Let me show you what's Bates-stamped 031392 of
3 Exhibit 22, and the first line item on that invoice
4 says, Erin Hartwell, November payment, \$4,100.

5 A. I'm not sure why that is more. Maybe he had
6 additional monies coming to him or something. I don't
7 know. Do you see a December, by any chance?

8 Q. I haven't run into one yet, Skip.

9 A. You know, I think maybe he came on, like,
10 mid-December or something like that — you can check on
11 that — and that that carried him over to that time, or
12 maybe he just came in and asked for more money.

13 Q. Whose decision was it as far as how much money
14 to pay him?

15 A. Nick or Steve or both.

16 Q. Well, do you think Steve could
17 independently —

18 A. No.

19 Q. — independent of Nick, decide how much to
20 pay?

21 A. No.

22 Q. Any — any amount that Steve directed you to
23 pay, he would have had to have authorized — gotten
24 authorization for it from Nick, correct?

25 A. Correct. I would assume so.

232

1 Q. It's 10 past 6.

2 A. Can we finish this? It's just a few.

3 Q. It's more than just a few.

4 A. Most of them look pretty straightforward.

5 Q. Okay. Well, let me make an effort to finish
6 them, then.

7 Okay. When I was asking you about
8 payments to Mark Garrett earlier, you mentioned that the
9 amount went up. Let me show you page 031395 of Exhibit
10 22, and is that what you were talking about or, in part,
11 what you were referring to?

12 A. That would be in part. Mark got \$25,000 for
13 '98, plus bonus of \$10,000, if they won.

14 Q. And was that all arranged by Nick?

15 A. Well, I talked to Mark on the phone, and I
16 would tell Mark — I was used as a middleman, for sure,
17 but I have no feeling — or I was pulling for Mark, to
18 tell you the truth. You know how I feel about driving a
19 tandem. It's the most dangerous, crazy thing you can
20 do. I mean, you get on there and — I don't know. Cost
21 me many, many, canker sores every time I got on that
22 thing.

23 Q. How many payments were made to Mark in '98? I
24 see one here that —

25 A. Chris, I don't know. The total, since they

233

1 won, should come up to \$35,000. It actually comes up to
2 \$37,000 because I accidentally paid Mark \$2,000 too
3 much, but I never billed for that.

4 Q. Okay. Let me try to stay in order here. Page
5 031401 of Exhibit 22, is that equipment that was
6 actually purchased?

7 A. That is. The — that's the Olympic weights,
8 Velodyne — I think I've got an error there, but
9 that's —

10 Q. What's the error that you think?

11 A. The error was on the Velodyne Scientific
12 Trainer. I didn't pay \$300 for it. I'm not sure why I
13 have that.

14 Q. How much did you pay for it?

15 A. I think it was \$700, \$600 or \$700, but there's
16 a — there's a receipt for that.

17 Q. The — the weight equipment here —

18 A. Right.

19 Q. — where is that equipment now?

20 A. Let me see it. The Olympic weights are —
21 let's see. The York Olympic weights, part of

22 them — oh, part of them, I still have in storage or you
23 have in storage — I'm not sure which place they're
24 in — and part of them are at the natatorium.
25 Q. And when you say your, you mean EDS' storage

234

1 facility?

2 A. Uh-huh.

3 Q. Some of this stuff is still there?

4 A. Some of this stuff is still there.

5 Q. And the other stuff is at the Collin County

6 Community College —

7 A. Right.

8 Q. — weight room?

9 A. That's correct.

10 Q. This is the invoice that I wanted to ask you
11 about for Mark Garrett. It's 031402.01. Is that a
12 payment that was actually made to Mark?

13 A. All the payments were made to Mark.

14 Q. Document 031404 of Exhibit 22 is for wind
15 trainers purchased from Andjez Bek for \$5,000?

16 A. That's correct.

17 Q. Were those actually purchased from Andjez?

18 A. Absolutely.

19 Q. Were those the Yamaguchi wind trainers?

20 A. Yes.

21 Q. Why were they purchased from Andjez as opposed
22 to from Yamaguchi directly?

23 A. Well, because Andjez's deal with Yamaguchi at
24 the time was — you know, Andjez designed it, he built
25 it up. That included the wheel or — I mean, on the one

235

1 that came with the wheel. On the other, Brett had to

2 build it. I forget, but anyway, that was through —

3 that was Andjez.

4 Q. Where are those wind trainers now?

5 A. You tell me.

6 Q. Okay. You don't know the whereabouts of

7 either of them?

8 A. I know where one is.

9 Q. Where is one?

10 A. One is at the — at the lab, at the physiology
11 lab at Collin County Community College. The other has
12 been reported to you as being in the possession of Adam
13 Wilk.

14 Q. Who gave it to Adam Wilk?

15 A. As far as I know, Erin Hartwell gave it to
16 Adam Wilk.

17 Q. And as far as you know, did anyone ever
18 authorize Erin Hartwell to give EDS' property to Adam
19 Wilk?

20 A. No, but I'm not sure Erin saw it that way.

21 Q. Well, what do you mean by that?

22 A. Well, Erin, once you give him something, he
23 believes it's his.

24 Q. Are you aware of any other EDS property that
25 Erin Hartwell has in his possession that rightfully

236

1 belongs to EDS and it should be returned to EDS?

2 A. Chris, I wouldn't know. That's — you know,
3 that's all your stuff.

4 Q. Well, I'm — I'm interested in information.

5 So if you've got some, I'd like to know what it is.

6 A. You know how I feel about it. That should be
7 over at the college. The wind trainers should be at the

8 college, and any other stuff should have been given
9 back. I don't know what Erin left with. I really
10 don't. I assume you got the bikes back, but I'm just
11 making that assumption.

12 You know, and like — like that — like
13 Mark's bike or Gil's bike, I don't know what was given
14 and what could be given and who had authorization to
15 give or what wasn't, you know. If Nick said, yeah, you
16 know, you ride for us, that bike is yours, and that's
17 not a Corima bike, I don't know where it stands.

18 Q. I'm going to show you page 031420 of Exhibit
19 22.

20 A. Uh-huh.

21 Q. Are those amounts that were actually paid by
22 EDS to you, part of which, then, you paid to Erin
23 Hartwell?

24 A. That's correct.

25 Q. So \$5,000 was paid to Erin Hartwell as a bonus

237

1 for winning the 1000-meter time trial at the '98
2 National Championships?

3 A. Right.

4 Q. And then because he won that, you were paid
5 \$3,000 bonus?

6 A. Yeah.

7 Q. Did you receive bonuses for any other riders
8 who won events at the '98 National Championships?

9 A. I would have received a bonus for you, maybe.
10 I don't know. But I would have received a bonus for
11 anybody except Marty, I think.

12 Q. Very much earlier today I asked you about a
13 handwritten document that was at the back of one of the
14 exhibits that we marked —

15 A. Yeah, it's a green notebook.

16 Q. — a group of documents that you produced in
17 response to the duces tecum, and it's discussing a —

18 A. It's right here.

19 Q. — a bonus program. It looks like the bonus
20 that Erin received was consistent with the — what's set
21 forth in that page. It's at the very back of —

22 A. It could be.

23 Q. — Exhibit 4. Would you agree with that? He
24 got \$5,000 for winning the —

25 A. The Nationals.

238

1 Q. — National Championship, and this says —

2 A. You know why? I remember this now. This is
3 what I'm copying down off of what was up on the board or
4 something. That's why approved by Nick — that is the
5 program that was approved by Nick.

6 Q. For the riders, or for you, Skip? That's what
7 I'm trying to understand.

8 A. That's not for me. That's for the riders,
9 the World Championships — mine was on — well, you'll
10 get to it sometime. I think it's in here.

11 Q. Okay. Well, who — was this ever put in
12 place? Was this ever done?

13 A. I think so.

14 Q. Was it ever done for anyone other than Erin?

15 A. Well, my assumption is it was done for
16 everybody.

17 Q. Okay. But you don't have any knowledge that
18 it was, in fact, done for everybody; is that right?

19 A. That's correct.

20 Q. The only people that you have knowledge of as

21 having received bonuses are Mark Garrett and Erin
22 Hartwell; is that right?
23 A. Yes. Chris — Chris, just for a second, go on
24 back to — because you said I was being paid \$9,000 a
25 month this past year. It's not — I was — my base was

239

1 84, which is 7, and then these expenses, which formerly
2 were just whatever was on the bill I would send in,
3 these expenses, then, were limited and then rolled into
4 that amount.

5 Q. Okay. You're referring to a page that's under
6 tab 7?

7 A. This is not yours.

8 Q. Okay. Well, we'll get to that. I think I've
9 got that document.

10 A. I'm sure you do.

11 Q. Okay. Let me have you look at pages 031422
12 and 031421. I had them out of order. Can you explain
13 to me what those invoices are for?

14 A. Bonus payments and a couple of travel
15 reimbursements, and then another — and this one is
16 another bonus payment to myself.

17 Q. Okay. What is it — the one that you're —
18 031422 says, bonus Skip Cutting, U.S. Nationals, 66
19 percent balance, and it's \$8,000.

20 A. Uh-huh, and that says, one-third, which is
21 \$4,000. So evidently, when we added up all of those —
22 all of the wins at Nationals and everything, my bonus
23 was \$12,000.

24 Q. Plus the \$3,000 that's identified on —

25 A. Isn't that a different door?

240

1 Q. I don't know. You tell me. That's what I'm
2 trying to figure out.

3 A. It says here, World Cup.

4 Q. Okay. So 'CR0715, which is page 031420, is
5 for the World Cup. Got you. That's what I was trying
6 to understand.

7 Here's 031423 and 031424.

8 A. Okay.

9 Q. I think each of those reflect additional bonus
10 payments to Mark Garrett; is that right?

11 A. Uh-huh.

12 Q. For \$5,000?

13 A. Right.

14 Q. And what was — what was that for? What were
15 those bonus payments for?

16 A. I think the tandem win. It says, Nationals
17 Tandem, here.

18 Q. In ninety —

19 A. '8.

20 Q. — eight? Let know show you page 031430 and
21 ask you to identify for me what that invoice is for.

22 A. That's off of just what I just showed you over
23 here. That's January. They asked me when I was brought
24 in in December whatever they — they showed me that I
25 would now be paid \$7,000 instead of \$6,000, as with the

241

1 past year, with the \$2,000 allotment in there.

2 Then, the adjustment was for something
3 else that they'd forgotten, and I forget what it was
4 now, but I've got notes on it somewhere. It's basically
5 now my expenses are rolled in. Office expenses, gas
6 expenses, van expenses are all rolled into that amount,
7 rather than paying on the actual dollar amount as

8 before. That was a way of controlling cost. It says
9 here, \$7,000 monthly retainer, \$2,260 a month operating
10 expenses.

11 Q. All right. Let's stop there. Okay?

12 A. Do you want to stop on the D'Rinda one?

13 Q. Yeah.

14 A. Isn't that our last one?

15 Q. It is. When do you — do you want to have a
16 discussion now about when we should resume? I'm willing
17 to do it tomorrow, if you want to do it tomorrow.

18 A. Chris, I don't know how I could do it
19 tomorrow.

20 Q. Okay. Well, then let's try to talk on Monday.

21 A. I could try. How long, do you think?

22 Q. Skip, I don't know. Two hours.

23 A. Oh, well, two hours would be fine. I can get
24 that in.

25 Q. But I'm a horrible estimator of time when it

242

1 comes to depositions.

2 A. Chris, this is the guy who spent years with
3 you. I know that you're a horrible estimator of time.

4 Q. Okay. Well, let's get this started tomorrow.
5 What time do you want to get started?

6 A. Earlier is better. If we start at 9, that
7 might give us until 12.

8 Q. Okay. Let's do that.

9 A. And then if we get out at 11, that would be
10 great.

11 Q. Okay.

12 (Deposition adjourned at 6:32 p.m.)

13

14
15
16
17
18
19
20
21
22
23
24
25

243

1 CHANGES AND SIGNATURE

2 WITNESS NAME: SKIP CUTTING

3 PAGE LINE CHANGE REASON

4 _____

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

20 _____

21 _____
22 _____
23 _____
24 _____
25 _____

1 I, SKIP CUTTING, have read the foregoing
2 deposition and hereby affix my signature that same is
3 true and correct, except as noted above.

4
5 _____
6 SKIP CUTTING

7
8 THE STATE OF _____)
9 COUNTY OF _____)

10
11 Before me, _____, on this
12 day personally appeared SKIP CUTTING, known to me (or
13 proved to me under oath or through _____)
14 (description of identity card or other document) to be
15 the person whose name is subscribed to the foregoing
16 instrument and acknowledged to me that they executed the
17 same for the purposes and consideration therein
18 expressed.

19 Given under my hand and seal of office this
20 _____ day of _____, 2000.

21
22 _____
23 NOTARY PUBLIC IN AND FOR
THE STATE OF _____

24 My commission expires: _____

25

1 STATE OF TEXAS)

2 COUNTY OF DALLAS)

3 I, Stacy L. Jordan, Certified Shorthand Reporter,
4 in and for the State of Texas, certify that the
5 foregoing deposition of SKIP CUTTING was reported
6 stenographically by me at the time and place indicated,
7 said witness having been placed under oath by me, and
8 that the deposition is a true record of the testimony
9 given by the witness.

10 I further certify that I am neither counsel for nor
11 related to any party in this cause and am not
12 financially interested in its outcome.

13 Given under my hand on this the _____ day of
14 _____, 2000.

15

16

17

18

Stacy L. Jordan, Certified
Shorthand Reporter No. 7499
in and for the State of Texas
Dickman Davenport, Inc.
3000 Carlisle, Suite 113
Dallas, Texas 75204
(214) 855-5100 (800) 445-9548
e-mail: info@dickmandavenport.com
www.dickmandavenport.com
My commission expires 12-31-00

24

25