

EXHIBIT 3

JAMES PIELSTICKER

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OKLAHOMA

TRANSPORTATION ALLIANCE)	
BANK, INC.,)	
)	
Plaintiff,)	
)	
VS.)	Case No.:
)	10-CV-016-GKF-PJC
ARROW TRUCKING CO., et)	
al.,)	
)	
Defendants.)	

ORAL DEPOSITION OF
JAMES PIELSTICKER
JULY 27, 2011

ORAL DEPOSITION OF JAMES PIELSTICKER, produced as a witness at the instance of the PLAINTIFF, and duly sworn, was taken in the above-styled and -numbered cause on the 27th of July, 2011, from 9:35 a.m. to 3:52 p.m., before Mercedes Arellano, CSR in and for the State of Texas, reported by machine shorthand, at the law offices of Kane, Russell, Coleman & Logan, PC, Thanksgiving Tower, 1601 Elm Street, Suite 3700, Dallas, Texas, pursuant to the Federal Rules of Civil Procedure and the provisions stated on the record or attached hereto.

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P R O C E E D I N G S

JAMES PIELSTICKER,

having been first duly sworn, testified as follows:

MR. SHIELDS: Good morning. The record should reflect this is the time and place for taking of the deposition of James Douglas Pielsticker in the matter of Transportation Alliance Bank versus Arrow Trucking and others in the United States District Court for the Northern District of Oklahoma.

EXAMINATION

BY MR. SHIELDS:

Q. Initially, Mr. Pielsticker, would you state your full name and address, please.

A. James Douglas Pielsticker, 4201 Lomo Alto, Dallas, Texas 75219.

Q. And what's your date of birth?

A. 9/20/68.

Q. Before we go much further, let me just deal with some housekeeping matters to make the deposition go more quickly, more smoothly.

In this matter, although we're convened in Dallas, Texas, given it's the place where you reside, Mr. Pielsticker, we've taken a number of depositions up in Oklahoma where this case is pending.

We have an agreement that all exhibits are

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A. No.

Q. Has she, to your knowledge, filed a proof of claim in your bankruptcy case here in Texas?

A. A proof of claim?

Q. In your bankruptcy.

A. For what?

Q. I don't know. Anything.

A. No.

Q. Now there were several Arrow entities, and let me start first with Arrow Trucking company.

Your mother was the Chairman of that company, correct?

A. Yes.

Q. And then there was a company called Arrow Truck Real Estate; is that right?

A. Yes.

Q. And she was the Chairman of that company?

A. Yes.

Q. And there was a company called Piel Corp.?

A. Uh-huh.

Q. Yes?

A. Yes.

Q. She was the Chairman of that company?

A. Yes.

Q. There was a company called Megan Corp.; is that

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1 correct?

2 **A.** Correct.

3 **Q.** And she was the Chairman of that company?

4 **A.** I don't remember what her title was there. I
5 believe it was Chairman.

6 **Q.** All right. And then there was an entity called
7 Arrow Truck Leasing; is that correct?

8 **A.** Yes.

9 **Q.** What was her status with that company, if
10 anything?

11 **A.** I would assume it would be the same.

12 **Q.** Turning the books in front of you to
13 Exhibit 136. Mr. Pielsticker, Exhibit 136 is an exhibit
14 we've marked previously in this case, which is an
15 affidavit filed by Carol in this action, which is a
16 matter of public record.

17 Have you seen this document before?

18 **A.** No.

19 **Q.** Let me have you look at Paragraph 2, and it
20 says as follows, quote: "From 2001 to 2009, I was the
21 Chairman of the Board of Directors of Arrow Trucking
22 company. By virtue of my ownership of 100 percent of
23 the shares of Megan Corporation, (which owned all of the
24 shares of Piel Corporation which in turn owned all the
25 shares of Arrow Trucking), I was the indirect owner of

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1 **A.** I don't believe so. I don't know if she was.

2 **Q.** To your knowledge, was she informed that the
3 company was seeking a new invoice financing
4 relationship?

5 **A.** Yes.

6 **Q.** She was?

7 **A.** Uh-huh.

8 **Q.** Okay. Are those the kinds of issues that you
9 and her would talk about within the company?

10 **A.** Yes.

11 **Q.** During 2008 and 2009, was it your practice to
12 discuss aspects of the business with your mother that
13 you felt were important?

14 **A.** Yes.

15 **Q.** And was it your practice to seek her input on
16 significant corporate decisions?

17 MR. RAY: Object to form.

18 **A.** Yes.

19 **Q.** (BY MR. SHIELDS) Let me rephrase that. Was it
20 your custom and practice to seek her input on important
21 corporate matters?

22 MR. RAY: Object to form.

23 **A.** Yes.

24 **Q.** (BY MR. SHIELDS) As I understand it, Piel
25 Corp. had guaranteed the GE line; is that correct?

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1 proceedings, and it purports to be amended and restated
2 bylaws of Piel Corporation.

3 **A.** Okay.

4 **Q.** Have you ever seen these before?

5 **A.** I signed them. I didn't read them.

6 **Q.** And let's take a look at the signatures. Do
7 you recognize your mother's signature on the last page
8 of that exhibit?

9 **A.** Yes.

10 **Q.** Do you recognize your signature?

11 **A.** Yes.

12 **Q.** Now, if you would, turn over to Paragraph 5.5,
13 which is on Page 6 of the exhibit.

14 **A.** Okay.

15 **Q.** And read that, if you would, and let me know
16 when you're done reading it.

17 **A.** (Witness reviews document.)

18 Okay.

19 **Q.** Does that paragraph describe the duties of the
20 Chairman of Piel Corporation as you understood them?

21 **MR. RAY:** Object to form.

22 **A.** That would describe the rules that the Chairman
23 had, I guess.

24 **Q.** (BY MR. SHIELDS) But there's -- there's
25 nothing inconsistent about that paragraph as you

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1 understand what the duties and requirements were?

2 **A.** No.

3 **Q.** All right. Now, I want to look at a handful of
4 exhibits concerning involvement of the Chairman in the
5 company, and we'll try and go through these fairly
6 quickly.

7 Let me have you go to the larger book and
8 start with Exhibit 15.

9 **A.** This is going to take me forever. Okay.

10 **Q.** This is an e-mail from your mother to you and
11 others, correct?

12 **A.** The e-mail that I'm looking at -- maybe I'm
13 looking at the wrong one -- is one from Larry Bump to
14 Joe Mowry.

15 **Q.** I'm sorry. Are you on 15?

16 **A.** Okay. Now I am. Sorry. 15.

17 Yes, from Carol to myself, Joe, Larry, and
18 Gary Jones.

19 **Q.** And what does that refer to?

20 **A.** What would that refer to? I believe that would
21 refer to -- at that point, it would be whatever
22 information that we understood the TAB situation to be.
23 And cutting the company to the bear bones, I don't know
24 what she -- what she said by that. I would assume it
25 would be radically cutting the company.

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1 Q. The question I wanted to ask was that your
2 mother was involved in that process and those
3 discussions, correct?

4 A. Yes.

5 Q. All right. Now go over to Exhibit 31.

6 A. (Witness complies.)

7 Okay.

8 Q. Now looking at Exhibit 31, do you recall a time
9 when Larry Bump put money into the company?

10 A. Yes.

11 Q. And my understanding is that he put in a total
12 of \$6.2 million in various pieces between about May and
13 June of 2009, correct?

14 A. Yes.

15 Q. And at that time, isn't it true that the
16 company needed that cash because it was having very
17 severe cash flow problems?

18 MR. RAY: Object to form.

19 A. At that time, it needed the -- can you repeat
20 that?

21 Q. (BY MR. SHIELDS) Yeah. Isn't it true that at
22 that time, the company needed the cash from Larry Bump
23 because it was having significant cash flow
24 difficulties?

25 MR. RAY: Object to form.

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1 **A.** Yes. But the reason for him putting money into
2 the company was different than what you're talking
3 about.

4 **Q.** (BY MR. SHIELDS) Well, I understand that, but
5 the negotiations with Larry Bump originally started out
6 for him buying the Heavy Haul division, correct?

7 **A.** A portion of it.

8 **Q.** All right. But it ultimately turned out, did
9 it not, that Mr. Bump loaned money to the company on
10 promissory notes rather than acquiring any asset or
11 interest?

12 **A.** Yes.

13 **Q.** And were you involved in the negotiations with
14 Mr. Bump to put money into the company on whatever basis
15 he put it in?

16 **A.** Yes. But, again, it originally was not
17 intended to be a loan.

18 **Q.** But that's the way it turned out?

19 **A.** That's the way it turned out.

20 **Q.** Now, on the e-mail, Exhibit 31, for example,
21 your mother is copied on that; is that correct?

22 **A.** Correct.

23 **Q.** Okay. And was she involved in the discussions
24 about Larry Bump putting money in the company?

25 **A.** Yes.

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1 Q. She was?

2 A. Yes.

3 Q. All right. And that would be normal, would it
4 not, to involve her in those kinds of discussions?

5 A. Yes.

6 Q. Did you discuss with her directly why the
7 negotiations with Larry were taking place, what the
8 company's needs were for cash?

9 MR. RAY: Object to form.

10 A. Yeah.

11 Q. (BY MR. SHIELDS) Okay. In other words, you
12 discussed with her at that time that the company needed
13 that money to bridge some cash flow problems?

14 A. Yes.

15 MR. RAY: Object to form.

16 Q. (BY MR. SHIELDS) And did you have those
17 discussions with her on or about the date of that
18 e-mail, May 27th?

19 A. I don't recall when I talked to her, but I
20 talked to her frequently.

21 Q. Okay. Was that one discussion or several?

22 A. (No response.)

23 Q. Was that one discussion or several?

24 A. Which is what, one discussion or several?

25 Q. Did you have just one discussion with her about

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1 Larry's investment with the company, or were there
2 several?

3 **A.** Several.

4 MS. KEELE: Jeff, what was the date on that
5 e-mail?

6 MR. SHIELDS: May 27th.

7 MS. KEELE: Of what year?

8 MR. SHIELDS: 2009.

9 MS. KEELE: Thank you.

10 **Q.** (BY MR. SHIELDS) Look now, if you would, at
11 Exhibit 33.

12 **A.** Uh-huh.

13 **Q.** And do you recall having promissory notes
14 prepared for Mr. Bump?

15 **A.** Do I remember having them prepared?

16 **Q.** Yes.

17 **A.** I didn't have them prepared. I believe Larry
18 probably would have asked they be prepared.

19 Again, this wasn't the original intent that
20 they turned into the note. I assume Joe prepared them.
21 I don't know that, or the Legal Department.

22 **Q.** All right. And, again, your mother was copied
23 on Exhibit 33?

24 **A.** Right.

25 **Q.** All right. Now, if you would, turn to

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1 Exhibit 48.

2 A. Okay.

3 Q. That's an e-mail from you to Carol Bump and
4 others, the subject title of which is "TMW Transfer
5 7/13/09"; do you see that?

6 A. Yes.

7 Q. And that's being sent to your mother among
8 others, correct?

9 A. Correct.

10 Q. What is meant by TMW Transfer? What is being
11 conveyed here?

12 A. I think what's being conveyed here is just our
13 weekly -- our weekly revenue, what we were told our
14 billing was.

15 Q. All right. And these weekly revenue reports --
16 or I'm sorry, these revenue reports were sent out
17 weekly, correct?

18 A. Correct.

19 Q. And was your mother normally copied on them?

20 A. No.

21 Q. Did you normally --

22 A. They appear to be.

23 Q. Did you normally pass them along to your
24 mother?

25 A. I don't recall what I -- how often the

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1 conversations between me and John, which you guys have
2 heard, talking about the legality of what he was doing.

3 I knew that the problem had pushed on. In
4 June of two thousand -- June 1st of 2001, John sent me
5 an e-mail, saying that of the taxes, 1.45 would be paid
6 to the IRS that day, which it never was.

7 At that point, that day, 690,000 went to
8 Altura and other various people. So we knew that the
9 problem -- so we thought we had pretty much caught the
10 thing up.

11 Later in the summer, we found out we were
12 still somewhat behind, and that's what got us to that
13 point.

14 **Q.** All right. Now aside from Mr. Moore's handling
15 of it, or whatever responsibility had been assigned to
16 resolve it --

17 **A.** Right.

18 **Q.** -- is the fact that the payroll taxes behind an
19 indicator to you that the company was having cash flow
20 trouble?

21 **A.** Yes. Well, yeah, obviously.

22 **Q.** All right. Now it looks like you've brought
23 your mother in the loop on this e-mail, correct?

24 **A.** Yes.

25 **Q.** And what discussions did you have with her, if

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1 any, about the payroll tax issue on or about August 10th
2 of two thousand --

3 **A.** I don't recall what we talked about on
4 August 10th, but everybody was aware of the
5 million-dollar issue at that point.

6 **Q.** So is it your testimony that your mother was
7 aware of the issue, but you're not recalling how much
8 you discussed it with her?

9 **A.** Yes.

10 **Q.** Or do you recall how much you discussed it with
11 her?

12 **A.** I don't recall how much. Specifically the
13 conversation, I don't recall.

14 **Q.** Okay. Do you recall if that seemed to be an
15 item of concern to her?

16 **A.** Yes.

17 **Q.** All right. Take a look at Exhibit 79 -- you
18 know, Mr. Pielsticker, before I leave Exhibit 78...

19 After that e-mail, Exhibit 78, was written,
20 what did you do, if anything, to follow up on whether
21 the payroll issue had been resolved?

22 **A.** As far as payroll taxes?

23 **Q.** Yes.

24 **A.** I asked Joe to get in the middle of it. And
25 I'm trying to remember, so dates and some of the stuff

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1 **A.** No.

2 **Q.** Would you put them on a calendar, like an
3 Outlook calendar or anything of that nature?

4 **A.** If the meeting was scheduled, my mother, you
5 know -- if the meetings were -- just didn't work out as
6 a scheduled deal. She would be out of town, so it would
7 be, I'm coming out to Arrow tomorrow. Are you and Joe
8 available, type of deal.

9 **Q.** All right. Now, the information that's
10 attached -- if you'll go to the second page of the
11 exhibit, it says: "Consolidated financial flash
12 report."

13 **A.** Okay.

14 **Q.** Tell me, to your knowledge, what a flash report
15 is, as used within Arrow Trucking?

16 **A.** The question of what would this indicate? How
17 the company is doing, what the salaries were, I mean,
18 the expenses were. Somewhat the bottom line here.

19 **Q.** All right. And was this the kind of
20 information that, to your knowledge, was normally and
21 ordinarily provided to your mother?

22 **A.** I don't know what was provided to her normally.
23 I mean, this is the kind of information that would be in
24 the big book that's referred to here. This is also the
25 kind of information that was distributed. I'm trying to

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1 think if she was on that e-mail chain or not. But
2 weekly, our P&Ls that would show how we were doing, but
3 not at this level of detail.

4 Q. And to your knowledge, did your mother make it
5 a practice to stay informed of such information?

6 MR. RAY: Object to form.

7 A. I mean, the thing about -- I think she would
8 want to stay informed. She is not a financial
9 accountant at any level, neither am I. So I don't know.

10 Q. (BY MR. SHIELDS) In spite of that, she made an
11 effort to stay informed as to how the company was doing,
12 correct?

13 MR. RAY: Object to form.

14 A. Yeah.

15 Q. (BY MR. SHIELDS) All right. Turn to, if you
16 would, Exhibit 85.

17 A. Uh-huh.

18 Q. This is an e-mail from Michael Dunlap to John
19 Moore. Looks like it's pulling the same information
20 that is the subject of the prior e-mail.

21 A. Okay.

22 Q. Do you know if your mother had contact very
23 often with Mr. Dunlap?

24 A. No, not at all.

25 Q. All right. Take a look at Exhibit 86.

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1 we met with her, so it just depends on what you want to
2 call it.

3 Q. All right. Now, Mr. Pielsticker, there came a
4 time, did there not, when you became aware of an
5 activity going on within Arrow where inflated invoices
6 were being sent to TAB for purchase?

7 A. Yes.

8 Q. And when did you first become aware that that
9 was going on?

10 A. Well, like I said in my 2004 deposition, there
11 are different -- levels isn't the right thing to say --
12 the different knowledge base that I actually obtained.

13 I believe it was on or about early October
14 we found out that there was a problem with our
15 invoicing, that the numbers that I had been looking at
16 for the year had been inflated, misstated, we'd been
17 lied to, that there had been a problem with TAB's.

18 We were told at that point that there were
19 storage invoicing, stuff that we hadn't billed, stuff
20 that we could bill. And then we were told the number
21 was -- at that point, we just did the audit. 1 million
22 to 1 million 250, something like that, I believe was the
23 previous testimony of mine.

24 And we were assured that we didn't have a
25 problem, and we were assured that -- you know, we had a

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1 meeting about it with Mom, Larry, Gary Jones. We were
2 told by our counsel that, "You're well with inside
3 the -- whatever it was -- 15 percent cap. There's no
4 exposure here, criminal or civil at any level. You
5 know, worst-case scenario is you may have to pay the
6 money back faster than you'd like, but it reports itself
7 off."

8 Q. Okay. Let me break that down a little bit, if
9 I can.

10 A. Uh-huh.

11 Q. How specifically did you find out that inflated
12 invoices were being accepted to TAB for purchase? I
13 mean, what was your source of information?

14 A. The source of information would come from --
15 I'm trying to think when this all happened.

16 Sarah Carter, I believe, was the person
17 that came in and told me that we had a problem. You all
18 came and did an audit. We were told a lot of different
19 things at that time, you know, about John as to what was
20 really happening here, and that's how we found out about
21 it.

22 Q. So did Sarah Carter come to you at some point
23 and say in words or in substance: "Doug, there is this
24 problem going on and" --

25 A. That day. And then grabbed -- yeah. I then

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1 the very end.

2 Q. All right. But she told you there was
3 overbilling going on?

4 A. She told me that, yeah, there was billing going
5 on that we didn't think we'd collected on.

6 Q. All right. Now, so the next thing you did was
7 to consult with Mr. Mowry about that?

8 A. Yes.

9 Q. And was that the same day?

10 A. Yeah.

11 Q. And what was said and by whom in that
12 conversation?

13 A. To find out where we were at, find out what
14 these numbers were, put your arms around it, and deal
15 with it, figure out how to unwind this mess.

16 At that time, it was a bad deal. We called
17 my mother at that point immediately. She was in
18 Santorini Greece, and let her know what was -- what
19 happened and what do we do. So...

20 Q. I understand that when you called your mother
21 in Santorini, she and Larry were on their --

22 A. Honeymoon.

23 Q. -- honeymoon, and it was at the beginning part
24 of October; is that right?

25 A. Yes.

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1 Q. And when you telephoned her, can you recall
2 what was said and by whom in that conversation?

3 A. I told her what had happened here, that we had
4 a problem, that, you know, there had been an audit,
5 there had been inaccurate numbers. There was an
6 invoicing issue; we were trying to get to the bottom of
7 it.

8 I wanted to fire John Moore that day. I
9 was told to wait until they returned and then we'll get
10 into it and deal with it. At that point, I then asked
11 Joe to be effectively CFO and come in there and
12 straighten this out.

13 Q. So it's your testimony that at that point you
14 formed the conclusion that John Moore was a part of or
15 at the root of the invoicing scheme?

16 A. Well, I didn't know about the scheme. Let's
17 start with that.

18 Q. Okay.

19 A. But, I mean, when you talk about the scheme,
20 you're talking about ABN was the scheme, which I did not
21 know about until the very end.

22 What I knew is we had a massive billing
23 problem at that point. And at that point, dealing with
24 that question, the people that came in there were...

25 Q. Okay. Do you recall in that same time frame

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1 Elaine Cox ever approaching you about this?

2 **A.** She never approached me.

3 **Q.** All right. Now, in that time frame when you
4 described there was an invoicing problem and whatever
5 other terms you've used, tell me precisely what you
6 thought the problem was.

7 **A.** I thought John was billing storage, stuff that
8 we hadn't billed before; that whether he would or
9 wouldn't be able to collect on it was unknown at that
10 point. Told him to stop it and move forward.

11 **Q.** All right. Now, did you have any knowledge at
12 that point that shipper invoices had had the numbers
13 enlarged on them before they were sent to TAB for
14 purchase?

15 **A.** I had found that that had happened. Again, the
16 storage invoice, I didn't think this was going on, you
17 know, radically inflating bills across the board.

18 **Q.** Okay. When did you find out that that had
19 happened?

20 **A.** It was December.

21 **Q.** In December?

22 **A.** Yeah, that time frame.

23 **Q.** All right. Now, when your mother and Larry
24 returned from Greece, I think you said there was a
25 meeting.

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A. Yes.

Q. Okay. And Larry was there, right?

A. Uh-huh.

Q. Your mother was there?

A. Yes.

Q. Joe Mowry was there?

A. Yes.

Q. You were there?

A. Uh-huh.

Q. Anyone else?

A. Not that I'm aware of or not that I remember.

Q. Mr. Moore was there?

A. I don't think he was in that meeting.

Q. All right. And let me -- I want to talk about that meeting, but let me back up to one thing. At that moment, why did you feel that Mr. Moore should be fired from his job?

A. Because he had been lying to us about our revenue. He had been lying to me all year about where we stood.

Q. And so your conclusion from what you had heard is that you had been given overstated revenue figures for the company?

A. Absolutely.

Q. Okay. Now let's go back to that meeting that

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1 we just talked about. We got who attended.

2 Was that on the Arrow premises?

3 **A.** Yes.

4 **Q.** Was it in your office?

5 **A.** I assume, yeah.

6 **Q.** Tell me as accurately as you remember what was
7 said and by whom in that meeting.

8 **A.** Oh, God. We were going through the meeting,
9 talking about the issue at hand of the million- to
10 million-and-a-half-dollar balance out there. We were
11 going through an audit at the same time, our '08 audit.

12 We were concerned about firing John,
13 because he used to work for our auditor, and not being
14 able to get the things done that we needed to get
15 buttoned up, which were the units of production, change
16 and the capitalization change.

17 We sat there. You know, Joe looked into
18 the numbers, said we have a million- to a
19 million-and-a-half-dollar problem, as I've told you all
20 before, and that you have -- you don't have a civil or
21 criminal issue here. This is a pure, you know, quote,
22 "breach of contract issue" that, you know, may have to
23 be paid immediately.

24 And so at that point, looking at the
25 company, we just let it -- we were just going to let it

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1 recourse itself off.

2 Q. So what did your mother say in that meeting, if
3 anything, about what you discussed?

4 A. I don't recall her saying much -- just being a
5 bad, very, very bad deal.

6 Q. How did the topic of criminal liability come
7 up?

8 A. I don't recall. I don't recall.

9 Q. And when you say "recoursed off," do you mean
10 that the --

11 A. We would be buying them back.

12 Q. The unpaid invoices would just be bought back?

13 A. Yeah.

14 Q. All right. Is that what happened?

15 A. I'm sorry?

16 Q. I'm sorry. You said that the solution that you
17 had talked about was just to let the million to million
18 and a half recourse off.

19 A. Correct.

20 Q. And did that ultimately happen? In other
21 words, did the money get paid back by recouring off?

22 A. I don't know.

23 Q. You don't know?

24 A. I don't know whether those specific invoices
25 were paid back, no. I don't know -- I don't know what

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1 happened.

2 Q. All right. Well, more generally, were you ever
3 informed that TAB received information that the money
4 would be paid back and that it purportedly was?

5 A. Did TAB -- say that again.

6 Q. Well, did you ever know that officers of the
7 company communicated with TAB about the problem, said
8 that it had happened, and then purportedly took care of
9 it and paid it off?

10 A. I don't recall that.

11 Q. All right. What -- what -- well, strike that.

12 Is there anything else that was discussed
13 at that meeting after Larry and Carol had got back from
14 Greece that you haven't told me?

15 A. Not that I can remember.

16 Q. All right. Now, after that meeting, did you
17 ever confront Mr. Moore about what you knew?

18 A. Yes.

19 Q. And how soon after the meeting did you confront
20 him?

21 A. I don't recall. I mean, we had several
22 conversations. You know, what are you thinking? What
23 are you doing? Don't do this again. Basic things.

24 Q. So there were several conversations?

25 A. I think -- yeah, a handful.

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1 Q. Are you able to --

2 A. But then at that point, you know, I tried to
3 eliminate him out of the TAB situation and, you know,
4 asked Joe to come in there and be CFO. You know, that
5 was reported by all the e-mail chains to everybody. And
6 clean this mess up.

7 Q. All right. When you asked Mr. Moore in
8 substance, "What are you doing?" how did he respond?

9 A. What he was doing was, he would complain about
10 TAB not buying off invoices, you know, just, could you
11 guys just pick and choose what you were going to buy
12 each day on companies that were very solid.

13 Alcoa, for instance, you guys called and
14 said that, you know, we don't like their quarterly
15 filings. We don't like their earnings. We're not going
16 to buy them today. You know, Fortune 500 companies.

17 So I think that was probably his -- I don't
18 know. So I told him: "You cannot do that. Stop it."

19 Q. Did he say he would stop?

20 A. Yes.

21 Q. All right. Was it your understanding that
22 under the TAB AR agreement we looked at before,
23 Exhibit 73, that TAB had the right to reject any invoice
24 for no reason or any reason?

25 A. I don't know. I haven't read the agreement.

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1 **Q.** In terms of your desire to fire Mr. Moore at
2 that time, again, you talked to your mother about that?

3 **A.** Uh-huh.

4 **Q.** And I take it she disagreed with your
5 recommendation to fire him at that moment?

6 **A.** Both she and Joe did.

7 **Q.** All right. And the articulated reason was it
8 had to do with completing the audit which was being
9 undertaken by his former employer?

10 **A.** Yeah.

11 **Q.** And that former employer was Wayne Gorman?

12 **A.** Yes, I believe.

13 **Q.** And that audit was never completed, was it?

14 **A.** Correct.

15 **Q.** Did you ever try to persuade your mother to the
16 contrary, in other words, persuade her to terminate
17 Mr. Moore then and there?

18 **A.** No. I think it was more of a -- you know, I
19 call it -- you know, we talked about the issue, you
20 know, not only with Mom and Larry and Joe. We talked
21 about the issue. We talked about where we were at, how
22 we were really in violation of the contract, and that we
23 would just move forward, get the audit buttoned up, and
24 fire John immediately.

25 **Q.** Do you believe, sitting here today,

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1 Do you recall the conversation referred to
2 here between you and Boyd Hunter?

3 **A.** I recall the e-mail.

4 **Q.** Okay. Do you recall the conversation that it
5 refers to?

6 **A.** I don't recall verbatim at all what the
7 conversation was. Again, I'm trying to think about it.
8 The -- I called him -- I don't recall the exact
9 conversation, no.

10 **Q.** Okay. Now the e-mail I just read refers to
11 conversations in the plural, correct?

12 **A.** In the what?

13 **Q.** Plural. In other words, it says
14 "conversations."

15 **A.** Okay.

16 **Q.** Do you recall generally having conversations
17 with Boyd Hunter on December 11?

18 **A.** No. I mean, I'm trying to recall what it is
19 that we talked about. I remember talking to him about
20 wanting to come there and see them and go everything
21 through with him, and, obviously, that didn't happen.

22 **Q.** All right. But, Mr. Pielsticker, isn't it true
23 that as of the evening of December 11th, there was a
24 real crisis pending between Arrow and TAB?

25 **A.** Yes.

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1 Q. And that crisis had to do, did it not, with the
2 realization of the invoice scam and TAB's discovery of
3 it?

4 A. It had to do -- well, what our knowledge was
5 about it, and just trying to figure -- again, figure the
6 thing out. I don't think at that point we fully
7 understood anything.

8 Q. All right. But you recall representing to the
9 bank officers that you and your mother would give
10 guarantees for \$750,000 for fuel funding over that
11 weekend?

12 A. Yes.

13 Q. All right. And do you recall why that was
14 necessary?

15 A. Because we needed to pay for fuel over the
16 weekend and I believe make payroll at that point.

17 Q. All right. Is that because of grounds that TAB
18 had to cease buying invoices?

19 A. I don't recall what your -- what the reasoning
20 was. I just recall that we needed to get the funding
21 for the weekend so the trucks wouldn't stop.

22 Q. All right. Now, in terms of these guarantees,
23 did you talk to your mother about the guarantee?

24 A. Yes.

25 Q. Was it that day, December 11th?

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1 **A.** Yes.

2 **Q.** Let me take you to the other book and have you
3 look at Exhibit 43.

4 **A.** Okay. Okay.

5 **Q.** And Exhibit 43 is your responses to
6 interrogatories in this case, correct?

7 **A.** Yes -- is it?

8 **Q.** Well, look at the last page and look at the
9 signatures and the notarization.

10 **A.** For my response?

11 **Q.** Yes.

12 **A.** Yes.

13 **Q.** And is that your signature on the last page?

14 **A.** And this is my answers prepared by Loosvelt?

15 **Q.** Yes.

16 **A.** Yes, it is.

17 **Q.** I'm sorry, Mr. Pielsticker, I misspoke. If you
18 go to the second page -- I'm sorry, the third page to
19 the end, there's a verification.

20 **A.** Okay.

21 **Q.** It says: "Verification of James Douglas
22 Pielsticker, et cetera"; do you see that?

23 **A.** Yes.

24 **Q.** Is that your signature?

25 **A.** I'm trying to figure out what it's in regards

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1 to. The guarantee is in front of me here. This is just
2 for the interrogatories?

3 Q. Yes. This is the answer to interrogatories.

4 A. Yes, that's mine.

5 Q. All right. Go to Page 10 of Exhibit 43.

6 A. Okay.

7 Q. And I'm looking at specifically the response to
8 Request Number 15. And what Request Number 15 asks is,
9 quote: "Admit that TAB delivered to Arrow Trucking
10 proposed guarantee agreements to accomplish the
11 guarantees described in Request Number 14, and Arrow
12 Trucking returned to TAB the executed versions of the
13 guarantee agreement signed by you, Carol Pielsticker,
14 and Megan Corp."

15 And then the response to that request
16 begins at the bottom of Page 10, which is a lot of legal
17 objections and that type of thing. But I want you to go
18 over to the next page.

19 And it says, quote: "Defendant admits that
20 Arrow received guarantees from TAB at some point. The
21 defendant, Joe Mowry, and Larry Bump were in an office
22 together and called Carol Pielsticker. The guarantees
23 were explained to Carol Pielsticker, and she authorized
24 her signatures on the guarantees, and the guarantees
25 were executed."

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1 **A.** Okay.

2 **Q.** Is that still your testimony?

3 **A.** Yes.

4 **Q.** All right. Now, the answer to interrogatories
5 does not specify a date, but I think you just testified
6 that you called Carol on December 11th; is that correct?

7 **A.** Is that a Friday?

8 **Q.** I'm sorry?

9 **A.** Is that a Friday when the guarantees were
10 signed?

11 **Q.** Yes. And I'm --

12 **A.** I know we're getting there.

13 **Q.** One second. Look back at Exhibit 147 and the
14 e-mail we read.

15 **A.** From TAB -- okay. Yes. Yes. Okay.

16 **Q.** Do you still have that?

17 **A.** Yes.

18 **Q.** And Exhibit 147, you're writing Boyd Hunter
19 about guarantees on December 11th; do you see that?

20 **A.** Yes.

21 **Q.** And I had asked you whether you discussed the
22 guarantees with your mother, and you said you had that
23 day; is that -- is that your testimony?

24 **A.** Yes. What happened was, I was in a -- Larry
25 Bump had come to the office. Joe Mowry and I and Larry

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1 were in the office. Now that we went this far, I do
2 recall part of it with Boyd.

3 We discussed the 750 guarantee and the need
4 to fund fuel and payroll or that would be disastrous for
5 the company.

6 I was on the phone with him, and he said:
7 "Would you and your mom guarantee this?"

8 I said: "Yes."

9 And Larry looked at me and said: "Well,
10 don't you think you need to get the shareholders'
11 approval?"

12 And that's when we called mom, and she said
13 yes, and we signed it, and funds were advanced.

14 **Q.** Okay. Where was your mother when you called
15 her; do you remember?

16 **A.** I have no idea.

17 **Q.** All right. So did you explain to her the
18 amount of the guarantee that was involved, the 750?

19 **A.** Yeah.

20 **Q.** Do you feel like, sitting here today, that you
21 gave her a complete explanation of what was entailed in
22 the requested guarantee?

23 **A.** Yes.

24 **Q.** In that phone call?

25 **A.** (No response.)

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1 your mother would be signing that you discussed with her
2 on December 11?

3 **A.** Uh-huh.

4 **Q.** It is?

5 **A.** Yes.

6 **Q.** All right. And if you go to Page 2 of the
7 exhibit --

8 **A.** Right.

9 **Q.** -- there's a signature at the bottom consenting
10 for Pielsticker Corporation that purports to bear your
11 signature. Is that your signature?

12 **A.** Yes.

13 **Q.** All right. Was the Carol Pielsticker signature
14 on this document when you signed it on behalf of
15 Piel Corp.?

16 **A.** I don't recall that.

17 **Q.** You don't think that it was, or you just don't
18 recall either way?

19 **A.** I said -- answered this. I said I don't recall
20 whether her name was already signed on it or not.

21 **Q.** All right. Do you know who applied her
22 signature to Exhibit 146?

23 **A.** I don't know who applied it. I know the day
24 she gave us approval to sign it. I would assume it was
25 Joe, but I don't know definitively who did it.

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1 You know, we were going there at the very
2 end. You know, the numbers were moving; you know,
3 started at what we always alleged or believed to be, you
4 know, the million to million and a half dollars. Then
5 it kind of turned to three. Then it kind of turned
6 into -- it kind of kept evolving as your audit went on
7 and time went on and as more uncovering went on.

8 So, you know, I don't know. I had never
9 used that number, so I don't recall it.

10 **Q.** All right. Go down two more bullet points. So
11 December 11, TAB would not fund payroll, fuel, and other
12 necessary items. Negotiations resulted in Doug
13 providing PG -- which I assume that's personal
14 guarantee -- of 750K, and Carol Pielsticker Bump
15 providing a limited PG, paren, (dollar not disclosed)
16 close paren.

17 Is that an accurate statement of something
18 that was discussed at the meeting?

19 **A.** It very well could have. I don't recall
20 what -- if we talked about it. Clearly we did. You
21 guys were on the phone as well during that meeting.

22 **Q.** Right.

23 **A.** So, you know, there was an additional guarantee
24 that day done. So the fact that we talked about a 750
25 guarantee doesn't surprise me at all, considering we

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1 **A.** (Witness complies.)

2 Okay.

3 **Q.** All right. First of all, do you recall a
4 conversation taking place where you and Mr. Meadows and
5 your mother were in a room and were talking to TAB
6 representatives on December 16?

7 **A.** Yes. I remember Chuck handling that alone on
8 his own phone.

9 But go ahead.

10 **Q.** All right. Were you a party to a conversation
11 on December 16th as described here?

12 **A.** Yeah. Yeah.

13 **Q.** Now, do you recall asking your mother or saying
14 to her in words or in substance: "Mother, you remember
15 the guarantee that we talked about?"

16 **A.** I don't recall that. I don't doubt that. I
17 think that, you know, her previous attorney, Jim
18 Sturdivent, basically -- you know, his contention was
19 that I had it signed and Joe forged it.

20 You know, we would contend that mother was
21 very well informed about that guarantee, had authority
22 to sign it, and her husband was sitting next to me when
23 it happened.

24 **Q.** All right. Now, when he says here, quote:
25 "When Carol started to speak, James Douglas Pielsticker,

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1 the president of Arrow, interjected and prevented Carol
2 from speaking."

3 Do you ever recall preventing your mother
4 from speaking?

5 **A.** No, no, no, not at all.

6 **Q.** All right. I didn't think so.

7 **A.** So where did this come from?

8 **Q.** It was filed in the case.

9 **A.** Okay.

10 MR. SHIELDS: Let me talk just briefly with
11 my client.

12 (Break taken from 3:40 p.m. to 3:45 p.m.)

13 (Exhibit 191 marked during break)

14 MR. SHIELDS: We'll be back on the record.

15 **Q.** (BY MR. SHIELDS) Mr. Pielsticker, I've handed
16 you now what's been marked as Exhibit 191, which
17 purports to be a TAB fuel line agreement. And if you
18 would turn to the last page, can you identify your
19 signature on that?

20 **A.** It appears to be mine.

21 **Q.** And then go to the second to the last page. Do
22 those appear to be your initials?

23 **A.** Yes.

24 **Q.** On the third to the last page, is that your
25 signature on behalf of Arrow Trucking?

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1 **A.** What is this? It's a fuel line extension?

2 **Q.** Fuel line agreement.

3 **A.** You know, no, this doesn't appear to be. No, I
4 don't like my signature.

5 **Q.** Yeah. This came to us in the Daimler
6 production in this form. Do you recall giving this
7 document to Daimler?

8 **A.** No. No. I had a contract -- JM would be on
9 this signed next to it. I don't believe this is my
10 signature.

11 **Q.** We talked previously about the individual
12 guarantee --

13 **A.** Right.

14 **Q.** -- from your mother. Can you tell me, if you
15 know, how mechanically her signature got on that
16 document?

17 **A.** It's right on there. I don't know. As I
18 recall -- the authority to sign it. And I want to
19 say -- I want to say Joe -- I don't -- I mean, I don't
20 know how it got there. It was somebody other than me
21 that signed it.

22 **Q.** All right. But your testimony is that however
23 it got there, it was authorized?

24 **A.** Yeah.

25 **Q.** All right. Now in terms of -- well, strike