

ORIGINAL

U.S. DISTRICT COURT
U.S. BANKRUPTCY COURT
DISTRICT OF IDAHO

MAR 31 2004

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Attorneys for Creditors
Virgil Vial, Mark Vial, Mike Vial, d/b/a Au Mining, and
David Vial

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO
(Moscow)

In Re:)	Case No. 03-21652
GERALD LINDSEY and ONA LINDSEY,)	Chapter 7
)	
Debtors.)	VIALS' JOINDER TO TRUSTEE'S
)	SECOND MOTION TO AMEND THE
)	VOLUNTARY PETITION AND
)	MOTION FOR TURNOVER OF
)	PROPERTY

Virgil Vial, Mark Vial, Mike Vial, d/b/a Au Mining (collectively referred to herein as "Virgil Vial") and David Vial (collectively referred to herein as "Vials") by and through their attorneys of record, Hawley Troxell Ennis & Hawley LLP, hereby file this Joinder to Trustee's Second Motion to Amend the Voluntary Petition and Motion for Turnover of Property. On

VIALS' JOINDER TO TRUSTEE'S SECOND MOTION TO AMEND THE VOLUNTARY PETITION AND MOTION FOR TURNOVER OF PROPERTY - 1

March 23, 2004, the Trustee, Ford Elsaesser, filed a Motion for Turnover of Property and a Second Motion to Amend the Voluntary Petition of the Debtors, Gerald & Ona Lindsey (collectively "Motions"). In particular, the Trustee seeks a turnover of all personal property, records, and real property owned by the Lindsey Entities. In addition, the Trustee seeks to add Mountain Property Management and Trust Company, National Holding Trust, and Equitable Financial Services, as debtors to the bankruptcy petition, as they are the alter egos of the Debtors. The Vials fully support the Trustee's Motions based upon the reasons set forth in the Memorandum filed in support of the Motions and the Affidavit of Mr. Barry McHugh. In addition, the Vials support the Motion on the following grounds and reasons:

1. In 1994 the Debtors and their solely owned corporation LT&L, Inc., purportedly transferred nearly all of their assets, both real and personal property to a "Business Trust" called Searchlight Trust. The real property consisted of thousands of acres of real property in White Bird, Idaho. *Attached hereto as Exhibit A is a true and correct copy of the relevant portions of the Creditors Meeting deposition taken of the Debtors on March 1, 2004, of which counsel for the Vials participated. See, Exhibit A, Depo. Exh. 15 ("Searchlight Trust Document"); 229:9-23; 236:6-243:9.*

2. The company that sold the Debtors the Searchlight Trust Document created temporary Trustees to show them what to do and then the Debtors set up their own "trustees" within a couple of months. *Exh. A, 20:22-21:7.* The only Trustees the Debtors can recall having are James Spickelmire and Boyd Hopkins ("Trustees"). *Exh. A., 22:14-20; 30:20-31:24.*

3. It is beyond refute, that the Trustees have admitted under penalty of perjury in depositions taken in a state court action, that they were merely "figureheads" of the Searchlight Trust, made no decisions, and would merely sign what Gerald Lindsey or Julie Folwer (Gerald

Lindseys' bookkeeper) put in front of them. See *Affidavit of Sheila R. Schwager in Support of Objection to Chapter 13 Plan filed on December 30, 2003 ("Schwager Aff")*, Exh. 4, D, E. For the convenience of the Court and the parties, attached hereto as Exhibit B is a true and correct copy of the relevant deposition testimony of the Trustees. Despite the fact that the Searchlight Trust Document states in part that the Trustees have complete power over the Searchlight Trust and the Certificate Holders (Lindsey) are not to have power over the direction of the Searchlight Trust or any of its assets, the Trustee Hopkins testified that he was merely a figurehead, that he did not manage the assets of the Trust, and that he made no independent decisions whatsoever as Trustee. *Id.*, pp. 17-21. In particular, Trustee Hopkins was asked, "Q. Did you have an active role in managing the assets of the trust during the period of time you were Trustee". His response was an unequivocal "No". *Id.*, at 17. When he was asked, "Q. Did you just view yourself as a live body that was supposed to be there and just sign documents?". His response was "A. That is basically what I did". *Id.*, at 18. He was asked, "Q. You didn't ask any questions or look into anything, or make any independent decisions", and his response was "A. No.". *Id.* He merely followed the lead of Gerald Lindsey, Shannon Lindsey (Lindsey's son), or Julie Fowler. *Id.*, at 21. Similarly, the Trustee Spickelmire also testified that he was merely a figurehead of the Trust and that it was very unimportant to him personally. *Id.*, at 11, 13. When Trustee Spickelmire was asked what he meant by "figurehead", he stated, "A. Just that they needed somebody to be a trustee and asked me to do it. And I said, well, okay, if it doesn't take any brain power... it was just a secretarial position". *Id.* at 14. When asked whether he used any business knowledge to make a determination whether it was the right transaction or not, his response was "Absolutely not at all". *Id.* at 15. When he was asked whether he recalled how he came to act as Trustee of the Trust, he stated:

A. Yes. I've been a friend of Gerald's for most of both of our lives. And he said he needed a trustee and would I do it. And I said, well, what the Hell is a trustee?

Q. What did he tell you?

A. He said, I'm not sure, but we got to have one.

Id. p. 8. It was Spickelmire's understanding that the Trust was set up to protect the entire Lindsey family. *Id.* p. 16. Mr. Groom, the Debtors' attorney in this case, represented the Trustees at their depositions.

4. The record is clear that Mr. Lindsey used Julie Fowler to take care of most of the paperwork and accounting for Searchlight. Mr. Lindsey admitted that she took direction from him from 1994 through 2002. *Exh. A*, 250:23-251:4. She is like the Debtors' daughter. *Id.*, 282:24-283:2 Mr. Lindsey admitted that if the Trustees testified that they did not give her direction, then it would have only been himself, purportedly on behalf of the trust, giving her direction. *Id.*, 251:25-252:9.

5. There are numerous examples establishing that the Searchlight Trust and related dbas and entities are the alter egos of the Debtors. Although it is convoluted, Mr. Lindsey does admit that he managed the assets of the Searchlight Trust from 1994 through 2002 and that the Trustees never managed it themselves, which is consistent with their testimony. *Id.*, 258:11-25. This is contrary to the terms of the trust and Mr. Lindsey has no documents amending the trust. In that management, the Debtors admittedly designed, constructed, and furnished a million dollar home, of which they currently reside. *Id.*, 185:6-9; 186:22-25; 187:22-188:3; 194:3-9; 197:9-21. No one else partook in any of the decision making in the design, construction or furnishing of the home. *Id.* Mr. Lindsey conceded at the Creditors Meeting that either he or Julie Fowler controlled the Searchlight bank account, at least prior to 2002. *Id.*, 190:6-11; 202:4-11. When

the Debtors had to slow down their spending on the construction of the residence, because of the status of the bank account, it was not the Trustees that told Mr. Lindsey, it was Julie Fowler, his employee. *Id.*, 190:19-22. In 2000 when "Searchlight Trust" purportedly purchased mining equipment, it was Mr. Lindsey that negotiated the purchase terms. *Id.*, 206:6-208:8. It was the Lindseys who chose their son as Gerald Lindsey's successor to manage and oversee everything if Gerald were to become ill or not be able to take care of business, which never occurred. *Id.*, 248:15-249:12. It was not the Trustees. *Id.* The Debtors admit that their children have no information regarding the trust, since their only interest is when the Debtors pass away. *Id.*, 93:5-24. This is consistent with the bankruptcy schedules of Shannon Lindsey who has also previously filed bankruptcy in the District of Idaho. In those schedules, Shannon Lindsey makes no mention of any interest in a trust. It was the Debtors who chose and retained their personal attorney to work for the Trust in selling the real property. *Id.*, 263:17-264:7.

Mr. Lindsey testified there were several thousands of acres of real property when the real property was transferred in the name "Searchlight Trust". *Id.*, 48:15-20. Mr. Lindsey testified that "he" sold off all the real property except for 270 acres. *Id.*, 29:2-9. The money to pay the current taxes on the property comes from the sale of the real property. *Id.*, 77:18-78:2.

6. Significantly, Mr. Lindsey testified that neither himself, his wife, or LT&L, Inc. received any consideration for the transfers to the Trust, except that the Lindseys were entitled to live on the property until death, they were to have cars furnished, insurance paid, and their living expenses taken care of. *Id.*, 131:3-8; 134:8-25; 246:20-247:18. This of course is nothing different than what existed prior to the transfer to the Trust. Furthermore, these terms are not in the Trust or any other documents. Mr. Lindsey admitted that no one placed a limit on what their

living expenses could be. *Id.*, 247:10-12. In fact, when the Lindseys needed new vehicles they would go and pick them up and trade in the old ones. *Id.*, 42:1-22; 47:3-25.

There is simply no evidence that anything changed for the Lindsey after the date the Trust was signed, than before it was signed, except that they would put Searchlight on the bills names "most of the time" and make sure that "Searchlight" signed the checks either through Gerald Lindsey or Julie Fowler. There was no independent third party that placed limitations on what he could do with the property, that limited his spending, or that valued his "service" to the Trust. *Id.*, 259:14-16 (Lindsey does not report to anyone in regard to his caretaking responsibilities and no one checks on the way he is doing it. 99:4-22).

7. Apparently, after the Debtors were served with an IRS tax lien notice, Mr. Lindsey caused Julie Fowler to contact the company that sold them the Trust and they recommended that the Debtors contact Mike Ioane in California. *Id.*, 270:2-271:17. Mr. Lindsey now claims that Mike Ioane is the "Administrator" of the Searchlight Trust and that he took it over after the IRS lien notice, but he does not know who the current Trustees are or anything about the operation called National Holding Trust. *Id.*, 291:3-22. Mr. Lindsey claims this occurred in approximately 2002. It appears that the Debtors believe that because Mike Ioane now claims to be the administrator and that Gerald Lindsey now claims to have stopped managing the "Searchlight Assets", that his creditors cannot reach the assets of which he enjoys the everyday use and benefit, and of which he fully intends his children to still inherit. *Id.*, 76:5-12; 67:13-21.

8. One of the problems with the Debtors' position is that the very Trust document of which they rely upon does not provide for the position of an Administrator, nor does Mr. Lindsey know of any amendment to the Trust creating this position or appointing Mr. Ioane as

Administrator. *Id.*, Depo. Exh. 15, 59:3-19. In the deposition, the following testimony took place, "Q. But you've never seen a document that makes him Administrator of the trust? A. No, I don't - - I don't know, no. Q. So, how do you believe - - how do you come to believe that he has some legal or business authority to act on behalf of Searchlight Trust? A. I just assumed that he was." *Id.* 61:2-15; 62:19-21. In fact, Mr. Lindsey admitted that the only idea that he has that Mr. Ioane is an administrator is based upon a rumor. *Id.*, 278:15-18. Thus, there does not appear to be any legal basis for the Debtors' assertion that Mr. Ioane has the right to affect any of the Searchlight assets. Although Mr. Lindsey claims that he is "out of the loop" in an attempt to show he has no current control, he also admits that is of his own choice to "be out of the loop". *Id.*, 66:22-67:1. He could determine what he needs to know by talking to his "trusted employee" Julie Fowler. *Id.*, 67:2-5. Mr. Lindsey admitted that Mr. Ioane has no ownership interest in any of the property. *Id.*, 75:22-76:1. He has no right to sell any of the property. *Id.*, 76:24-25. Mr. Lindsey further testified that Mountain Property Management is just a dba of Searchlight. *Id.*, 179:2-8; 180:3-19. It is not a separate legal entity. *Id.* Since Searchlight is already a named debtor in this bankruptcy, then based upon Mr. Lindsey's testimony, so should Mountain Property Management. *See e.g., Id.*, 181:15-24.

9. Furthermore, many of Mr. Lindsey's claims simply have no basis in belief. He continues to live on the property and Searchlight continues to pay for his medical bills not covered by Medicaid, and pay for many living expenses like insurance, utilities, fuel and tires and vehicles. *Id.* 283:23-285:21. Mr. Lindsey continues to mine, just as he did before the assets were purportedly transferred to be administered by Mr. Ioane. *Id.* Faced with the signing of publicly recorded mining claims, Mr. Lindsey claims that he acted as an agent for National Holding Trust when he went to Alaska on a gold mining venture for Nevak Mining, Inc. and/or

Mud Creek Mining, Inc., two entities that he was involved in prior to the bankruptcy filing, but he has no idea who runs National Holding Trust or who would have appointed him as the agent. *Id.* 171:14-172:25; 220:9-221:12; 222:6-223:5. Instead, he testified that he went to Julie Fowler and said he needed to be able to write checks in Alaska for the mining venture, so she got him check writing authority. *Id.*, 175:23-6. He admits he has no idea who he would have accounted to at National Holding Trust, the very name that is listed on the title of the vehicles of which he and his wife drive. *Id.* Specifically, the following testimony took place:

Q. Well, tell me who were acting as an agent for. A. I believe its National Holding. Q. Who appointed you as the agent of National Holding? A. Nobody. Q. Did you appoint yourself? A. Nope. I just went up there.. A. Yeah, because I was there doing assessment work for National Holding. Q. Okay. And what I need to know is, who appointed you to act on behalf of National Holding? A. I wasn't appointed. Q. How did you know you were the agent of National Holding? A. Because they gave me some checks to go up there and take care of it. Somebody did. And I don't know who that was because I don't know them. Q. Well, you told me that Julie gave you the checks. A. Yes, she did. Q. And that you told Julie you would need checks to haul people in the mine, so who did Julie tell you that National Holding was? A. She didn't tell me. Q. Okay. So, lets take it - - A. That's the reason I don't know. Q. Step by step. A. And I can't answer you because you're just running me around here in circles. I'm getting damn tired of it. Q. Do you need a break, Mr. Lindsey?

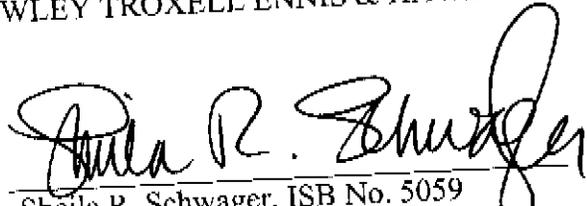
Id., 222:9-223:25.

For the reasons set forth herein, the Memorandum filed in support of the Motions and the Affidavit of Mr. Barry McHugh, the Vials respectfully request that the Trustee's Motions be granted.

DATED THIS 31st day of March, 2004.

HAWLEY TROXELL ENNIS & HAWLEY LLP

By



Sheila R. Schwager, ISB No. 5059
Attorneys for Virgil Vial, Mark Vial, Mike
Vial, d/b/a Au Mining, and David Vial

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 16th day of March, 2004, I caused to be served a true copy of the foregoing VIALS' JOINDER TO TRUSTEE'S SECOND MOTION TO AMEND THE VOLUNTARY PETITION AND MOTION FOR TURNOVER OF PROPERTY by the method indicated below, and addressed to each of the following:

Gerald and Ona Lindsey
HC01 Box 109B
White Bird, ID 83554

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Telecopy

First Amendment Publishers
c/o Mike Ioane
801 Woodside Road, Suite 14-404
Redwood City, California 94061

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Telecopy

United States Trustee
304 N. 8th, Room 347
Boise, ID 83702

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Telecopy

Brit Groom, Chtd.
323 West Main
P.O. Box 218
Grangeville, ID 83530

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
 Telecopy

Ford Elsaesser
P. O. Box 2220
Sandpoint, Idaho 83864

U.S. Mail, Postage Prepaid
 Hand Delivered
 Overnight Mail
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Warren Derbidge
U.S. Attorney's Office
877 W. Main St., Ste. 201
Boise, Idaho 83702

Barry McHugh
Elsaesser Jarzabek Anderson
Marks Elliott & McHugh, Chtd.
1400 Northwood Center Court, Suite C
Coeur d' Alene, Idaho 83814

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 Overnight Mail
 Telecopy

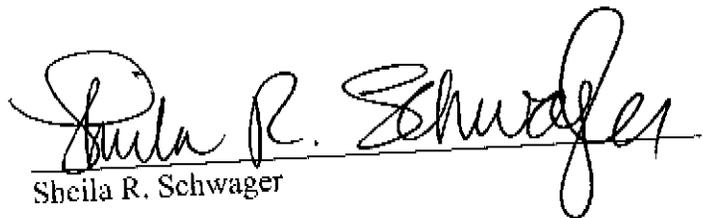

Sheila R. Schwager

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF STATE IDAHO

In Re:

Lindsey, Gerald & Ona,

)
)
)
)
)

COPY

Case No. 03-21652

Taken at US Courthouse Federal Building
Moscow, Idaho
Monday, March 1, 2004 - 10:06 a.m.

D E P O S I T I O N
OF
GERALD and ONA LINDSEY

EXHIBIT A

1 documents and signed all my L.T. and L.,
 2 Incorporated, and me and Ona's possessions, when I
 3 signed it over to the trust, I can't get it back.
 4 Fact is, I checked into it with some attorneys, and
 5 after I signed that, I thought I could possibly
 6 some -- if there -- there was something wrong with
 7 it, I could get it back. But when I signed it over,
 8 it -- it's a permanent deal.

9 Q. Okay. And before that the property was
 10 owned by L.T.L.?

11 A. L.T. and L., Incorporated.

12 Q. And was that a corporation that you and Ona
 13 owned one hundred percent of the shares of?

14 A. That's correct.

15 Q. Okay. Now, the trust that -- again, I'm
 16 focussing on the personal property. Is it your
 17 testimony that in '94, other than what you've put on
 18 your schedules, did you transfer any personal
 19 property into the trust?

20 A. (Witness shakes head.)

21 Q. And when I say personal property, I mean
 22 anything that's not real estate, that's tangible.

23 A. You know, I don't remember that for sure.
 24 It's been so long ago.

25 Q. Okay.

1 home insured with a local insurance agent in the --
 2 in the Idaho County area?

3 A. In the Idaho County, yes, it was.

4 Q. Okay. And L.T.L. was the -- one of the
 5 insured?

6 A. Yes.

7 Q. And as far as your furnishings, were Gerald
 8 and Ona Lindsey also insureds, if you know?

9 A. Yes. They would be insured with the house.
 10 Whatever home we was living in at the time, we would
 11 have had the personal insurance.

12 Q. And who was the insurance agent at that
 13 time?

14 A. I don't know.

15 Q. Okay. And at the time you created this
 16 trust, how much was the -- were the possessions and
 17 personal property in the house insured for, or how
 18 much were they valued at for insurance purposes?

19 A. I don't know that either.

20 Q. Who would know?

21 A. At this time I don't know.

22 Q. Who was the -- when you set up the trust in
 23 1994, who was the trustee?

24 A. I think Vern -- Vern Brown was the original
 25 one, and Darryl -- what's his name?

1 A. I -- just I couldn't tell you for sure.

2 Q. Now, is the property insured?

3 A. I don't know.

4 Q. You have no knowledge today, under oath,
 5 whether the property is insured or not?

6 A. No. I have nothing to do with the trust
 7 anymore.

8 Q. Okay. Was the property insured prior to
 9 you turning it over to the Searchlight Trust in '94?

10 A. It -- it was as near as I know originally
 11 when I -- the first few years when I had -- was
 12 working closer with the trust until it was done. And
 13 after that I don't know what -- what happened to it.

14 Q. Okay.

15 A. With the insurance.

16 MRS. LINDSEY: I think you're assuming
 17 because we always kept everything insured.

18 A. Just assumed that the trust had insurance,
 19 but --

20 MRS. LINDSEY: But we don't know for this
 21 period of time.

22 A. -- we don't know.

23 Q. Well, prior to that time -- I'm sorry.
 24 Prior to this time, in 1994, when the Searchlight
 25 Trust was created, did you have your possessions and

1 MRS. LINDSEY: Darryl Willis.

2 A. Darryl Willis, yeah. He was the -- on it
 3 for just a --

4 MRS. LINDSEY: Few months.

5 A. Both of them for just a month or two.

6 Q. Were they replaced fairly soon thereafter?

7 A. They were replaced fairly soon.

8 Q. And who replaced them?

9 A. I don't know. It was -- it's changed
 10 several times. I -- I don't know. After -- after
 11 the first time, I don't know.

12 Q. Your -- your testimony today is that you
 13 don't know who the trustees of the Searchlight Trust
 14 were after Mr. Willis and Mr. Brown; is that your
 15 testimony?

16 A. It was -- there were several there, but I
 17 don't know -- I don't know which ones were which at
 18 the time.

19 Q. When -- when you say several, how many?

20 A. I think there was just the two, wasn't it?

21 MRS. LINDSEY: Boy...

22 Q. Mrs. Lindsey, do you know who the trustees
 23 were?

24 MRS. LINDSEY: At that time, no, because we
 25 tried to retire, and I literally did it. So I just

1 pushed everything away, and I didn't have to take
2 care of any business, so I didn't.

3 Q. Okay.

4 MRS. LINDSEY: And the reason some of them
5 were replaced is people wanted to -- didn't want to
6 take that position. They had other things to do in
7 their life, so it was -- is why we changed trustees,
8 but I can't remember.

9 Q. Okay. So do you have any knowledge, either
10 of you, today, who the trustees of the Searchlight
11 Trust are?

12 A. No, we don't -- absolutely do not know.

13 MRS. LINDSEY: Do not know.

14 Q. Okay. And do you know who -- do you know
15 any parties -- in your testimony today under oath, do
16 you know any parties who served as trustee of this
17 trust after the initial trustees, Mr. Brown and
18 Mr. Willis?

19 A. I believe there was Boyd Hopkins and Jim
20 Spickelmire, but I'm --

21 Q. Okay.

22 A. There might have been some more in between.
23 I don't know.

24 Q. Do you know who the trustees are now?

25 A. No, I don't.

1 Q. You mean, is the administrator somebody
2 different than the trustee?

3 A. Yes. They have an administrator -- I
4 believe they have an administrator and the two
5 trustees, but then I don't know.

6 Q. Now, who was the administrator?

7 A. I know who is now, but I didn't know
8 there -- Mike Ioane is right now.

9 Q. Okay. And how do you spell his last name?

10 A. I don't know.

11 Q. How do you --

12 A. I-O-N-E, I think.

13 Q. How do you know that he is the
14 administrator now?

15 A. I -- I don't know how I know. Brit might
16 help me on that.

17 MR. ELSAESSER: Do you know, Mr. Groom,
18 how -- how he would know who the administrator is?

19 MR. GROOM: Well, Mr. Ioane has represented
20 that he is the administrator. And I have his -- I
21 don't have his phone number with me, but all I've
22 contacted him with is -- is talking to him on the
23 telephone. I have a phone number, cell phone number
24 for him, and he's in California.

25 Q. (BY MR. ELSAESSER) Is Mr. Ioane a lawyer?

1 Q. Does the Searchlight Trust still own the
2 property?

3 A. Yes.

4 Q. Okay. They have never transferred -- the
5 Searchlight Trust, to your knowledge, has never
6 transferred the property?

7 A. I don't know.

8 Q. Okay. You don't know?

9 A. No, I do not know.

10 Q. Has anyone ever told you whether they have
11 or haven't?

12 A. No.

13 Q. Okay. Has anyone ever made you aware that
14 the property may have been deeded to a management
15 company?

16 A. No.

17 Q. Have you ever heard of a management company
18 owning the property now?

19 A. No, I haven't.

20 Q. And, when a trustee resigns or retires or
21 dies -- I'll admit to you I haven't read this --
22 who -- who names the new trustee?

23 MRS. LINDSEY: The administrator.

24 A. Be the administrator of the trust, whoever
25 that was at the time. And I don't know who it was.

1 A. I don't know.

2 Q. Have you ever met him?

3 A. No.

4 Q. Have you ever seen him?

5 A. No.

6 Q. Have you ever talked on the phone with him?

7 A. No.

8 Q. Have you, Mrs. --

9 MRS. LINDSEY: No.

10 Q. -- Lindsey? You've never --

11 MRS. LINDSEY: No. I haven't had any
12 occasion for quite some time. I just don't do
13 anything in the business, so.

14 Q. Okay. What -- when you say you don't do
15 anything with the business, what business is it
16 you're talking about?

17 MRS. LINDSEY: Well, I've always referred
18 to it, because we started that, through the years,
19 working in our kitchen. We've been married fifty-two
20 years. And Gerald has many businesses going at one
21 time, and I've always, you know, discussed things.
22 I've never worked in an official capacity, but I
23 don't even talk to him about anything that's going
24 on. We just -- I tried to retire, so -- we have
25 grandchildren, great-grandchildren, and I take care

1 of all that type of business.
 2 Q. You take care of the family side of things?
 3 MRS. LINDSEY: I take care of the family.
 4 Q. Okay. Now, I'm trying to understand how --
 5 why do either of you know that Mr. loane is the
 6 administrator if you've never talked to him, seen
 7 him, or gotten a phone call from him?
 8 MRS. LINDSEY: Wasn't he assigned?
 9 A. I don't know how he --
 10 MRS. LINDSEY: We -- we put it --
 11 A. We haven't -- we have no control of the
 12 trust, so we don't -- we don't have that -- we don't
 13 have that information.
 14 Q. Who drafted the trust?
 15 A. It was --
 16 MRS. LINDSEY: Darryl Willis. It --
 17 A. It was a company out of California, but I
 18 don't -- I don't know the name of it. We'd have to
 19 look on the records.
 20 MRS. LINDSEY: Oh, that's right.
 21 Q. Okay. Do you have any recollection or
 22 did -- did you ever -- you said that -- I thought you
 23 said earlier in your testimony that there were some
 24 lawyers involved?
 25 A. No.

1 And then -- but it was a -- the trust was originated
 2 in California that I remember.
 3 Q. When you say the trust was originated, can
 4 you --
 5 A. Well, that was where the headquarters was.
 6 Q. Okay. And was this a company they worked
 7 for?
 8 A. Yeah, I think it was a company.
 9 Q. And do you have any -- do either of you
 10 have any recollection of the name of that company?
 11 A. I sure don't.
 12 MRS. LINDSEY: I did, but --
 13 A. It may be in the -- in the trust documents
 14 there somewhere.
 15 Q. Okay. But I'm just asking for your
 16 recollection.
 17 A. Yeah. I don't -- I don't know.
 18 MRS. LINDSEY: No.
 19 Q. Okay.
 20 A. It was just too long ago.
 21 Q. Okay. And, what -- what was the basis or
 22 why did you -- previously the property was owned by a
 23 company that was owned --
 24 A. L.T. and L.
 25 Q. -- by the two of you?

1 Q. Were there any lawyers involved in advising
 2 you as to about this trust?
 3 A. No. It was the people come around -- they
 4 weren't lawyers. They were just representing --
 5 selling -- selling -- putting -- telling the people
 6 about trusts.
 7 Q. Now, who -- what people were these?
 8 A. One of them was Darryl Willis.
 9 Q. Okay. And do you know where he lives now?
 10 A. No, I don't.
 11 Q. Was he from around here or --
 12 A. No. He was from --
 13 MRS. LINDSEY: Out of state.
 14 A. -- Montana, I believe.
 15 Q. And he's one of the people that's named in
 16 this trust as a trustee?
 17 A. He was originally. I remember that,
 18 because he was a trustee when I signed everything
 19 over to the --
 20 Q. Okay.
 21 A. -- to the trust in '94.
 22 Q. Okay. And, who else was in this group that
 23 sold you the trust?
 24 A. I don't know. There was two -- two of
 25 them, but I can't remember the other fellow's name.

1 A. L.T. and L. and us personally.
 2 Q. Right. And you had acquired the property
 3 when?
 4 A. I think I started -- the ranches I bought
 5 in '87 and '88 and '89.
 6 Q. Okay. And you sold off some property,
 7 correct?
 8 A. I've sold off all of it except just the two
 9 hundred and seventy acres.
 10 Q. Okay. That you talked about earlier?
 11 A. Yes, uh-huh.
 12 Q. Okay. And had you sold off the other
 13 pieces before you began the Searchlight Trust?
 14 A. No. Most all of it was sold after.
 15 Q. By the trust?
 16 A. By the trust.
 17 Q. Okay.
 18 A. That's correct.
 19 Q. So, when you said just a couple questions
 20 ago that you sold off all but two hundred and seventy
 21 acres --
 22 A. Yeah. It wasn't me that sold it off; it
 23 was --
 24 Q. Who -- who sold it?
 25 A. The trust sold it.

1 Q. Did you ever -- did you ever talk to any of
2 the buyers?

3 A. I think I was working as a -- for the trust
4 at that time as an agent to help -- you know, I was
5 still trying to help with the business, what I could,
6 but I was bound to have talked to some of the buyers.

7 MRS. LINDSEY: It was a very confusing
8 time. We had about four crises at one time come
9 together, and he had a nervous breakdown. And we had
10 to downsize because we had all these businesses.

11 But as far as how everything functioned, we
12 were trying to learn about the trust. That's why the
13 two initial trustees, we knew they would -- the one
14 would be just temporary, because we got to know him
15 and he was going to help us learn how to understand
16 the trust better. Let's put it that way.

17 Q. Well, I'm trying to understand,
18 Mr. Lindsey --

19 A. Uh-huh.

20 Q. -- how you -- you could help the trustees
21 sell the property when you didn't really know who
22 they were. Can you explain that to me? I thought I
23 heard you before saying that you didn't know who the
24 trustees were after Mr. Willis and --

25 A. I thought there was more in between there,

1 properties that were sold sell for approximately?

2 A. I don't know. They was broken up into
3 several picces, lots of pieces, and I don't -- I
4 don't know those figures at all.

5 Q. Okay. You -- you've never seen a closing
6 statement?

7 A. No.

8 Q. You've never been at a closing of any of
9 the real estate sales, is that your testimony?

10 A. I don't remember of any of the amounts on
11 the closings at all.

12 Q. Do you know who closed the sales or where
13 the sales were closed?

14 A. They would have been closed in Idaho
15 County.

16 Q. At the title company?

17 A. At the title company.

18 Q. Okay. And how do you know that?

19 A. That's only place they can close them.

20 Q. Okay. But you never -- you never saw --
21 you helped them sell it --

22 A. Yeah.

23 Q. -- but you never saw any earnest money
24 agreements or closing statements or deeds or
25 anything, any paperwork to do with any of the sales,

1 between Spickelmire and Hopkins, but I -- I'm not
2 sure on that. That's what's got me confused, but --

3 Q. And so were these other trustees, were they
4 actively listing the property to sell, say with a
5 real estate broker?

6 A. I think the trust did it themselves.

7 Q. Well, who at the trust did it?

8 A. I don't know.

9 Q. Well, you said before you were involved in
10 some of the sales. Well, who were you involved with?

11 A. I was working -- I was trying to help the
12 trust as an agent. I wasn't -- I didn't control the
13 trust or run the trust, but I was trying to help do
14 what I could to make the, you know, to help them.

15 Q. Okay. So who were you communicating with
16 in order to do that?

17 A. I would have to have been helping --
18 working with the trustees.

19 Q. All right. So I'm again going to ask you,
20 when you were helping the trustees sell the property,
21 who were you working with?

22 A. It would have had to have been Boyd and
23 Jim, because they was there the last until it went --
24 wherever it went from there I don't know.

25 Q. Okay. And how much in total did the

1 is that your testimony today?

2 A. I'm -- I don't know. I probably have but I
3 don't know. I can't remember.

4 Q. Okay.

5 A. I can't remember any figures; I can't
6 remember anything like that.

7 Q. Well, when you said you were -- you were
8 acting as an agent for the trust and so you were --
9 is it a fair statement that as an agent you were
10 trying to accomplish these sales?

11 A. I surely would have been trying to.

12 Q. Okay. And so, wouldn't -- didn't -- isn't
13 it a fact that you did know what the sale prices
14 were?

15 A. I don't think I -- I don't -- I cannot
16 remember them, no. I don't -- I don't know.

17 Q. Is it your testimony that you can't
18 remember or that you never knew what the sale prices
19 were?

20 A. I just -- I cannot remember.

21 Q. Okay. If you didn't know what the sale
22 prices were, or what the trust would or would not
23 take for a piece of property, I'm trying to
24 understand what is it you were doing in assisting the
25 trust in selling the property?

1 Q. -- and getting a brand-new car? You have
 2 no present recollection?
 3 A. I don't remember if I did it or somebody
 4 else did it. I just don't know.
 5 MRS. LINDSEY: I don't know either.
 6 Q. Who made the decision to buy the new
 7 vehicle?
 8 A. I don't know that either.
 9 MRS. LINDSEY: I suppose -- is it an
 10 arrangement in the trust that when one gets had you
 11 buy another one, you have to replace it.
 12 A. I don't know.
 13 Q. Now, does -- does -- you have -- do you and
 14 Mrs. Lindsey have another vehicle that you have
 15 access to?
 16 A. Yes, we do.
 17 Q. What's that vehicle?
 18 A. It's a '99 Lincoln.
 19 Q. Okay. And where was that purchased?
 20 A. Boise, somewhere in Boise.
 21 Q. Okay. And who picked up that vehicle?
 22 A. We picked it up.
 23 Q. Okay. Now, how did you come to acquire
 24 that vehicle?
 25 A. I think -- I think it was -- there was an

1 Q. When you say you don't know --
 2 A. I'm drawing a blank.
 3 Q. Okay. You -- you recall picking up --
 4 picking it up in Boise; is that correct?
 5 A. Uh-huh. That's correct.
 6 Q. And did you drive the old Cadillac down to
 7 trade it in?
 8 A. Yes, we did.
 9 Q. And was Miss Fowler with you?
 10 A. No.
 11 Q. Was Mr. Ioane with you?
 12 A. No. I think it was done over the
 13 telephone, the transaction was done.
 14 Q. Now, how would you know that?
 15 A. I don't know that.
 16 Q. So when you say you think you know --
 17 A. What I'm getting into something here that I
 18 don't know, because I -- when I signed everything
 19 over to the trust, I just never -- I don't --
 20 things -- thing don't -- I don't keep them in my
 21 mind, to begin with. And when I made arrangements
 22 with the trust when I signed over everything, they
 23 were to furnish me my vehicles and the insurance and
 24 a place to live, to caretake the property, and
 25 that -- this -- this stuff was done through the trust

1 old Cadillac traded in on it.
 2 Q. When you say you think, don't you in fact
 3 know that it was an old Cadillac?
 4 A. It was an old Cadillac, but I don't know --
 5 Q. Who had the title to the Cadillac?
 6 A. Searchlight Trust.
 7 Q. Okay. And how much additional did it cost
 8 to buy the '99 Lincoln?
 9 A. Probably in the neighborhood of twenty-five
 10 to thirty thousand dollars.
 11 Q. And how did you know that?
 12 A. I don't -- I don't know that. I'm
 13 guessing.
 14 Q. Okay. Are you -- is it your sworn
 15 testimony today that you had nothing to do with
 16 picking out that automobile?
 17 A. I would say I didn't pick it out, no.
 18 Q. Okay.
 19 A. I didn't -- I didn't pay for it.
 20 Q. And, so, is it your sworn testimony today
 21 that you had nothing to do with deciding what model
 22 of car, what make of car, what options to buy, you
 23 had nothing to do with that decision? Is that your
 24 testimony today?
 25 A. Yeah, I don't know.

1 mostly and wasn't done through me.
 2 Q. Well, so --
 3 A. That was --
 4 Q. -- how do you know that there was --
 5 THE COURT REPORTER: I'm sorry. You have
 6 to talk one at a time.
 7 A. It was their obligation to furnish me a
 8 vehicle, because I assigned everything we owned, L.T.
 9 and L. and Gerald and Ona Lindsey's was assigned,
 10 given to the trust. And that was a stipulation; they
 11 was to furnish us a place to live, vehicle,
 12 insurance, and we was to caretake the property for
 13 that privilege and help the trust what I could.
 14 Q. (BY MR. ELSAESSER) Okay. And it's your
 15 testimony that you had nothing to do with deciding
 16 that you needed a new vehicle --
 17 A. No.
 18 Q. -- in 1999?
 19 A. No.
 20 Q. Who decided that?
 21 A. Probably the trustees.
 22 Q. Okay. Which of the trustees decided that?
 23 MRS. LINDSEY: Would have been --
 24 A. I don't really know.
 25 MRS. LINDSEY: Jim probably.

1 A. It was probably Jim and Boyd --
 2 MRS. LINDSEY: Yeah.
 3 A. -- at that time, but you're talking about
 4 questions I can't answer because I don't know.
 5 Q. Okay. Did you sign any documents down at
 6 the dealership in Boise?
 7 A. I don't know whether I signed them or the
 8 trust signed them.
 9 Q. Well, was anyone from the trust with you at
 10 the dealership?
 11 A. Not that I recall.
 12 Q. Okay. Did you go to the Department of
 13 Motor Vehicles and register it?
 14 A. No.
 15 MRS. LINDSEY: Julie does that.
 16 Q. Who does that?
 17 A. The -- the bookkeeper. I never -- I never
 18 go to any of that, do any of that business, vehicles,
 19 insurance, nothing.
 20 Q. Okay.
 21 A. I didn't have to because my -- it was
 22 furnished for me.
 23 Q. Okay.
 24 A. And I'm not lying here talking about
 25 something that I don't know.

1 MR. ELSAESSER: I think we're just going to
 2 have to rely on your -- I think we're just going to
 3 have to rely on your record. We've got a
 4 defective --
 5 MS. SCHWAGER: We're okay with that.
 6 MR. ELSAESSER: All right. We're going to
 7 go ahead and rely on the court reporter from this
 8 point forward, which is probably more reliable.
 9 Q. (BY MR. ELSAESSER) Okay. So you don't
 10 remember. You may or may not have --
 11 A. Yeah, I do not know.
 12 Q. -- decided what car to buy.
 13 A. All I know is I gave everything to the
 14 trust.
 15 Q. How much money did you give to the trust in
 16 '94?
 17 A. I never give them -- I don't know.
 18 Whatever was in the bank account went to the trust
 19 and all the property. We had several thousands of
 20 acres of property. All the vehicles, the equipment
 21 of L.T. and L.'s that had to be -- was still in -- in
 22 operation. There was slugs of stuff. It took -- I
 23 don't know. There was lots of it.
 24 Q. Okay. And, who pays the property taxes on
 25 the property now?

1 MRS. LINDSEY: Let -- may I explain
 2 something?
 3 Q. I'll ask questions and you'll have plenty
 4 of time, because your attorney will have the
 5 opportunity to bring this up.
 6 I -- I'm trying to understand how it
 7 magically occurs that there's a new vehicle waiting
 8 for you at a dealership in Boise, and I'm wondering
 9 if I'm being told exactly what happened with regard
 10 to a 1999 Lincoln. And I want to ask you, did you
 11 have any part in selecting the vehicle that you were
 12 going to buy in 1999 or whenever it was that you
 13 purchased it?
 14 A. When it was time to trade the old one off
 15 to Searchlight, they was supposed to furnish us
 16 vehicles. I may --
 17 MR. ELSAESSER: You can go ahead and keep
 18 talking.
 19 A. I may have or may not have, I don't know.
 20 Q. (BY MR. ELSAESSER) Okay. When you say you
 21 may have or may not have --
 22 A. Had something to do with it, because I was
 23 trying to help out the trust with what I could and
 24 take care of a few odds and ends.
 25 Q. Okay.

1 A. Searchlight Trust as near as I know. I
 2 don't -- I don't know.
 3 Q. Okay. And, would -- did you -- before you
 4 turned things over to the trust, did you do all your
 5 other insurance business with Farm Bureau --
 6 A. You know --
 7 Q. -- in Grangeville?
 8 A. No, not always. It changed over the years
 9 with the logging and the different costs. We'd
 10 always --
 11 Q. How about the time --
 12 A. We always shopped.
 13 Q. -- when you transferred everything to
 14 Searchlight?
 15 A. I don't know which it was.
 16 Q. You have no memory. Do you, Mrs. Lindsey,
 17 as to who your insurance agent was?
 18 MRS. LINDSEY: No, because the bookkeeper
 19 took care of everything. I didn't have to do any of
 20 that.
 21 A. We never did any of the book work.
 22 MR. ELSAESSER: Do you know, Mr. Groom, who
 23 holds the insurance on these properties?
 24 MR. GROOM: No, I don't.
 25 A. I don't know.

1 district court -- we requested certain documentation
 2 that was requested by the judge -- it was part of the
 3 interrogatories -- and in those conversations with
 4 him, it was made very clear that he was getting tired
 5 of the hassles and tired of Mr. and Mrs. Lindsey and
 6 was going to take other -- do something else if he
 7 could.

8 MR. ELSAESSER: Do you believe -- do you
 9 believe for one minute that he pays the taxes with
 10 money under his control, Mr. Groom, do you believe
 11 that?

12 MR. GROOM: I've never seen anything
 13 otherwise.

14 MR. ELSAESSER: Do you believe that the
 15 Searchlight Trust would ever come up to Idaho and
 16 hire legal counsel to evict Mr. and Mrs. Lindsey?

17 MR. GROOM: I don't know.

18 MR. ELSAESSER: I mean --

19 MR. GROOM: I don't know.

20 MR. ELSAESSER: You've advised Mr. and Mrs.
 21 Lindsey to cooperate in this proceeding.

22 MR. GROOM: Absolutely.

23 MR. ELSAESSER: And they appear to be
 24 trying to be very cooperative.

25 MR. GROOM: Absolutely.

1 A. She don't tell me very much, because she
 2 was interrogated, too, on these judgment things and
 3 different things that -- and she's upset.

4 Q. Okay.

5 A. And she don't -- she don't tell me what's
 6 going on with the --

7 Q. Okay.

8 A. -- trust. I'm kind of setting out here in
 9 the cold and getting worried about where I'm going to
 10 live.

11 Q. And why? I want to know why you feel that
 12 way.

13 A. Well, just what we explained to you,
 14 that --

15 MRS. LINDSEY: And we've lost control.

16 Q. And no letters threatening this --

17 A. I've lost control. See, I have no control
 18 anymore and --

19 Q. But how about -- I thought your kids were
 20 going to maybe see this property some day?

21 A. They will inherit it. That was the idea.
 22 Yeah, it's set up for them to inherit it.

23 Q. And I take it none of them want you to move
 24 anywhere, do they?

25 A. Well, they -- they don't have the say.

1 MR. ELSAESSER: But I guess I'll -- I'll
 2 just resume my questions of you, Mr. Lindsey.

3 Q. (BY MR. ELSAESSER) The fact that -- I
 4 don't understand where Mr. Ioane would have any
 5 authority anywhere to do anything with regard to this
 6 property. I've never seen a single document that
 7 would indicate, and I'd like you to explain to me why
 8 you think he, having never met him and never spoken
 9 with him, that he has any authority to do anything
 10 with this property?

11 A. My understanding, the administrator of the
 12 trust has the authority.

13 Q. But you've never seen a document that makes
 14 him administrator of the trust?

15 A. No, I don't -- I don't know, no.

16 Q. So, how do you believe -- how do you come
 17 to believe that he has some legal or business
 18 authority to act on behalf of Searchlight Trust?

19 A. I just assumed that he was.

20 Q. Do you -- do you know if Mr. Ioane has ever
 21 been on the property?

22 A. Not that I -- I don't know.

23 Q. Okay. Has Miss Fowler -- what has
 24 Miss Fowler told you about conversations she's had
 25 with Mr. Ioane?

1 It's still under the administrator and the trustees.

2 Q. Okay.

3 A. The way I understand this works, the two
 4 trustees and the administrator have control in it.

5 Q. Okay.

6 A. Here I'm just here shooting my face off and
 7 I don't know what I'm talking about.

8 Q. Okay.

9 A. We've got ourself in a mess and we can't --
 10 we can't even revoke the trust.

11 Q. And we don't know -- we don't know who the
 12 trustees are today?

13 A. No, I don't.

14 Q. Do you know if there are trustees today?

15 A. There has to be.

16 MR. ELSAESSER: Mr. Groom, do you know --
 17 have you ever seen a single document to indicate
 18 there are any acting trustees for this trust?

19 MR. GROOM: No. I received resignations,
 20 copies of resignations of Mr. Hopkins and
 21 Mr. Spickelmire last summer when I first became
 22 involved with the case. And I don't know what
 23 happened after that. I have not seen any -- any
 24 documentation of any other trustees being appointed
 25 after that.

1 Q. Okay.
 2 A. We're in -- setting in a bad spot.
 3 Q. Who would have the -- who would sign a --
 4 if the property were sold by the trust today, who
 5 would sign the deed?
 6 A. It would be the trustees of the -- it would
 7 be the trustees of Searchlight Trust.
 8 Q. Now, your attorney has just represented
 9 that Mr. Hopkins and Mr. Spickelnire resigned from
 10 the trust.
 11 A. Uh-huh.
 12 Q. Okay. And I think I remember seeing their
 13 depositions where they said they had resigned.
 14 A. Uh-huh.
 15 Q. But on this day here, on March 1st, 2004,
 16 neither of you have any idea who the trustees are?
 17 A. No.
 18 MRS. LINDSEY: No, we don't.
 19 Q. And the only idea you have that Mr. Ioane
 20 is an administrator is based upon rumor?
 21 A. Yes, just from what Brit and --
 22 Q. You've never gotten a letter from
 23 Mr. Ioane?
 24 A. No. He don't have no correspondence or
 25 talk to me ever.

1 letter?
 2 MS. SCHWAGER: Yeah.
 3 MR. ELSAESSER: Can I take a look at it
 4 quickly?
 5 Q. (BY MR. ELSAESSER) Okay. Now, the -- as
 6 far as you know, is Miss Fowler doing all the
 7 business work for the trust?
 8 A. I don't know that for sure either.
 9 Q. How -- how often do you see Miss Fowler in
 10 a given week?
 11 A. Oh, maybe once a week, maybe once every two
 12 weeks.
 13 Q. And she has had her deposition taken for a
 14 long time, right?
 15 A. Yes.
 16 Q. And she didn't like that?
 17 A. That's correct.
 18 Q. And, did she ever talk about how that
 19 deposition impacted the trust?
 20 A. No.
 21 Q. Okay. In all the discussion you've had --
 22 you're friends with her?
 23 A. Yes.
 24 Q. She's been working as a trusted bookkeeper
 25 for you even before the Searchlight Trust?

1 Q. Okay. And you've never taken a phone call
 2 from him?
 3 A. No.
 4 MR. GROOM: Can I have just a second?
 5 There was the letter we got from Mike when we
 6 requested the information from the district court.
 7 Remember, you sent him a letter when Judge Bradbury
 8 ordered you to send that letter to him and you did
 9 that?
 10 MR. LINDSEY: Well, I don't remember what
 11 it was, Brit.
 12 MR. GROOM: And you got a letter back.
 13 MR. LINDSEY: I can't remember what the
 14 letter was even --
 15 MR. GROOM: Well, he told you to go to
 16 hell, he wasn't giving you any of the documents.
 17 Remember?
 18 MR. LINDSEY: Well, we requested some
 19 documents. We had the --
 20 MR. GROOM: Who wrote the letter, you did
 21 or Julie did?
 22 MR. LINDSEY: We requested some documents
 23 from him, and he told us he wasn't giving out any
 24 information.
 25 MR. ELSAESSER: Okay. And we have such a

1 A. Yeah, for L.T. and L. for a long time.
 2 Q. How long have -- how long have you and her
 3 had a business relationship?
 4 A. I think from since about '90.
 5 Q. Okay.
 6 A. Twelve, twelve years maybe. Maybe
 7 fourteen.
 8 Q. And she lives with -- she lives with Boyd
 9 Hopkins on your property?
 10 A. Yes, uh-huh.
 11 Q. Okay.
 12 A. Fourteen years maybe. Twelve or fourteen
 13 years.
 14 MRS. LINDSEY: They're married. They just
 15 go -- keep their names, I think.
 16 A. Keep their names.
 17 Q. Okay. So, they're married and they live on
 18 the property. And why are -- did you -- were they
 19 living on the property before you created
 20 Searchlight?
 21 A. No. They was living there when it was
 22 still L.T. and L.
 23 Q. Okay.
 24 A. It was before Searchlight.
 25 Q. Okay. And before that, did you just -- was

1 that part of her compensation was just letting her
 2 live there --
 3 A. Yes.
 4 Q. -- on the property?
 5 A. That was part of her compensation, paid her
 6 a wage plus a home to live.
 7 Q. Okay. Now, since Searchlight was created,
 8 does she get a wage from Searchlight?
 9 A. I don't know.
 10 Q. Okay.
 11 A. I do not know.
 12 Q. And since all of this, you mentioned before
 13 all this what you call harassment and stuff began
 14 with the judgments, your testimony is today that you
 15 have never talked with her about what Mr. Ioane might
 16 or might not do?
 17 A. No.
 18 Q. You've never had a single conversation with
 19 her about that?
 20 A. No.
 21 Q. So --
 22 A. I'm out of the loop.
 23 Q. Okay. By your own choice?
 24 A. My own choice.
 25 Q. Okay.

1 destroyed.
 2 Q. Okay. Now, you understand Mr. Derbidge is
 3 here for the Internal Revenue Service?
 4 A. No, I don't.
 5 Q. Okay. Well, I'll just tell you, he's the
 6 lawyer and he'll -- he'll probably have some
 7 questions for you. But what -- you have -- there's a
 8 large tax lien on the property, you are aware of
 9 that?
 10 A. No.
 11 Q. You've never been made aware that the IRS
 12 has a full --
 13 A. Oh, yeah. We know that because they served
 14 that personally. They served it on me and Ona, so I
 15 know there's a --
 16 Q. So, you've seen that?
 17 A. That's -- yes.
 18 Q. And that's obviously got you very
 19 concerned?
 20 A. Very concerned.
 21 Q. Okay.
 22 A. For lots of reasons.
 23 Q. Now, what actions are you or the trust
 24 taking to contest that lien on the property? I'm not
 25 asking you to tell me what Mr. Groom said because

1 A. I want to stay out of the loop.
 2 Q. I'm sure as a trusted employee for over
 3 fourteen years, if you went and asked her, she would
 4 tell you, wouldn't she?
 5 A. She -- yeah, she probably -- she would.
 6 Q. So she might be able to answer for us how
 7 this Mr. Ioane has any legal rights to do anything
 8 with regard to the property?
 9 A. I don't know if she could answer that or
 10 not.
 11 Q. Okay.
 12 A. I don't know.
 13 Q. But was your idea when you created the
 14 trust, was your goal to create a vehicle by which
 15 your -- your children and grandchildren and their
 16 children would eventually end up with this property?
 17 A. That's -- yes.
 18 Q. Okay.
 19 A. And also wouldn't have to be probated under
 20 the trust.
 21 Q. And is that still your goal today?
 22 MRS. LINDSEY: Yes. It's the sole --
 23 that's all we wanted it for.
 24 A. Yes. That's what we set it up for and
 25 that's what we're working for, and we don't want it

1 that's your attorney-client privilege, but have you
 2 ever consulted with Mr. Groom about the income tax
 3 problem or the IRS lien?
 4 A. He's aware of it.
 5 Q. Okay. Is the Searchlight Trust aware of
 6 it?
 7 A. Yes, I'm sure they are.
 8 Q. How do you know that they're aware of it?
 9 A. I think they're -- because we -- I think
 10 some of the mail come in my box that was to
 11 Searchlight from the IRS, and I gave it to Julie.
 12 Q. Okay. Has Julie related as to what
 13 Mr. Ioane plans to do with regard to this lien?
 14 A. I don't -- I'm not sure --
 15 Q. Okay.
 16 A. -- what's -- how it's going to be handled.
 17 Q. Okay. Have you done -- decided to do
 18 anything with regard to the lien?
 19 A. Wrote some letters; there was letters
 20 written, but I don't --
 21 Q. Who -- who wrote letters?
 22 A. I think -- near as I know, Mike did, Ioane
 23 did.
 24 Q. Now, how would you -- this is the guy we've
 25 never met or talked to?

1 Q. Is this -- is this the same accountant
2 that's dealing with the IRS on your tax lien?
3 A. I don't know. I don't know. You've got me
4 confused.
5 Q. All right. So, you've filed tax returns,
6 correct, haven't you?
7 A. Yes, they should be there.
8 Q. And I think we've seen some copies of them.
9 A. Their name should be on them, whoever the
10 accountant was.
11 Q. Where do you keep your tax returns? Does
12 Julie keep those for you?
13 A. I think she keeps my personal ones, yes.
14 Q. So those would be in a file drawer in that
15 office?
16 A. Uh-huh, uh-huh.
17 Q. And there would probably be a file drawer
18 there for Searchlight Trust?
19 A. I don't know. I don't snoop in the
20 drawers.
21 Q. Okay. Does she get the tax bill and get it
22 paid by the trust?
23 A. As near as -- I don't know. I believe she
24 does, but I'm not sure.
25 Q. Okay.

1 A. Yeah, not legally. I don't know.
2 Q. But you've never sought Mr. Groom's or
3 anyone else's advice on this?
4 A. No.
5 Q. All right. So, at best, Mr. Ioane,
6 shouldn't he be just acting on behalf of your
7 children?
8 A. He should be.
9 Q. Or grandchildren?
10 A. But -- that's the way it's supposed to be,
11 but what's happened here in the last couple years, I
12 don't know exactly what's going on.
13 Q. So, wouldn't it make sense --
14 A. That he --
15 Q. -- wouldn't it make sense for you and Mrs.
16 Lindsey and me to ask Mr. Ioane to just turn the
17 property back over to you? And then you'd have your
18 homestead rights and any ownership rights on the
19 property. Doesn't that make the most sense?
20 A. No. You couldn't turn it back over to me,
21 because I signed everything off.
22 Q. But he could evict you?
23 A. I don't know whether he can or not.
24 Q. He could sell the property?
25 A. I don't think so. I hope not.

1 A. I don't know whether she does it or Mike
2 does it or the trustees does it. I'm talking out of
3 my realm here, because I don't know.
4 Q. Okay. And we -- we don't know even who
5 those trustees are right now?
6 A. No, absolutely not; I do not know.
7 Q. Okay. So, right now, as I understand it --
8 I'll be finished in a few minutes and we'll take a
9 break. But right now, as I understand it, you
10 believe there's a possibility that you might be
11 evicted by the trust?
12 A. It's likely. I'm not -- I don't -- I hope
13 not, but it -- from the talk I'm getting.
14 Q. Who would -- who would benefit from -- as I
15 understand it, the only people that you ever intended
16 to benefit from the trust was your own family?
17 A. That's correct.
18 Q. So Mr. Ioane, if he's acting as an
19 administrator, he doesn't have any ownership interest
20 in the trust, does he?
21 A. I don't know.
22 Q. Does anyone have any ownership in the trust
23 other than your children?
24 A. I don't -- not -- not when I --
25 MRS. LINDSEY: Not legally.

1 Q. Okay.
2 A. I don't know. You -- you're talking out of
3 my league here.
4 Q. Okay. But you made the decision --
5 somebody made the decision to turn basically the
6 future of whether you can live in that house or not
7 over to Mr. Ioane, correct? You're concerned that
8 Mr. Ioane will take some action to evict you from
9 that property?
10 A. I'm certainly worried about it.
11 Q. And yet you say this only because you just
12 feel that that might be the case. But -- but I'm
13 trying to understand -- if he had a motive to evict
14 you from the property, on whose behalf would he be
15 acting? He gets nothing, does he, out of this
16 property?
17 A. Not that I know of.
18 Q. Where is the money coming from that he's
19 using to pay the property taxes?
20 A. I don't know.
21 Q. Where is the money coming from that he's
22 using to pay the insurance?
23 A. I don't know.
24 Q. Do you think that it's money from the
25 previous sales?

1 A. It would have to be money from the previous
2 sales. That's only where there would be any.

3 Q. And, to this day, you have no idea of how
4 much money is in the Searchlight Trust?

5 A. I don't know. I know -- if -- if there's
6 any, there would be very little, because it wasn't
7 very much there to start with.

8 Q. Okay.

9 A. But I don't know what there is there.

10 Q. All right.

11 MR. ELSAESSER: Okay. Why don't we take --
12 well, let's take a break till twenty minutes to
13 12:00. And if you wouldn't mind, if you could go out
14 and get the title and registration and proof of
15 insurance, I'll give it back to you. I just need to
16 look at it. I might get it photocopied.

17 And we'll go ahead and start with
18 whichever, you or Ms. Schwager, whoever wants to
19 start first and then the other creditors. So why
20 don't we take a break, and we'll start at twenty
21 minutes to 12:00.

22 (Whereupon, the deposition was in recess at
23 11:23 a.m. and subsequently reconvened at 11:40
24 a.m.; and the following proceedings were had and
25 entered of record:)

1 Q. Okay.

2 A. -- what's --

3 Q. I'll advise you that you've claimed no
4 exemptions for either of these vehicles. Under Idaho
5 law you would -- as Mr. Groom can explain to you
6 later -- you would be entitled to three thousand
7 dollars per vehicle per person on both this and the
8 1999 Lincoln?

9 A. I don't -- I don't --

10 Q. I'm going to advise you that I am going to
11 be asking for these vehicles to be turned over, given
12 the fact that you're showing as the insured owner on
13 the Farm Bureau policy, and I will be asking the Farm
14 Bureau to add me as a named insured. So you've never
15 heard of this entity called National Holding?

16 A. No.

17 Q. And you've never heard of somebody who has
18 a post office box of P.O. Box 42 in Grangeville?

19 A. No.

20 Q. So the -- the words National Holding mean
21 nothing to you?

22 A. No.

23 Q. Is that true with you too, Mrs. Lindsey?

24 MRS. LINDSEY: Yes. I saw on it there, but
25 it didn't concern me.

1 MR. ELSAESSER: Let's go back on the
2 record.

3 BY MR. ELSAESSER:

4 Q. Mr. Lindsey, I'm going to ask you a few
5 more questions based on what you've provided to me,
6 and I'll photocopy these today and get them back to
7 you. But I'm showing a Farm Bureau form showing you
8 and Mrs. Lindsey as the holders of the insurance, not
9 the trust.

10 MRS. LINDSEY: On the Farm Bureau?

11 A. I think -- yeah.

12 Q. And I'm showing your address.

13 A. I think it was due to the -- we had this --
14 that policy during L.T. and L. and she didn't want to
15 change it on account of the price would be different.

16 Q. Who's she?

17 A. Julie. She's the one that signed it there,
18 I believe.

19 Q. Okay. So you do know a little bit more
20 about this now or --

21 A. Well I -- if --

22 Q. Okay. Then who is National Holding?

23 A. I don't know.

24 Q. They're showing up as the registered party.

25 A. I don't know --

1 Q. Okay. All right. Well, I guess it would
2 be up to them.

3 MR. ELSAESSER: Anyway, Mr. Groom, I am
4 going to ask that, absent an appropriate amendment of
5 the schedules -- and even in that case I think there
6 would probably be equity in both of these vehicles
7 that, unless your clients want to buy these vehicles
8 back from the estate, I'm going to ask that they be
9 turned over.

10 The other question I had, Mr. Ioane's phone
11 number?

12 MR. GROOM: Yes. I have two phone numbers
13 with varying success I've been able to get a hold of
14 him. The land line phone number is 866-546-5622;
15 that apparently is a message service or a messaging
16 center that I've called that I've not gotten through
17 on. The cell phone number is 209-617-6595.

18 MR. ELSAESSER: Okay.

19 MR. GROOM: That's the one I've used to
20 talk to him on the three or four occasions.

21 MR. ELSAESSER: All right.

22 MR. DERBIDGE: Could I inject a question
23 while we're on that subject before I forget it or
24 anyone else does? Have you made a contemporaneous
25 record of when you've made those calls, date and

1 2002, which I believe has been marked as Exhibit 4;
 2 is that correct?
 3 MR. GROOM: Actually it's No. 3.
 4 Q. (BY MR. DERBIDGE) 3, Exhibit 3. Do you
 5 have that in front of you, that 2002 return?
 6 A. Yes, we do.
 7 Q. And on the second page of that Exhibit 3
 8 down at the bottom, do you see your signatures?
 9 MRS. LINDSEY: Yes.
 10 A. Yes, we do.
 11 Q. Okay. And again, above -- printed above
 12 your signatures is an indication that under penalties
 13 of perjury I declare that I have examined this return
 14 and accompanying schedules and statements, and to the
 15 best of my knowledge and belief, they are true,
 16 correct and complete?
 17 A. Yes.
 18 Q. You're aware of that?
 19 A. Yes, I do.
 20 Q. And opposite your signature to the right,
 21 Mr. Lindsey, appears in the box for your occupation
 22 the designation caretaker --
 23 A. Caretaker.
 24 Q. -- slash, M-G-R.
 25 A. Yes.

1 MR. GROOM: And then you answer it, because
 2 this lady over here is going to bop somebody.
 3 A. I don't know why they put a manager down
 4 there, because all I am is a caretaker.
 5 Q. (BY MR. DERBIDGE) Well, let's cover that.
 6 The preparer on the bottom of this sheet on Exhibit 3
 7 is Mary R. Fuentes in Fresno, California.
 8 A. Yes.
 9 Q. What caused you to select Mary Fuentes to
 10 prepare your tax return?
 11 A. I -- what I do is I give all my -- I give
 12 all my receipts and stuff to -- to Julie, she takes
 13 care of my books, and she selected him or her or
 14 whoever it is. I did not select --
 15 Q. So it's your testimony that Julie Fowler
 16 selected a tax preparer in Fresno, California, to do
 17 your return?
 18 A. That's correct.
 19 MRS. LINDSEY: I don't think she did.
 20 A. I think it was done through Mike.
 21 MRS. LINDSEY: She didn't have access to
 22 one closer to probably to -- to where the manager was
 23 or the administrator, is the only thing I can think
 24 of, because Mary -- I don't think Julie did it, but
 25 I'm not sure.

1 Q. Is -- that's an abbreviation for manager,
 2 isn't it?
 3 A. That's what it's for, but --
 4 Q. Okay. What -- what, Mr. Lindsey, in 2002
 5 were you managing?
 6 A. Nothing. I was a caretaker though.
 7 Q. Okay. And I have a little -- I need an
 8 explanation from you, Mr. Lindsey. If you don't know
 9 who the manager of Searchlight Trust is or who any of
 10 the trustees are, to whom are you responsible and do
 11 you report to know whether you're doing a proper job
 12 as a caretaker?
 13 A. I don't.
 14 Q. Does anyone --
 15 A. No.
 16 Q. -- come around to check on --
 17 A. No.
 18 Q. -- the way you're caretaking --
 19 A. No.
 20 Q. -- the property that you're supposed to
 21 be --
 22 A. They haven't yet.
 23 MR. GROOM: Just a second. You have to let
 24 him finish.
 25 MR. LINDSEY: Okay.

1 A. It had to be --
 2 MRS. LINDSEY: Have to ask her.
 3 A. -- through Mike, Mike and her, because I --
 4 I never -- I don't know.
 5 Q. Okay. If -- did I understand your earlier
 6 testimony with Mr. Elsaesser to be that you no longer
 7 had a management role in the activities of
 8 Searchlight Trust?
 9 A. That's correct, I don't; not as a manager,
 10 no.
 11 Q. Then -- then why would it make any
 12 difference to the preparer of your individual tax
 13 return that they had any access or proximity to
 14 Searchlight's records?
 15 A. I don't know that. I don't know why. We
 16 had the -- I know we -- we had ours done there.
 17 Q. That's my question, why would you have
 18 yours done in Fresno, California?
 19 MRS. LINDSEY: I don't know.
 20 A. I don't know.
 21 Q. And the same is true, is it not -- I'll
 22 have you look at Exhibit, I think it is No. 2, the
 23 2001 return. That's correct, isn't it?
 24 A. Yes, it's No. 2.
 25 Q. Exhibit No. 2, that's year 2001?

1 people can take a break and get something to eat.
 2 MS. SCHWAGER: Sure. Is that enough time,
 3 Brit?
 4 MR. GROOM: Oh, I think so. The lunch
 5 crowd in Moscow, such as it is --
 6 (Whereupon, the deposition was in recess at
 7 12:46 p.m. and subsequently reconvened at 1:40 p.m.;
 8 and the following proceedings were had and entered of
 9 record.)
 10 MR. DERBIDGE: Ready to go back on the
 11 record?
 12 THE COURT REPORTER: I'm set.
 13 MR. DERBIDGE: Okay. We're back on the
 14 record.
 15 Q. (BY MR. DERBIDGE) As I understood your
 16 testimony earlier before the lunch break,
 17 Mr. Lindsey, you'd indicated that all the real
 18 property had been transferred in 1994 to Searchlight?
 19 A. That's -- yes, that's right.
 20 Q. And --
 21 A. Some of it might have went into -- clear
 22 into '95, I'm not sure. But it was '94 and '95
 23 before she got -- we got it all done, because we had
 24 to do an appraisal and a whole bunch of things on the
 25 property. We had to do an appraisal and set up a new

1 Q. And you've known him for a long number of
 2 years, haven't you?
 3 A. No, I never did know him.
 4 Q. How much did you sell the Grangeville shop
 5 for?
 6 A. Seems like it was in the eighties
 7 somewhere, but I -- I'm not sure.
 8 Q. Matter of fact, you're getting paid seven
 9 hundred dollars a month each month on the contract on
 10 the Grangeville shop, aren't you?
 11 A. No, I'm not getting nothing from the shop.
 12 Q. And you sold the Grangeville shop, taking a
 13 deed of trust back in September of 1998, didn't you?
 14 A. You know, I don't know. I know that --
 15 that it was sold and it was taken back and it was
 16 deeded back to the trust, as near as I can remember.
 17 Q. Well, if you didn't sell the Grangeville
 18 shop until September of 1998, it wasn't transferred
 19 to the Searchlight Trust, was it, in 1994?
 20 A. Not in -- no, it wouldn't have been in '94.
 21 I don't know when it was.
 22 Q. Why wasn't it transferred to the
 23 Searchlight Trust in 1994, if that's what your intent
 24 was as an estate planning device?
 25 A. I don't believe I owned it in '94.

1 depreciation schedule for income tax purposes,
 2 because we had to set up the new --
 3 Q. And did you then receive any consideration
 4 back from the trust for transferring all these
 5 assets? Did you get anything back for yourself?
 6 A. No. No. The only thing I ever got back
 7 was some money that I had personally loaned them, and
 8 I got it back later, I don't know what year.
 9 Q. What about the property that's referred to
 10 as the Grangeville shop?
 11 A. You know, I don't know how that ever turned
 12 out. I don't think it was -- I don't recall it ever
 13 coming back to me.
 14 Q. Well, you used to own three lots in
 15 Grangeville, didn't you, you and Ona owned three lots
 16 in Grangeville, referred to as the Grangeville shop?
 17 A. Yeah. That would be the shop outside of
 18 town there that I opened at one time.
 19 Q. And who did you sell it to?
 20 A. I don't know what -- what his name was. I
 21 know it was --
 22 MRS. LINDSEY: (Inaudible).
 23 A. No, it was a trucker.
 24 Q. Dean Rowan, wasn't it?
 25 A. Dean Rowan, uh-huh. He was a trucker.

1 Q. When did you buy it?
 2 A. I don't know. I don't remember, but it was
 3 before '94 -- I mean after '94.
 4 Q. Well, what would you have used to buy it
 5 with, since all your assets had been transferred to a
 6 trust you've told us you have no control over?
 7 A. I had personal money that didn't -- my own
 8 personal money that wasn't L.T. and L.'s and the
 9 business property and stuff that didn't belong to
 10 Searchlight Trust at that time. I had some money
 11 that I even loaned to Searchlight Trust, and they
 12 paid it back to me.
 13 Q. I've had marked deposition exhibit -- or
 14 Hearing Exhibit No. 10.
 15 EXHIBITS:
 16 (Deposition Exhibit No. 10 marked for
 17 identification.)
 18 A. What year was it bought?
 19 Q. (BY MR. DERBIDGE) Ask you to examine this.
 20 A. I don't remember when it was bought.
 21 MRS. LINDSEY: We come home from Oregon
 22 logging, moved back from Oregon.
 23 A. Be early '90s. I don't know. Okay. When
 24 was it originally --
 25 Q. First two -- first two pages of Exhibit 10

1 appear to be an assignment of the deed of trust that
 2 you had retained on the sale of the Grangeville shop.
 3 A. That was in 2000, August the 15th of 2000?
 4 This was in 1998? I can't remember.
 5 Q. Who or what is Equitable Financial
 6 Services?
 7 A. I don't know that either.
 8 Q. What did you get in exchange for this
 9 assignment of the deed of trust, Mr. Lindsey, in
 10 2000?
 11 A. Never got anything. If it was assigned to
 12 whatever, it went back into the trust. It was
 13 supposed to be kept for collateral for the kids.
 14 Q. Well, this is not Searchlight Trust.
 15 Who -- who is the assignment to?
 16 A. It says Equitable Finance.
 17 Q. And my question is, who is Equitable
 18 Finance?
 19 A. That, I don't know.
 20 Q. You just sign away your property to
 21 entities you --
 22 A. No, I don't.
 23 Q. -- know nothing about on a regular basis?
 24 A. It had to be another trust that the
 25 Searchlight Trust set up is the only thing I know.

1 of Searchlight. It's Equitable that this was signed
 2 over to. My question is, who is Equitable?
 3 A. I don't know.
 4 Q. And what is --
 5 A. I do not know.
 6 Q. -- if any, do you know is the relationship
 7 between Equitable and Searchlight?
 8 A. I don't know that either.
 9 MS. SCHWAGER: Do you want to go ahead and
 10 let them ask questions?
 11 MR. DERBIDGE: Yeah. I understand there
 12 were other creditors. Mr. Partridge or Sorensen, do
 13 you have some questions?
 14 MR. SORENSEN: Yes, we do.
 15 THE COURT REPORTER: If you can speak up --
 16 do you want to stay down there?
 17 EXAMINATION
 18 BY MR. SORENSEN:
 19 Q. We can and we will speak up. Gerald?
 20 A. Hi. How are you?
 21 Q. You look better than you did in '98, so
 22 your health must be good. Who owns Nevak?
 23 A. National Holding, near as I know. Near as
 24 I know, that's who owns it. I --
 25 Q. National Holding?

1 Q. Does it say that in any of the paperwork?
 2 A. I don't know.
 3 Q. Well, do you find it in any of the
 4 paperwork there? Do you have any other documents in
 5 your possession, or access to any documents that
 6 would explain this transaction?
 7 A. No, I don't. I don't have any.
 8 Q. And it's your testimony here today that you
 9 don't regularly receive seven-hundred-dollar-a-month
 10 payments --
 11 A. I --
 12 Q. -- on the balance remaining on that deed of
 13 trust?
 14 A. No, I do not.
 15 Q. From Dean Rowan.
 16 A. Absolutely don't.
 17 Q. And that there's a thirty-three thousand
 18 dollar balance yet unpaid?
 19 A. Whatever there is, I don't -- I don't know.
 20 Q. Who would know?
 21 A. You'll have to talk to whoever is in charge
 22 of Searchlight Trust is the only one -- place I know
 23 to go to and go on from there.
 24 Q. Well, the problem, Mr. Lindsey, is that
 25 this assignment of the deed of trust makes no mention

1 A. Uh-huh.
 2 Q. Did we determine you don't know who that
 3 is?
 4 A. No.
 5 Q. Was it sold to them, or how did it get out
 6 of your control?
 7 A. When -- when you assigned your -- your two
 8 and a half and Lynn signed his two and a half to Noel
 9 Tanner when he -- when you give or assigned your five
 10 percent to him, when he took his share of Nome and I
 11 took Mud Creek, he assigned it to National Holding.
 12 Q. You don't know who National Holding is?
 13 A. No.
 14 Q. Why would you assign something to somebody
 15 you didn't know anything about?
 16 A. I didn't -- I didn't assign it to him; he
 17 did.
 18 Q. Who did?
 19 A. Noel did.
 20 Q. All right.
 21 (Discussion held off the record.)
 22 Q. (BY MR. SORENSEN) All right. So we've
 23 established, then, that you're not sure who National
 24 Holding is --
 25 A. That's correct.

1 Q. And it was --
 2 A. For --
 3 Q. I'm sorry. Go ahead.
 4 A. -- for National Holding. I was acting as
 5 an agent, went in and got the camp organized and dug
 6 some test holes and did the assessment work is
 7 actually just all -- about all we got done.
 8 Q. How much does it cost to do that assessment
 9 work?
 10 A. I don't know. I never paid the bill.
 11 Q. How much approximately does it cost to do
 12 that assessment work?
 13 A. I don't know.
 14 Q. Now, you are a gold miner, correct? You've
 15 done this before?
 16 A. I've done some of it.
 17 Q. And so you have an idea of how much it
 18 costs to do an assessment of a gold mine, don't you?
 19 A. I don't -- I don't -- I couldn't -- I
 20 couldn't answer that, because I'm not a professional.
 21 Q. You've never paid the bills?
 22 A. I've never paid the bill.
 23 Q. Ever?
 24 A. Ever.
 25 Q. Okay. Did you ever pay the bills to haul

1 could, and I was the one likely -- I'd been up there
 2 before so they -- I went up there to -- to do this
 3 work for them.
 4 Q. Okay. And you'll have to put -- I'm sorry.
 5 You'll have to put your hand down so that she can
 6 hear you.
 7 A. Uh-huh.
 8 Q. Whose idea from National Holding was it
 9 that you would go to Alaska and mine in the spring of
 10 2003?
 11 A. I don't know.
 12 Q. Mr. Lindsey --
 13 A. Yeah, I don't know.
 14 Q. You were running the mining operation prior
 15 to National Holding getting control of it, and then
 16 you continued to run the mining operation.
 17 A. Well, it was just for a short time.
 18 Q. And you've done -- let me finish my
 19 sentence. And you said that you were acting as an
 20 agent of National Holdings. So, who would decide
 21 that you were going to go to Alaska and mine that
 22 mine, from National Holding?
 23 A. I don't know.
 24 Q. Was it yourself?
 25 A. No.

1 fuel in the spring of 2003 to the mining operation in
 2 Alaska?
 3 A. I probably -- probably did. We had to move
 4 a lot of stuff and we had to have fuel and had to
 5 build some dikes and whatnot to do our assessment
 6 work, so whatever we did, that's what -- I'm sure you
 7 can find a record of it.
 8 Q. Right. And in fact you used the services
 9 of Jim, is it Rood? R-O-O-D? Is that how you
 10 pronounce his last name?
 11 A. Rood, uh-huh.
 12 Q. Of Northwest Aviation?
 13 A. That's correct.
 14 Q. Right. And, now, Mr. Rood informs us that
 15 only you were the person who would contact him to fly
 16 in fuel; is that correct?
 17 A. I was the agent working -- I was doing the
 18 work there for National Holdings.
 19 Q. And how much did National Holdings pay you
 20 to do that work?
 21 A. Nothing.
 22 Q. So why would you be doing the work free for
 23 National Holding?
 24 A. It was my obligation for living on the --
 25 the trust's property. I was obligated to help what I

1 Q. How would you not know? Who would you talk
 2 to to pay the fuel bill? Mr. Lindsey?
 3 A. (Witness shakes head.)
 4 Q. Okay. You also said that you paid cash,
 5 twenty thousand cash?
 6 A. Twenty thousand cash?
 7 Q. Yes.
 8 A. No.
 9 Q. How much would the fuel cost to get to the
 10 mine?
 11 A. It didn't cost --
 12 Q. How much would Mr. Rood require to be paid
 13 to haul the fuel to the mine?
 14 A. Mr. Rood didn't haul any fuel.
 15 Q. What did Mr. Rood haul?
 16 A. He hauled us in, period.
 17 Q. Okay. And how much was Mr. Rood paid to
 18 haul you in?
 19 A. Oh, I think it was three hundred dollars.
 20 Q. Total?
 21 A. For a trip, each trip.
 22 Q. And how many trips did you -- did he
 23 transfer you back and forth?
 24 A. We went in and out; I went in and out
 25 and -- I don't know.

1 Q. And, when you wrote checks to Mr. Rood,
 2 whose checking account would you write that on?
 3 A. National Holding.
 4 Q. Okay. So you have signing authority on the
 5 checks for National Holding?
 6 A. Yeah. It was just temporary while I was
 7 there.
 8 Q. And whose idea was it --
 9 A. Because there was no other way to do
 10 anything there.
 11 Q. Okay. Who sent you a signature card so
 12 that you had signing authority on the checks for
 13 National Holding?
 14 A. I think I was issued some checks, near as I
 15 can remember.
 16 Q. Uh-huh.
 17 A. And I didn't have to have a signature card.
 18 I -- the checks were presigned.
 19 Q. The checks were presigned?
 20 A. Some of them were and some of them weren't.
 21 I signed some of them. I had a --
 22 Q. You did sign some of them?
 23 A. I had a right to sign them when I went in
 24 there.
 25 Q. And you don't know how you gained that

1 have it for flights, we had to have it for fuel, we
 2 had to have it for groceries. Anything we did we had
 3 to have some way to pay for it.
 4 Q. Right. And how did she know that?
 5 A. Well, I imagine I told her we had to have
 6 some money.
 7 Q. Okay. So you told her that you needed
 8 money, and did you instruct her to open up a bank
 9 account or --
 10 A. No.
 11 Q. Did you instruct her to get you some checks
 12 to pay for that?
 13 A. She give me some checks.
 14 Q. Did you instruct her to give you those
 15 checks?
 16 A. To take care of that business.
 17 Q. What bank account were those checks written
 18 on?
 19 A. I don't know.
 20 Q. Was it in Idaho?
 21 A. I don't know.
 22 Q. Okay. I guess we can get copies of those.
 23 A. I don't know what bank they were on.
 24 Q. Now, Mr. Rood stated that you gave him cash
 25 also for the transfer.

1 right?
 2 A. Because it was -- the only way to get in
 3 and out of there, you had to have some -- the money
 4 available --
 5 Q. Right.
 6 A. -- to pay the bill at the time.
 7 Q. Right. Jim Rood required cash up front --
 8 A. Yeah.
 9 Q. -- checks up front?
 10 A. Checks, uh-huh.
 11 Q. Who gave you -- who issued you the checks?
 12 A. You know, Julie gave me the checks, but I
 13 don't know who -- how -- how the transaction turned.
 14 Q. Okay.
 15 A. I don't know -- I absolutely do not know
 16 the -- how the transaction come about for me to take
 17 the checks.
 18 Q. Okay. How did --
 19 A. Because I just picked up the checks --
 20 Q. Go ahead.
 21 A. -- and took the ticket and I went up and
 22 did what we did and come back.
 23 Q. Okay. How did Julie know that you needed
 24 checks?
 25 A. Well, we had to have it to get -- we had to

1 A. I think -- no, I don't remember giving him
 2 any -- ever any cash.
 3 Q. Okay.
 4 A. I always paid him by check. It's all I
 5 had.
 6 Q. Okay. Who else was with you on that mining
 7 operation?
 8 A. Oh, I don't know.
 9 Q. Mr. Lindsey --
 10 A. I don't think it's none of the -- none of
 11 the -- makes any difference.
 12 Q. Well, it does make a difference to us.
 13 A. Not to me it don't.
 14 Q. You need to tell us who was with you on the
 15 mining operation.
 16 A. I don't remember.
 17 Q. You do remember.
 18 A. I'm sorry.
 19 Q. Was it your son-in-law?
 20 A. I'm sorry, I don't remember.
 21 Q. You don't remember that your son-in-law was
 22 with you on the mining operation?
 23 A. I don't know.
 24 Q. And would that son-in-law be Mr. Holes, is
 25 that his last name?

1 A. Ray Holes was not -- never there.
 2 Q. Okay. Was Shannon Lindsey there?
 3 A. No.
 4 Q. Were you all by yourself out on this mining
 5 claim?
 6 A. Practically.
 7 Q. Never -- didn't talk to anybody, did it all
 8 by yourself, all the work by yourself?
 9 A. Practically.
 10 Q. Okay. You say practically, which makes me
 11 think there was probably somebody else there with
 12 you. If we called Mr. Rood, would Mr. Rood know that
 13 there was more than one person that was being hauled
 14 to the mining site?
 15 A. He might, but he won't -- he wouldn't have
 16 known who they were, 'cause I didn't even know them.
 17 Q. You did not know the people that you were
 18 mining with?
 19 A. (Witness shakes head.)
 20 Q. Mr. Lindsey, come on.
 21 MR. ELSAESSER: Hold on. I need to
 22 interrupt for a few minutes because I was on a break.
 23 MS. SCHWAGER: Go ahead.

EXAMINATION (Cont'd.)

1 it? Last year or the year before?
 2 MS. SCHWAGER: Right.
 3 Q. (BY MR. ELSAESSER) Let me just -- since I
 4 just have a limited period of time, I'm going to ask
 5 a few questions, Gerald and Ona. To the best of your
 6 knowledge, what is Mountain Property Management?
 7 A. It was just a name that was used,
 8 Searchlight Trust was using to do business under, I
 9 believe. That's near as I can remember.
 10 Q. Okay. So --
 11 A. We just picked up that name, you know.
 12 Q. Okay. So you've nev -- you've heard of
 13 this name before?
 14 A. Yes.
 15 Q. Now, who have you heard that name from?
 16 A. It was from Julie since she used it there
 17 on doing some of her --
 18 Q. So it's not a corporation or a trust?
 19 A. No, no.
 20 Q. Are you saying it's exactly the same as
 21 Searchlight, just another name?
 22 A. I don't know; I don't know.
 23 Q. Okay. And, the insurance people tell me
 24 that that's the account that the insurance is under.
 25 A. Uh-huh.

1 BY MR. ELSAESSER:
 2 Q. So I need to ask some questions, because I
 3 got some information from Farm Bureau. And
 4 apparently the -- the account at Farm Bureau is
 5 carried in the name of Mountain Property Management.
 6 Now, who is Mountain Property Management?
 7 A. Only thing I know, it would be a name
 8 for -- one of Searchlight, just a name is all.
 9 Q. You've never -- have you guys covered all
 10 this?
 11 A. I don't know --
 12 MS. SCHWAGER: No, we have haven't.
 13 MR. DERBIDGE: We haven't gotten -- but the
 14 problem with that, if he's going to insist on using
 15 that just to say -- it used to be an assumed name
 16 filing in Idaho, and that's been canceled. So we're
 17 now dealing with another nonexisting entity.
 18 MR. ELSAESSER: But who was -- who was
 19 the --
 20 MS. SCHWAGER: Mike Ioane.
 21 MR. DERBIDGE: Eventually Gerald signed the
 22 assumed business name to be -- for that to be under
 23 Searchlight, and then some unknown individ --
 24 interloper sends the document in to the secretary of
 25 state's office in Idaho to cancel it last -- what was

1 Q. And that it carries the address of HC 01,
 2 Box 109A. Isn't that the same as your address?
 3 A. That is my address.
 4 MRS. LINDSEY: No.
 5 MR. LINDSEY: A, no. Is it A or B?
 6 MRS. LINDSEY: There's about six boxes --
 7 MR. LINDSEY: Six boxes.
 8 MRS. LINDSEY: -- 109, and then they go
 9 from A to F.
 10 Q. (By MR. ELSAESSER) Okay. And you're
 11 saying you've never received any mail addressed to
 12 Mountain Property Management?
 13 A. No.
 14 MRS. LINDSEY: Not when I've got the mail.
 15 Q. And, you have an account at Les Schwab?
 16 A. Yes.
 17 Q. And who is that account name under?
 18 A. Oh, it could be under Searchlight or it
 19 could be under L.T. and L. or it could be me
 20 personally, because I -- I've done business there.
 21 And that's all mixed up.
 22 Q. So all these are mix and match; they're all
 23 the same?
 24 A. Right.
 25 Q. Mountain Management, Searchlight --

1 A. Searchlight.
 2 Q. -- and you, it's all the same?
 3 A. I know Searchlight paid the bills to Les
 4 Schwab.
 5 Q. Okay. How does Searchlight get the bills
 6 for Schwab?
 7 A. They mail them to --
 8 Q. To --
 9 A. They mail them to the Searchlight address
 10 and --
 11 Q. The Searchlight address, that's the mailbox
 12 that's right next to yours?
 13 A. Uh-huh, that's correct.
 14 Q. So you decide what tires to buy and what
 15 vehicles to put them on?
 16 A. Yes. I have to do that for safety.
 17 Q. Are there any vehicles besides the two that
 18 we mentioned before that are under your possession,
 19 control or that you're allowed to use?
 20 A. Yeah. There's an old Ford pickup, an old
 21 '92 Ford pickup.
 22 Q. Is it registered in Searchlight?
 23 A. I believe so. Or National Holding, one or
 24 the other. I don't know which. It should be on the
 25 insurance document.

1 Q. Okay. So there's never been any cattle on
 2 your property in the last two years besides a few
 3 cows that they might own.
 4 A. Not of mine, no. I haven't had any cattle
 5 for five or six years, long time.
 6 Q. Does Searchlight own any horses?
 7 A. No.
 8 Q. Does Searchlight own any cattle?
 9 A. No.
 10 Q. And you knew that how? How do you know
 11 what Searchlight owns and doesn't own?
 12 A. Well, when I -- when I turned everything
 13 over to Searchlight there wasn't any cows in the
 14 transaction.
 15 Q. All right. Who was the contractor that
 16 built the house that you live in, that you live in
 17 right now?
 18 A. Dennis Sheppard.
 19 Q. Where does he live?
 20 A. Oh, he lives out in the foothills in
 21 Grangeville somewhere.
 22 Q. Okay. And, did you select him to build the
 23 house?
 24 A. I think it was --
 25 MRS. LINDSEY: He's worked -- any time

1 Q. Pardon?
 2 A. It's probably on that insurance document.
 3 Q. Okay. And what other vehicle?
 4 A. Just the two, those three.
 5 Q. That's it?
 6 A. That's it.
 7 Q. Okay. There are no other -- are there any
 8 tractors?
 9 A. No.
 10 Q. Any farm equipment of any kind?
 11 A. There's -- there's none under -- none under
 12 Searchlight.
 13 Q. Okay. Do you have any cattle running on
 14 the property?
 15 A. No, I don't have any.
 16 Q. Are there any cattle running on the
 17 property?
 18 A. Oh. I think Ray and Marianne have some
 19 goats there. I don't think they've got any cows.
 20 They might have a few cows that they --
 21 Q. Ray and Marianne --
 22 A. Holes.
 23 Q. That's your daughter and son-in-law?
 24 A. My daughter. They have some animals there,
 25 but I don't --

1 there was things to be done through the years in all
 2 of our different businesses, he has done it, so it
 3 was just a given.
 4 A. It was just a given that he'd do the job
 5 because he'd done other --
 6 Q. Who designed the house?
 7 A. Ona did.
 8 Q. Pardon?
 9 A. Ona, my wife.
 10 Q. Okay. And who -- was there any contracts
 11 signed with Mr. Sheppard?
 12 A. No.
 13 Q. It was all handshake?
 14 A. Uh-huh.
 15 Q. Handshake between you and Ona and him?
 16 MRS. LINDSEY: All of our work -- all of
 17 the work that was ever done for us. That still
 18 exists in some parts of the country. And I -- may I
 19 clear up something --
 20 Q. Go ahead.
 21 MRS. LINDSEY: -- please? You know, we --
 22 we've lived there all of our lives, and Gerald logged
 23 for so many years before any of this came up. He --
 24 he is known all over the country by Gerald or Jerry.
 25 They don't even have to say his last name. So, he

1 could go in, like when he was logging, to the tire
2 shop, Les Schwab, whatnot, through the years that's
3 just the way it was.

4 Then years later when we wanted to get out
5 of things, out of business, and -- and things were in
6 the trust, we had a hard time educating --
7 reeducating people of who the bills went to or that.
8 It happens all the time.

9 A. They automatically bill --

10 MRS. LINDSEY: They know who we are and
11 they don't even ask us, like a repairman or
12 something.

13 Q. Well, does -- who signs the check to Les
14 Schwab?

15 A. I don't -- Julie does, near as I know.

16 Q. So she -- she has access to a checking
17 account to pay for the tires on your vehicle?

18 A. I would -- I think so.

19 Q. Okay. And what bank is that checking
20 account on?

21 A. I don't know. I don't --

22 Q. Okay. Let's go back to your house for a
23 minute. Your house was something that you and Ona
24 designed, correct?

25 A. Correct.

1 and Gerald.

2 MRS. LINDSEY: Yes. It's hard not to say
3 that after all these years.

4 Q. I appreciate that, and I'm agreeing with
5 you. So I want to know that -- so you and
6 Mr. Sheppard, none of you ever discussed how much the
7 building was ever going to cost; it was just whatever
8 it costs, it costs?

9 A. We had an idea to start with, and then
10 it -- as we got into it further, you know, and
11 everything's escalated, the prices escalated on
12 things and things were -- didn't -- he -- he never
13 would -- he never would give us a firm price on it.
14 He'd just give us a -- he -- he really wouldn't even
15 give us an estimate.

16 Q. So how much did it end up costing?

17 A. I don't know.

18 Q. What's the range that you think it ended up
19 costing, Gerald? Remember you're under oath.

20 A. Oh, I would -- I would guess around a
21 million dollars.

22 Q. Okay. And this was just money that was
23 sitting around in the Searchlight bank accounts.

24 A. That was at that time, yes.

25 Q. Okay. But you -- are you still telling us,

1 Q. Okay. Mr. Ioane had nothing to do with the
2 design or construction of the house, correct?

3 A. No. Never had nothing to do with it.

4 Q. Okay. Ms. Fowler had nothing to do with
5 the design or construction of the house, correct?

6 A. No. That's correct.

7 Q. How did -- how did Searchlight know how
8 much money was going to be spent on the house?

9 A. I don't -- I don't think they did.

10 Q. Did they pay for the entire construction of
11 the house?

12 A. That's correct, yeah. And I don't think
13 they knew and that's the reason we're in the problem
14 we are now.

15 Q. How much do you believe it cost?

16 A. I'm not sure, but it overran.

17 Q. So your testimony is that Mr. Sheppard will
18 also testify that you and he never discussed how much
19 the house was going to cost?

20 A. That's -- I'll guarantee you.

21 Q. Okay.

22 MRS. LINDSEY: But remember, we built it
23 with a business in mind.

24 Q. I understand that. And I understand that
25 when you say we built it, you're talking about you

1 under oath, that you had no idea how much money was
2 in the Searchlight account?

3 A. I didn't -- no, I didn't know exactly.

4 Q. So, how did you know that your friend Mr.
5 Sheppard would ever get paid if you didn't know how
6 much money was in the account?

7 A. Because he was paid every two weeks or so.
8 And he drew up every two weeks and any time that he
9 didn't get paid he could quit.

10 Q. So while the house was under construction
11 it's your sworn testimony today that you didn't have
12 any idea how much money was in the Searchlight
13 accounts?

14 A. No, I didn't.

15 Q. And you would build a million-dollar house
16 not knowing whether you had ten thousand dollars or
17 ten million dollars in the Searchlight account?

18 A. I thought there was plenty there to build
19 the house. I didn't know that, but there was
20 supposed -- supposedly enough there to build the
21 house and I didn't --

22 Q. Okay. That's what I wanted to ask you.

23 A. And it didn't turn out that way.

24 Q. How much -- what do you mean by that, it
25 didn't get paid?

1 A. We never did get finished.
 2 Q. Okay. But how --
 3 A. Searchlight Trust never could finish it,
 4 because there wasn't enough money to finish.
 5 Q. Now, how do you know that?
 6 A. They told me. They said it wasn't any use
 7 writing any more checks.
 8 Q. Who's they? I thought you --
 9 A. Julie -- Julie was the only one running
 10 the -- running the accounts, and then -- then I
 11 was --
 12 Q. So what -- what is the unfinished part of
 13 the house?
 14 A. Oh, there's -- you name them.
 15 MRS. LINDSEY: There's probably something
 16 in every room that isn't finished totally, and
 17 downstairs in one area of the gathering room there's
 18 cabinetry work in two or three rooms, molding.
 19 Q. How did you find out that you didn't have
 20 enough money to finish the house?
 21 A. I think Julie had to have told me. That's
 22 the reason we had to quit.
 23 Q. Okay. What -- how much money did she tell
 24 you was left in the Searchlight Trust?
 25 A. She didn't -- she didn't tell me what was

1 Q. Do you believe that they are?
 2 A. I don't know.
 3 Q. If they -- if they --
 4 A. I won't venture a guess.
 5 Q. Sorry to interrupt. If they aren't, how
 6 are you paying the taxes and insurance?
 7 A. I don't know.
 8 Q. Where do you think the money is coming
 9 from?
 10 A. You'll have to ask them, because I don't
 11 know.
 12 Q. Do you believe that --
 13 A. I think they're -- I think they're near --
 14 near bankruptcy. I honestly believe that.
 15 Q. Okay. If you think that, I want to know
 16 why you think that.
 17 A. By just watching things, expenditures
 18 and --
 19 Q. What expenditures? Well, tell me -- let's
 20 talk about that. What expenditures? I thought you
 21 didn't know what they spent.
 22 A. I don't.
 23 Q. Well, then --
 24 A. You just see what's going on around you
 25 and you --

1 left. She told me there wasn't any more to finish
 2 the house, if I can remember right.
 3 Q. If there wasn't enough money to finish the
 4 house, how has -- how has Searchlight been able to
 5 pay the taxes and insurance on the house since you
 6 built it?
 7 A. Oh, I -- I don't know, just from income
 8 that they've had from the things that were sold is
 9 all I can think of. I don't know.
 10 Q. Were some of the properties sold on
 11 contract?
 12 A. I -- I believe so. I know there was some
 13 of it was sold, that property was sold on contract.
 14 I don't know. You'll have to talk to somebody that
 15 knows.
 16 Q. So --
 17 A. I think we need to get Mike here, Ioane, to
 18 explain this to us. He's the administer^ (sic) of
 19 the trust.
 20 Q. Okay. Do you think there are still people
 21 who bought properties when you were selling the
 22 properties that are still paying Searchlight money --
 23 A. I don't know that.
 24 Q. -- on mortgages?
 25 A. I don't know.

1 MRS. LINDSEY: See what's going on.
 2 MR. GROOM: Go ahead.
 3 A. You just look at things going on around and
 4 you see that there's a shortage.
 5 Q. (BY MR. ELSAESSER) What things going
 6 around?
 7 A. Oh, there's no new vehicles been bought,
 8 all old -- running all old vehicles.
 9 Q. And you have never just asked Ms. Fowler,
 10 how much money do we have left in the trust?
 11 A. No, I absolutely don't have it.
 12 Q. Are you concerned about how much is left?
 13 A. I'm really concerned.
 14 Q. And you just haven't thought to ask her?
 15 A. I've thought to ask her, but I'd never get
 16 an answer.
 17 Q. This is somebody that you -- has been a
 18 trusted employee and friend of yours, and you're
 19 saying that she will not answer? I mean, are we
 20 playing kind of a game here, Mr. Lindsey?
 21 A. No. What -- what she tells me, this is --
 22 this trust has nothing to do with you and I don't
 23 want you to know. That's what she told me, has told
 24 me. It's none of your affair.
 25 Q. Okay. Even though the trust is what built

1 you a million-dollar house.
 2 A. Uh-huh.
 3 Q. And it built it to your design and your
 4 specifications, or yours -- yours and Mrs. Lindsey's
 5 design and specifications?
 6 A. Uh-huh.
 7 Q. Correct? You need to say yes or no so she
 8 can pick it up.
 9 A. Yes.
 10 Q. Okay. Did you ever talk with her before
 11 you started building the house as to how much the
 12 house would cost?
 13 A. I don't recall it, no.
 14 Q. Well, do you think you did and you've
 15 forgotten about it, or that you never did?
 16 A. I probably never did.
 17 Q. And, you must have had -- Mr. Lindsey,
 18 you -- you seem like a very bright, good business
 19 person; you must have had some idea as to how much
 20 money was in that trust before you would go out and
 21 build a house of your dreams for a million dollars.
 22 A. I had an idea about what it was going to
 23 cost, but I -- I -- I -- I was certainly mistaken.
 24 Q. And you've never said, Ms. Fowler do we
 25 have enough money?

1 A. I don't -- I don't remember those things.
 2 Q. Okay. So, when -- when you had contractors
 3 working on the house, they would send bills?
 4 A. Usually just Dennis would -- or he would
 5 bring the bill when he was working and -- and he
 6 would take it down to the office and Searchlight
 7 Trust would pay the bill.
 8 Q. Okay. So all those bills should still be
 9 there, the old bills?
 10 A. They would be in wherever Searchlight's
 11 books are.
 12 Q. Okay. Do you think Ms. Fowler had the
 13 books shipped to California? Do you know whether she
 14 did?
 15 A. Oh. I'm sure she did. I'm not sure, but
 16 I -- I assume that she did. She told me that she
 17 didn't have none of the books anymore. That was a
 18 long time ago.
 19 Q. Was that something that you and she agreed
 20 to do --
 21 A. Absolutely not.
 22 Q. -- to keep them away from bankruptcy?
 23 A. No. Bankruptcy wasn't even thought of.
 24 Q. So we've now got a person with no
 25 residential address that you're saying has possession

1 of all the records of this trust?
 2 A. I don't know that. You're -- you're
 3 telling me that you don't have an address, but I
 4 think he's got an address. I'm -- I'm going to go
 5 find out.
 6 Q. Okay.
 7 MR. GROOM: For the record, I can -- for
 8 the record, Julie Fowler did a deposition, I want to
 9 say, if memory serves me, May or June of last year,
 10 2003. And during that deposition she represented
 11 that sometime before that date -- and I'd have to
 12 look at the deposition -- you probably, Sheila, have
 13 a copy of that deposition -- which she said that she
 14 had -- that most, if not all, of the Searchlight
 15 records had, in fact, been sent to Mike Ioane in
 16 California.
 17 MR. ELSAESSER: Do you have any idea why?
 18 MR. GROOM: I -- also in that deposition
 19 she indicated -- I'm only going by what she said in
 20 the deposition -- was that she was doing less and
 21 less and less and hardly anything for Searchlight
 22 compared to what she'd been doing two or three years
 23 before that, or a year before that, and that now
 24 she's just got a few bills, sent those to Searchlight
 25 in -- in California. She also testified that a lot

1 of bills she was no longer paying herself. She would
 2 just take the bill and forward it on to the address.
 3 MR. ELSAESSER: Okay.
 4 MR. GROOM: I've got -- I think I've got a
 5 copy of that deposition. I don't know if the trustee
 6 docs. I can send you a copy.
 7 MR. ELSAESSER: I've seen some of it.
 8 Okay. I -- I need to go back to my hearing.
 9 Q. (BY MR. ELSAESSER) But, Mr. Lindsey, did
 10 Searchlight pay also for all the furnishings in the
 11 house except what you've put on your bankruptcy
 12 schedules?
 13 A. Yes. I'm sure they did because we didn't.
 14 Q. And you -- did you select -- you selected
 15 those, didn't you?
 16 A. I probably had part, a part to do with it,
 17 yes.
 18 Q. Well, did anyone besides you and
 19 Mrs. Lindsey and your friends that live on the
 20 property and your family have anything to do with it?
 21 A. I don't think so.
 22 Q. Where did you buy most of the furniture and
 23 fixtures and appliances?
 24 A. Anywhere from Spokane to Boise.
 25 Q. Okay. And did you -- is it your sworn

1 A. Go to the trust, uh-huh.
 2 Q. And you could sign on them?
 3 A. Yes.
 4 Q. So you could sign for the Searchlight
 5 Trust?
 6 A. I could buy gas and stuff like that on
 7 traveling and whatnot on my expenses.
 8 Q. So you're an authorized signatory for
 9 Searchlight Trust?
 10 A. Yeah. I was -- I guess I would have had to
 11 have been.
 12 MR. ELSAESSER: Okay. I'm sorry, Sheila.
 13 MS. SCHWAGER: You're okay.
 14 MR. ELSAESSER: I've got to get back to my
 15 hearing.
 16 (Whereupon, the deposition was in recess at
 17 2:59 p.m. and subsequently reconvened at 3:05 p.m.;
 18 and the following proceedings were had and entered of
 19 record.)
 20 MS. SCHWAGER: Okay. We're back on the
 21 record.
 22 EXAMINATION (Cont'd.)
 23 BY MS. SCHWAGER:
 24 Q. (BY MS. SCHWAGER) And just for
 25 clarification purposes, Mr. Lindsey, the checks that

1 property.
 2 Q. Okay. So that wasn't -- the mining
 3 equipment that you used in the spring of 2003, that
 4 wasn't the equipment that you purchased from David
 5 Vial, or was it?
 6 A. I think some of it was. Most of it was my
 7 own -- Searchlight Trust's. They bought the
 8 equipment in 2000. We went up there in 2000 to
 9 Candle, we -- Searchlight bought some equipment --
 10 Q. Okay. So Searchlight --
 11 A. Took some equipment in.
 12 Q. -- bought some mining equipment --
 13 A. Yes.
 14 Q. -- in the year 2000?
 15 A. Uh-huh.
 16 Q. And it went into Candle?
 17 A. Went into Candle.
 18 Q. Do you recall what the purchase price of
 19 the mining equipment was at that time?
 20 A. No, I don't know.
 21 Q. Who did they purchase it from?
 22 A. I don't know that either.
 23 Q. Who -- who actually orchestrated the
 24 purchase, was that you on behalf of Searchlight?
 25 A. It was mostly Noel Tanner. He was a

1 we discussed being issued to Mr. Rood for the
 2 transportation to the mine --
 3 A. Uh-huh.
 4 Q. -- you said that you signed some of them
 5 and then some were presigned? Is that right?
 6 A. I think I -- I think what it was, he sent
 7 me all blank checks and I signed them all.
 8 Q. Okay.
 9 A. Near as I can remember.
 10 Q. And do you recall the approximate sum of
 11 the total checks?
 12 A. No.
 13 Q. Did you have to haul any of the equipment
 14 back to the mine?
 15 A. No.
 16 Q. How did you get the mining equipment?
 17 A. We walked it.
 18 Q. Is that -- in the article it referred to
 19 having to drive the equipment seventy miles from
 20 another --
 21 A. No, that was another -- that was something
 22 different altogether. It was something we -- some
 23 other mining equipment that was in the area we was
 24 going to -- if we got some money we were going to try
 25 to buy it and then try to overland it to the

1 partner at that time on the Candle property. I think
 2 he picked out the equipment and Searchlight --
 3 Q. So Noel Tanner picked out the equipment and
 4 then told you about it?
 5 A. Yeah.
 6 Q. And then you got approval from Searchlight?
 7 A. Yeah. And they -- and they done a
 8 contract. I think it was paid on -- near as I can
 9 remember, it wasn't paid with cash. It was paid over
 10 a period of time.
 11 Q. Searchlight signed a contract --
 12 A. I think --
 13 Q. -- to pay for the equipment?
 14 A. I believe so.
 15 Q. And who negotiated that contract?
 16 A. I don't think there was any negotiation to
 17 it. It was a cut-and-dry deal and just --
 18 Q. Did you set forth the -- did you agree on
 19 behalf of Searchlight what the terms of that purchase
 20 contract --
 21 A. No.
 22 Q. Who -- who on behalf of Searchlight agreed
 23 to the purchase terms --
 24 A. I don't know.
 25 Q. -- or set forth the purchase terms?

1 A. I don't know.
 2 Q. Well, it was in the year 2000, and we're
 3 talking about the Candle Mining operation; is that
 4 correct?
 5 A. Uh-huh.
 6 Q. And Searchlight has to enter into a
 7 contract to purchase the mining equipment. At that
 8 time, who were the trustees of Searchlight in the
 9 year 2000?
 10 A. I believe it was Hopkins and Spickelmire.
 11 Q. Okay. So was it Hopkins and Spickelmire
 12 that negotiated the purchase terms?
 13 A. They had to okay it.
 14 Q. They had to okay it, okay. But who
 15 negotiated purchase the terms?
 16 A. I don't know.
 17 Q. Well, who -- who are the realms of people
 18 who could have negotiated it? Yourself, correct?
 19 A. It could have been.
 20 Q. Or Boyd?
 21 A. Could have been.
 22 Q. And Spickelmire?
 23 A. It could have been.
 24 Q. And Boyd is his first name, so Jim
 25 Spickelmire or Boyd Hopkins. Anybody else? Did

1 the honest truth.
 2 Q. Well, do you --
 3 A. And I cannot remember.
 4 Q. Is there any other person from Searchlight
 5 in the realm of possibilities that could have
 6 negotiated the purchase terms for you to go mine
 7 Candle in the year 2000?
 8 A. I don't -- I don't -- I can't recall any.
 9 Q. Okay. Now, you said that some of the
 10 mining equipment that you used in the spring of 2003,
 11 was that at Candle? Was that a Candle mine? I get
 12 the mines all mixed up.
 13 A. That's another mine, yeah. It's private
 14 property.
 15 Q. Is that Mud Creek or Candle that -- that
 16 was the spring 2003?
 17 A. It was at Candle.
 18 Q. Candle, okay. So you -- how far did you
 19 have to walk the equipment to get it to the location
 20 you were mining this spring?
 21 A. About three and a half, four miles, I
 22 believe, near as I can recall.
 23 Q. Okay. And the equipment that David Vial
 24 sold you, that was also equipment that you moved to
 25 this Candle mine in 2003?

1 Julie Fowler have authority to negotiate purchase
 2 terms?
 3 A. No. I don't know. I don't think so.
 4 Q. So just the three of you, one of you
 5 three --
 6 A. Uh-huh.
 7 Q. -- would have done that? And so if Boyd
 8 and Jim testified that they never negotiated terms
 9 for the purchase of mining equipment, then would it
 10 be yourself who had purchased it?
 11 A. I don't remember.
 12 Q. Okay.
 13 A. You're talking about three years ago.
 14 Q. Sure. And I'm just trying to refresh your
 15 memory.
 16 A. And I don't know.
 17 Q. Okay.
 18 A. I can't remember.
 19 Q. But there's nobody else in the realm of
 20 possibilities, right, just you three? So if they say
 21 we didn't do it, then that leaves you, right?
 22 A. That's -- that's a possibility.
 23 Q. Well, what are the other possibilities?
 24 A. It could have been one of those or it could
 25 have been -- I'm confused with the trust, to tell you

1 A. I believe -- I believe some of it was.
 2 Q. Not all of it?
 3 A. I don't know. So much junk he had there, I
 4 don't know whether we moved it all or not.
 5 Q. Okay.
 6 A. Some of the crap he had there wasn't --
 7 wasn't even movable.
 8 Q. And you'll have to --
 9 A. Which Vial are you talking about?
 10 Q. David Vial. David Vial.
 11 A. Oh, no. Let me tell you a story about
 12 David Vial.
 13 Q. Okay.
 14 A. Me and Noel Tanner went in fifty-fifty to
 15 buy their equipment and their mining lease at Candle
 16 with a four-year lease from Wally Brooks.
 17 Q. Okay.
 18 A. We signed on it as personal, and I paid
 19 them fifty-one thousand dollars for the down payment.
 20 When we went into Candle after they turned their
 21 property over to us, we tried to mine -- started to
 22 mine it and there wasn't any gold there. There was
 23 just a little bit of gold there. Wouldn't even pay
 24 for the fuel.
 25 So when we shut down at the end of the

1 A. And Nevak -- Nevak and Mud Creek's name.
 2 Q. Okay.
 3 A. And I was one of the signatures on the --
 4 the state leases.
 5 Q. Okay.
 6 A. And that was -- that was -- when I had no
 7 more money to pay for the leases, that was
 8 transferred to National Holding.
 9 Q. Did you inform the State of Alaska that you
 10 were not -- that you had transferred your interest in
 11 the leases to National Holding?
 12 A. I don't think you can transfer a lease.
 13 Q. So --
 14 A. I transferred my interest.
 15 Q. Okay. Did you inform the State of Alaska
 16 that you had transferred your interest in the lease
 17 to National Holding?
 18 A. I don't -- I don't -- I don't know.
 19 Q. Well, who would know if you don't know?
 20 A. I guess they would know.
 21 Q. The State of Alaska?
 22 A. Uh-huh.
 23 Q. Okay. So, if the State of Alaska shows
 24 that it's still your interest, then that's something
 25 that you need to amend on your bankruptcy schedules,

1 A. Randy McKinney, for one, was.
 2 Q. Okay, anybody else?
 3 A. There was another firm that -- out of
 4 Spokane or somewhere, but I don't know. I think --
 5 MRS. LINDSEY: I can't remember.
 6 A. I can't -- I don't know.
 7 Q. Okay.
 8 A. Just better make it simple.
 9 Q. Okay. Maybe. "I don't know" to questions
 10 actually tend to make it a little bit longer. You
 11 state that you -- you transferred your lease interest
 12 to National Holding or Searchlight. Who would then
 13 control it? Let's say you transferred it to National
 14 Holding. Who would then be in control of it?
 15 A. Evidently the trustees or the -- or the
 16 administrator of National Holding would.
 17 Q. Mike Joane?
 18 A. No. That would be Searchlight.
 19 Q. Searchlight's the administrator of National
 20 Holding?
 21 A. No. I don't know. You're talking about
 22 something I don't know.
 23 Q. Well, Mr. Lindsey --
 24 A. I don't know beyond Searchlight.
 25 Q. Okay.

1 to disclose, correct?
 2 A. Okay.
 3 Q. Okay. And what is the value of that, that
 4 lease interest in Alaska?
 5 A. I'd say it was in the red about a million
 6 and a half dollars.
 7 Q. It's in the red?
 8 A. Uh-huh. At least a half a million to a
 9 million, maybe million and a half.
 10 Q. So nobody wants --
 11 A. Nobody.
 12 Q. -- to purchase those mining claims?
 13 A. No.
 14 Q. But it costs seventeen thousand a year to
 15 keep them?
 16 A. To keep the leases.
 17 Q. Okay. If it's in the red, why wouldn't
 18 National Holding or Searchlight just let them go?
 19 A. They probably will.
 20 Q. Okay. Why -- why haven't you as the agent
 21 advised them that these are in the red so it doesn't
 22 make good business sense for you to keep them?
 23 A. Because there's still people trying to get
 24 loans to promote the property.
 25 Q. And who's doing that?

1 A. Okay?
 2 Q. Well, you stated that you transferred your
 3 lease interest either to Searchlight or to National
 4 Holding.
 5 A. Right.
 6 Q. But if you don't know anything about
 7 National Holding, how do you know that you
 8 transferred your interest to National Holdings?
 9 A. I don't -- I don't -- that's why I'm not
 10 sure where -- where it went to.
 11 Q. Was it documented?
 12 A. I don't know.
 13 Q. Okay. You're acting as the agent of
 14 Searchlight then --
 15 A. No.
 16 Q. -- in your mining?
 17 A. No.
 18 Q. Okay.
 19 MS. SCHWAGER: Let's mark this set of
 20 documents as the next exhibit. Is that 14?
 21 EXHIBITS:
 22 (Deposition Exhibit No. 14 marked for
 23 identification.)
 24 Q. (BY MS. SCHWAGER) Mr. Lindsey, she's
 25 handing you what's marked as Exhibit No. 14. Do you

1 see your signature on the first page of that
 2 document?
 3 A. Uh-huh.
 4 Q. And, is that your signature, or did
 5 somebody else write your name there?
 6 A. Coastal Zone Management? Yeah, that's my
 7 signature. I was acting as an agent for whoever this
 8 is for.
 9 Q. Well, tell me who you were acting as an
 10 agent for.
 11 A. I believe it's National Holding.
 12 Q. Who appointed you as the agent of National
 13 Holding?
 14 A. Nobody.
 15 Q. Did you appoint yourself?
 16 A. Nope. I just went up there.
 17 Q. You went up where?
 18 A. Went up there to have fun.
 19 Q. You went up where to have fun?
 20 A. Up to there to Alaska. I went up and had a
 21 vacation.
 22 Q. Okay. And in this vacation, you signed a
 23 Coastal Zone Management document on behalf of
 24 National Holding?
 25 A. Yeah, because I was there doing assessment

1 Q. Well, I'm sorry, but this is the process.
 2 A. Well, you keep going over and over this,
 3 and I don't know. And I've told you I don't know.
 4 Q. Okay. Let's take a break, and we're going
 5 to start back in five minutes.
 6 A. I'm getting tired of saying I don't know.
 7 And I don't know.
 8 (Whereupon, the deposition was in recess at
 9 3:30 p.m. and subsequently reconvened at 3:35 p.m.;
 10 and the following proceedings were had and entered of
 11 record:)
 12 MS. SCHWAGER: Back on the record.
 13 Q. (BY MS. SCITWAGER) Mr. Lindsey, can I have
 14 you take a look at Exhibit 14 again, and if you could
 15 turn to the -- one, two, three, four, fifth page. Do
 16 you recognize that document -- that page of Exhibit
 17 14? Have you seen that before?
 18 A. Uh-huh. It's a placer mining application.
 19 Q. P-L-A-C-E-R mining application. And did
 20 you fill out that document, Mr. Lindsey?
 21 A. No, I didn't.
 22 Q. Do you know who filled out that document?
 23 A. I believe Julie did. She does the filing.
 24 Q. The filing with Alaska?
 25 A. Uh-huh.

1 work for National Holding.
 2 Q. Okay. And what I need to know is, who
 3 appointed you to act on behalf of National Holding?
 4 A. I wasn't appointed.
 5 Q. How did you know you were the agent of
 6 National Holding?
 7 A. Because they gave me some checks to go up
 8 there and take care of it. Somebody did. And I
 9 don't know who that was because I don't -- never seen
 10 them.
 11 Q. Well, you told me that Julie gave you the
 12 checks.
 13 A. Yes, she did.
 14 Q. And that you told Julie you would need
 15 checks to haul people in to the mine, so who did
 16 Julie tell you that National Holding was?
 17 A. She didn't tell me.
 18 Q. Okay. So, let's take it --
 19 A. That's the reason I don't know.
 20 Q. -- step by step.
 21 A. And I can't answer you because you're just
 22 running me around here in circles. I'm getting damn
 23 tired of it.
 24 Q. Do you need a break, Mr. Lindsey?
 25 A. About a six-month break.

1 Q. Who's that e-mail address on there? At the
 2 bottom it says J-E-W-E-L-S at C-T-C web --
 3 A. I don't know.
 4 Q. -- dot net?
 5 A. I don't know any of that.
 6 Q. Do you have an e-mail address?
 7 A. No.
 8 Q. Do you have a computer?
 9 A. No.
 10 Q. And the second page of Exhibit 14 is called
 11 Reclamation. Is that your signature at the bottom of
 12 that?
 13 A. Yeah, I believe so.
 14 Q. And it lists yourself as an operator and an
 15 agent?
 16 A. Yes.
 17 Q. You see that in the box right next to your
 18 signature?
 19 A. Uh-huh.
 20 Q. And who were you agent for in signing this
 21 document, page two of Exhibit 14?
 22 A. Near as I know, it was National Holding.
 23 Q. Okay.
 24 A. Because I had a -- I had a letter of
 25 authorization when I went up there to move the

1 equipment and do the work. And I have that
 2 authorization letter. I don't have it with me, but I
 3 did have an authorization to do that.
 4 Q. Okay.
 5 MS. SCHWAGER: And I don't recall you
 6 producing that document, Mr. Groom, in the estate.
 7 MR. GROOM: I've never seen it before.
 8 MS. SCHWAGER: Never seen it, okay.
 9 MR. GROOM: I can get you a copy, but I
 10 have never seen it before.
 11 MS. SCHWAGER: That would be great.
 12 Q. (BY MS. SCHWAGER) Who signed the
 13 authorization?
 14 A. I believe Julie did.
 15 Q. So, is Julie an officer of National
 16 Holding?
 17 A. I don't know.
 18 Q. Did you tell her to give you authorization?
 19 A. No, I didn't.
 20 Q. Okay. So we'll need to ask Julie, then --
 21 A. Uh-huh.
 22 Q. -- how she came up with that. Okay. And
 23 then one, two, three, four, five, six, seven, the
 24 eighth page, that says Water Usage at the top, is
 25 that your signature in the second block called notice

1 you're an owner, an operator and an agent. So is
 2 that -- in March -- on March 3rd, 2002, were you an
 3 owner of that reclamation, or of that mining claim?
 4 A. No. I'm an agent --
 5 Q. Okay.
 6 A. -- working for the National Holding, and I
 7 had an authorization to go up there and to do this.
 8 Q. Okay. Why did you mark the box owner?
 9 A. Well, I think whoever the claims are in --
 10 still in the name of, you're still the owner as far
 11 as the state goes, but if the --
 12 Q. Right. So that's what we talked about
 13 before --
 14 A. Yeah. If they was --
 15 Q. -- when you were still the owner?
 16 A. -- assigned over and they never was changed
 17 at the recording office in Nome, I would still have
 18 been the owner but -- in their eyes.
 19 Q. Okay.
 20 A. Even though I had signed whatever, a
 21 quitclaim deed, not to be the owner.
 22 Q. Okay. And if you signed a -- or if you
 23 did, in fact, do an assignment, you did not receive
 24 any payment for that?
 25 A. No.

1 of intent from EPA?
 2 A. I believe so.
 3 Q. And why were you signing that document,
 4 that page?
 5 A. Why did I sign any of the rest of them?
 6 That was all in a package. You do it all when you --
 7 when you do this work for the state. You do the
 8 whole thing. You just don't do one of them. You
 9 sign for your water usage; you sign for whatever you
 10 do here.
 11 Q. Okay. So you signed this document also in
 12 2003 then?
 13 A. I'm sure I did.
 14 Q. Okay. Then if you flip past one, two,
 15 three, the next -- fourth page, so I guess it would
 16 be page twelve. It says Reclamation at the top?
 17 A. Annual reclamation statement.
 18 Q. It just says Reclamation. Is that what
 19 page you're on?
 20 A. Must be the next one. Yeah, it's the next
 21 one.
 22 Q. Is that your signature on the bottom of the
 23 page?
 24 A. I believe so.
 25 Q. In the box next to that, it says that

1 Q. Is that what you're testifying?
 2 A. My payment was a ticket up there and a
 3 ticket back and have some fun.
 4 Q. Okay. Let's turn to the Searchlight Trust.
 5 MS. SCHWAGER: And mark that as an exhibit.
 6 EXHIBITS:
 7 (Deposition Exhibit No. 15 marked for
 8 identification.)
 9 Q. (BY MS. SCHWAGER) Can you take a look at
 10 Exhibit 15, Mr. Lindsay, and see if you recognize
 11 that document?
 12 A. Yes, I do. This is the original business
 13 trust of Searchlight.
 14 Q. And is that your signature on the -- is it
 15 the second to last page of the exhibit?
 16 A. Uh-huh, sure is.
 17 Q. Okay. And did you sign that document on
 18 September 30th of 1994?
 19 A. Yes, I did.
 20 Q. Okay. Can you take a look at that exhibit
 21 and tell me if you can recall if this is a complete
 22 document or if there are any pages missing?
 23 A. No, I couldn't tell you.
 24 Q. You just couldn't recall, even by looking
 25 at it?

1 M-A-N-R-I-N-G.
 2 Q. Anybody else?
 3 A. Well, he's enough.
 4 Q. Who else was there with you on the mining
 5 operation?
 6 A. Let me see, Lamar Burnett.
 7 Q. Lamar?
 8 A. Lamar.
 9 Q. Burrett?
 10 A. Burnett.
 11 Q. Burnett. Anybody else?
 12 A. J.R. Brown.
 13 Q. J.R. Brown. Anybody else?
 14 A. Nope.
 15 Q. Can you give the contact information of
 16 those three individuals?
 17 A. What was that again?
 18 Q. The contact information, where do they
 19 live?
 20 A. I don't know where they live.
 21 Q. How do you get a hold of them?
 22 A. I don't know. Rob is out roaming around
 23 Alaska, and they call me on the phone.
 24 Q. Do you have a telephone number for them?
 25 A. No, I don't.

1 Q. They just have your telephone number?
 2 A. Yeah.
 3 Q. And you have no idea what city these three
 4 individuals live in?
 5 A. Huh-uh.
 6 Q. Okay. You -- you understand you're under
 7 oath?
 8 A. I know it.
 9 Q. Okay.
 10 MR. GROOM: I might -- just for your
 11 information, Rob Manning currently has a warrant for
 12 him out of Nez Perce County.
 13 MS. SCHWAGER: So he really doesn't want to
 14 be found.
 15 MR. GROOM: He -- I can represent to you --
 16 I don't know about Gerald or Ona -- but with regard
 17 to Rob, he calls sometimes from various locations.
 18 It wouldn't do any -- any good to ask. I'd like to
 19 find him. He owes me about five thousand dollars,
 20 but I don't know where he's at.
 21 Q. (BY MS. SCHWAGER) Okay. Are any of these
 22 three individuals planning on going back the next
 23 mining season?
 24 A. I don't -- have no idea.
 25 Q. Okay. You haven't talked to them about

1 that?
 2 A. No.
 3 Q. Okay.
 4 A. They're not going to go back that I know
 5 of.
 6 Q. On the fourth page of the Exhibit 14 -- are
 7 we on the trust? Exhibit 15. On the fourth page of
 8 the trust at the very top it says, Declaration of
 9 Trust, and it lists three trustors. Do you
 10 understand what the word trustor means? Do you know
 11 what that is?
 12 A. Where's it at?
 13 Q. It's right there at the very top. It says
 14 Gerald A. Lindsey, comma, Trustor, Ona L. Lindsey,
 15 Trustor, L.T. and L., Inc., Trustor.
 16 A. Okay.
 17 Q. Do you know what those words mean?
 18 A. That was -- I think we still -- that was
 19 when we still owned the property before we assigned
 20 it to the trust.
 21 Q. And so --
 22 A. And it --
 23 Q. Go ahead.
 24 A. I think there was about a two- or
 25 three-hour interval there between the one and the

1 other.
 2 Q. And that's your understanding of trustor
 3 that you are -- you are transferring property to the
 4 trust?
 5 A. Right, uh-huh.
 6 Q. Okay. So, the document was signed on
 7 September 30th, 1994. As of September 31st, 1994,
 8 the next day, after the trust document's signed --
 9 A. Uh-huh.
 10 Q. -- did you own any -- did you personally,
 11 you and Ona, own any personal property, yourself?
 12 A. No.
 13 Q. You had --
 14 A. Near as I can know, we didn't own -- near
 15 as I know, we signed everything over.
 16 Q. Over to the trust?
 17 A. Over to the trust.
 18 Q. Okay.
 19 MR. GROOM: You had some personal household
 20 effects, didn't you, personal furniture?
 21 MRS. LINDSEY: Oh, I don't think we -- did
 22 we assign the --
 23 MR. LINDSEY: No. We had our personal --
 24 MR. GROOM: That's what she's asking.
 25 Q. (BY MS. SCHWAGER) Your personal property

1 as of the next day --
 2 A. Oh, yeah. Oh, there was what we have
 3 listed on this Chapter 13 here.
 4 Q. Okay. So the property you have listed in
 5 your schedules is the property you owned the next
 6 day --
 7 A. Right.
 8 Q. -- on September 30th, 1994?
 9 A. Yeah, we still owned that.
 10 MRS. LINDSEY: That was -- that was in
 11 town.
 12 MR. LINDSEY: Yeah, but we brought that
 13 furniture from town over.
 14 A. And that's what we have in the house now,
 15 see. And the other furniture in the house belongs to
 16 the trust because they bought it.
 17 Q. Okay. Did you own any real property
 18 personally on September 31st, 1994? The day after
 19 you signed the trust, do you own any real property,
 20 yourself?
 21 A. You know, I don't -- I don't know.
 22 MR. GROOM: You had the house in White
 23 Bird -- didn't you have the house in White Bird?
 24 MRS. LINDSEY: We did, because we made this
 25 up at the house in White Bird, our family home we

1 A. If we did I -- I'd have to research it to
 2 find -- find out, because I -- I don't -- I honestly
 3 don't think there was anything that wasn't --
 4 Q. Transferred to the trust?
 5 A. -- turned over to the trust, uh-huh.
 6 Q. Okay. Any bank accounts as of September --
 7 go ahead.
 8 MR. GROOM: Just a second.
 9 MS. SCHWAGER: Go ahead.
 10 MR. GROOM: Just a technicality. I think
 11 that, and I haven't seen them, but from what I heard
 12 in some of the depositions, particularly Julie
 13 Fowler's, is that although the trust was signed in
 14 September, as far as Gerald and Ona are concerned,
 15 they didn't believe they owned anything after this
 16 was signed.
 17 The fact is, I think some of the records at
 18 the county will show it took Julie some period of
 19 time to actually get deeds and things like that
 20 transferred over to the trust. That was a process
 21 they had to go through.
 22 MR. LINDSEY: I think some of --
 23 MR. GROOM: There was an appraisal that's
 24 about this thick of all --
 25 MS. SCHWAGER: Where is that appraisal?

1 sold.
 2 Q. In town that you had sold?
 3 MR. GROOM: And I'm trying to figure out
 4 whether or not --
 5 Q. (BY MS. SCHWAGER) What happened --
 6 A. See, I owned a home in town.
 7 Q. Sure. Uh-huh. And was that transferred to
 8 the trust?
 9 MRS. LINDSEY: I'm sure it was.
 10 A. I don't know.
 11 MRS. LINDSEY: Yeah, because that -- it had
 12 to have been. That was part of the purpose.
 13 A. It had to have been because the money went
 14 to the trust when it was sold.
 15 MRS. LINDSEY: Yeah. The money went to the
 16 trust, so I know it was --
 17 A. Uh-huh.
 18 MRS. LINDSEY: Like I said, it was a very
 19 complicated time of the -- we were selling and buying
 20 and --
 21 Q. Okay. So, as of -- as much as you can
 22 recollect today, as of September 31st, 1994, you did
 23 not own any real property personally?
 24 A. Not that I can remember.
 25 Q. Okay.

1 MR. GROOM: I got it -- I have a copy. I
 2 don't know if it's the original. I have a copy -- I
 3 got a copy last Friday. It's about this thick
 4 (indicating); it showed up at the office.
 5 MS. SCHWAGER: Who did it show up from?
 6 MR. GROOM: I have no idea.
 7 MS. SCHWAGER: Brit.
 8 MR. GROOM: I have no idea. I was gone.
 9 All I know is that I walked in on Saturday morning
 10 and there's an appraisal that's about this thick,
 11 literally two or three inches thick, with a gray
 12 cover on it that was the appraisal meant for this
 13 bankruptcy.
 14 MS. SCHWAGER: Did you ask for the
 15 appraisal?
 16 MR. GROOM: (Counsel shakes head.)
 17 MS. SCHWAGER: It just showed up at your
 18 office?
 19 MR. GROOM: Just showed up at the office.
 20 I don't know who brought it. My wife was there at
 21 the time. She doesn't know who it was that brought
 22 it in.
 23 MS. SCHWAGER: Okay. So, can we get a copy
 24 of that? I guess what -- you'll probably want us to
 25 pay for the copy; it's a little thick?

1 MR. GROOM: Well, I'll -- I'll get it and
 2 copy it and charge you, send you an invoice with it.
 3 MR. LINDSEY: I'd like to say something, if
 4 I could.
 5 MS. SCHWAGER: Sure, absolutely.
 6 MR. LINDSEY: Just -- we had property in
 7 Oregon --
 8 MS. SCHWAGER: Okay.
 9 MR. LINDSEY: At the time in '94.
 10 MS. SCHWAGER: Uh-huh.
 11 MR. LINDSEY: And this trust was set up in
 12 Oregon as an Oregon trust.
 13 MS. SCHWAGER: Okay.
 14 MR. LINDSEY: That's the reason it's stated
 15 as an Oregon trust; it's not an Idaho trust.
 16 MS. SCHWAGER: Yeah, I saw that. Okay.
 17 MR. LINDSEY: And we had property in
 18 Oregon, and I think some of this went into '95 before
 19 all of it was -- the property was transferred, even
 20 though we signed everything to be transferred in '94.
 21 MS. SCHWAGER: Okay.
 22 MR. LINDSEY: So it took her a while to get
 23 it all transferred.
 24 Q. (BY MS. SCHWAGER) And you say it took her
 25 a while, is that Julie?

1 lot of money at one time and then -- till they -- I
 2 used it back up.
 3 Q. Okay. So you think it was more than two
 4 hundred thousand?
 5 A. I don't know. I know it was --
 6 Q. Where was this bank account held, was it
 7 the Sterling Bank in Grangeville?
 8 A. Well, we had US Bank was one of them, and
 9 it was three different banks.
 10 Q. US Bank, where was the US Bank located?
 11 Was it in Grangeville?
 12 A. It was in Grangeville, and there was one
 13 down on the corner, the little one across from your
 14 office. I banked there for a while.
 15 MR. GROOM: Oh, at the credit union?
 16 MR. LINDSEY: No, the other one.
 17 MR. GROOM: First Bank?
 18 MR. LINDSEY: Right across the street from
 19 you.
 20 MR. GROOM: That's First Bank.
 21 MR. LINDSEY: First Bank.
 22 Q. (BY MS. SCHWAGER) So, it could be US Bank,
 23 First Bank --
 24 A. First Bank or --
 25 Q. -- or Sterling Bank?

1 A. That was Julie did the transferring, all
 2 the quitclaim -- or all the warranty deeds and stuff
 3 like that.
 4 Q. Okay. The next day after the trust was
 5 signed, as far as you're concerned, did you
 6 personally own any bank accounts? Were there any
 7 bank accounts held in your name?
 8 A. Oh, yeah. We kept a bank account up until
 9 three or four months ago.
 10 Q. So after you signed the trust, what was the
 11 approximate amount in your bank account? Was it
 12 substantial?
 13 A. It was substantial at that time, but I
 14 don't know how much.
 15 MRS. LINDSEY: In our personal bank
 16 account?
 17 MR. LINDSEY: Yeah, in our personal.
 18 Q. Was it more than a hundred thousand?
 19 A. I think so. I -- I'm not sure. I don't
 20 have those records, but I know it was substantial
 21 during those times.
 22 Q. In --
 23 A. Because I loaned the --
 24 Q. Go ahead.
 25 A. -- Search -- I loaned Searchlight quite a

1 A. -- Sterling Bank.
 2 Q. Okay.
 3 A. And I banked quite a lot over in
 4 Cottonwood, too, because it was -- what bank was
 5 that?
 6 MRS. LINDSEY: I didn't do anything --
 7 MR. GROOM: Over in Cottonwood?
 8 MR. LINDSEY: Yeah, before they sold it.
 9 MR. GROOM: Idaho First, West One.
 10 MR. LINDSEY: West One.
 11 MR. GROOM: First Security.
 12 MR. LINDSEY: West One.
 13 Q. (BY MS. SCHWAGER) West One in Cottonwood?
 14 A. Cottonwood, yes.
 15 Q. Okay. Anything else that you would have
 16 personally owned, silver, coins, guns --
 17 A. Not other than --
 18 Q. -- gold?
 19 A. -- what the Vials got from me. That was --
 20 wiped me out.
 21 Q. Okay. As of September 31st, 1994, the day
 22 after the trust was signed, did L.T. and L. own any
 23 real property --
 24 A. No.
 25 Q. -- as far as you know?

1 A. No. It was -- it was signed over -- we
 2 signed that at the same time.
 3 Q. Right.
 4 A. L.T. and L. and Gerald and Ona Lindsey. It
 5 was done all at one time.
 6 Q. So it was your intention that all real
 7 property, personal property, bank accounts held by
 8 L.T. and L. was transferred to the Searchlight
 9 Trust --
 10 A. Yes.
 11 Q. -- in September?
 12 A. Near as I know.
 13 Q. So the next day, L.T. and L. had zero
 14 assets?
 15 A. Right.
 16 Q. Okay.
 17 A. Or shortly -- shortly --
 18 Q. Shortly thereafter?
 19 A. Yeah.
 20 Q. However long it took to transfer it. And,
 21 what consider -- what were you -- what did you
 22 receive in exchange for transferring all of this
 23 property, you personally, transferring the property
 24 into the trust?
 25 A. It was my understanding that I got to live

1 Holding. That's not Searchlight.
 2 Q. Okay. Okay. I thought your testimony was
 3 you weren't sure whether it was Searchlight or
 4 National Holding?
 5 A. I'm not.
 6 Q. Okay. So in the last couple of years, you
 7 haven't managed Searchlight except for the mining
 8 claims; is that --
 9 A. That's correct.
 10 Q. -- your testimony? Okay. And -- but prior
 11 to that, was there anybody else besides yourself who
 12 had authority to manage the assets of Searchlight?
 13 A. Only one would be Mike Ioane after we --
 14 after the last few years.
 15 MRS. LINDSEY: As far as managing,
 16 overseeing everything, in case Gerald became ill or
 17 incapacitated and couldn't take care of business, I
 18 think maybe we signed our son on.
 19 Q. Is that Shannon Lindsey?
 20 MRS. LINDSEY: Shannon. I'm not -- I'm not
 21 sure.
 22 Q. Okay.
 23 MRS. LINDSEY: But that's when I was still
 24 sitting in on -- on some of our meetings. Because
 25 Gerald -- that's when he got -- he had a breakdown,

1 on the property, in the home, until we -- we -- we
 2 died, and they were to furnish our automobile and
 3 insurance and living expenses.
 4 Q. And how much in living expenses were you to
 5 receive?
 6 A. Oh, it just -- whatever we -- it varied.
 7 Q. Who --
 8 A. I don't think there was any set amount on
 9 it. We just controlled it the best we could.
 10 Q. Okay. So was there -- was there any
 11 limitation on the amount of living expenses?
 12 A. No. There was never -- there was nothing
 13 ever in writing. It was all a verbal deal that we
 14 was to live there and I was to help with the trust as
 15 much as I could, help them with the business and try
 16 to make -- make money if we could. And that was --
 17 and caretake the place, try to stay busy so I
 18 wouldn't have to retire completely.
 19 Q. Was there anybody else who had authority to
 20 manage any of the property of Searchlight after it
 21 was created?
 22 A. After -- after we -- in the last few years
 23 I -- no, I haven't managed Searchlight.
 24 Q. Except as to the mining operations?
 25 A. Except for -- yeah, I think that's National

1 and he alerted us that we needed a business head to
 2 take his place.
 3 Q. Okay. Was Shannon Lindsey -- I understand
 4 that you set up an arrangement where he could step in
 5 if something happened to you. Was he actually
 6 managing any of the Searchlight assets?
 7 A. Huh-uh.
 8 Q. Ever?
 9 A. Huh-uh.
 10 Q. And, Ona, can you guys say yes or no for
 11 the court reporter? She just can't write that.
 12 MRS. LINDSEY: Not that I'm aware of, no.
 13 Q. Okay. Mr. Lindsey?
 14 A. No, not that I'm aware of.
 15 Q. Okay. In article 13.1, so that's of
 16 Exhibit 15, it refers to a Jetta Ingenious Limited.
 17 Do you know what that's referring to? It's on
 18 page -- did you find it? It's towards the end; it's
 19 two pages before the signature page. And it's in
 20 Article 13. It says -- no, wait. Oh, yeah, Article
 21 13. It says, The Trust Estate, right there at the
 22 bottom. At the top it says, On Death of a
 23 Certificate Holder. And then at the bottom it says,
 24 Article Thirteen, The Trust Estate. It refers to
 25 interest in Jetta Ingenious Limited.

1 A. Jetta was a pipe dream that we -- I guess
2 we formed Jetta, didn't we? Spickelmire and -- me
3 and he had some kind of an invention and we tried
4 to market --

5 Q. Jim Spickelmire?

6 A. Yeah. We tried to market the invention,
7 and it didn't turn out. It just -- just died on the
8 vine. We was just out some money.

9 Q. So is Jetta still a --

10 A. No, it's nothing.

11 Q. Okay. And it has no assets?

12 A. No assets.

13 Q. Did it ever generate any income?

14 A. No, just ass aches.

15 Q. What state was it incorporated in?

16 A. That would be Idaho.

17 Q. Do you have any shares in Jetta?

18 A. I -- I -- near as I know, it's defunct.

19 Q. Okay.

20 A. If it's alive, I don't know about it. We
21 haven't ever had a meeting for years and years and
22 years.

23 Q. Okay. Ms. Fowler testified in her
24 deposition that -- that your attorney had referred
25 to -- that she took direction from you from 1994

1 would have been taking direction from other than
2 yourself from 1994 through 2002 in regard to
3 Searchlight?

4 A. Would be just the trustees.

5 Q. Okay. And if the trustees testified
6 that -- that they didn't give her any direction, then
7 there's nobody else?

8 A. No. It would be -- we would just work it
9 out.

10 Q. Okay. What did you do as your -- in your
11 consulting work or your, however you refer to it, for
12 Searchlight from '94 to 2002?

13 A. Well, we -- like we went over before, we --
14 originally we owned a lot more property, land and
15 property and cattle and all kinds of stuff, and we
16 just eventually fixed -- sold them. And we sold it
17 off in parcels, lots of it, so I helped to -- with
18 the advertising and doing what I could business-wise
19 to help the -- help with the sales.

20 Q. So did you run the cattle operation?

21 A. No.

22 Q. Who ran the cattle operation?

23 A. Ray and Marianne Holes.

24 Q. And did they get paid for running the --
25 the cattle?

1 through approximately 2002 in regard to Searchlight
2 because you were the manager. Is that correct?

3 A. Yeah. I was -- I was working as a --
4 trying to help them, the trust, to do what I could.

5 Q. And so in -- in your tax returns where it
6 says that you're caretaker, slash, manager for the
7 year 2002, you were still operating then as a manager
8 of Searchlight?

9 A. I was never really a manager. I was just
10 kind of an agent trying to help the trust do what --
11 what I could do, try to keep it alive and try to make
12 the dollars to pay the bills.

13 MRS. LINDSEY: I think he -- his title was
14 more of a consultant --

15 A. Yeah, it was --

16 MRS. LINDSEY: -- if you want to be more
17 accurate.

18 Q. So was Ms. Fowler incorrect in her
19 deposition when she --

20 MRS. LINDSEY: No.

21 Q. -- referred to you as a manager?

22 A. No. She would probably have defined it as
23 a manager, but I was never -- I was never really a
24 manager.

25 Q. Okay. Was there anybody else that Julie

1 A. They were getting a -- yeah, they were
2 getting a wage from L.T. and L. at that time.

3 Q. Well, between 1994 and 2002, did L.T. and
4 L. own any cattle?

5 A. No, I don't think we did. When did we sell
6 the cattle?

7 MRS. LINDSEY: I don't know, Jerry.

8 Q. Would you have any documents that we could
9 look at?

10 A. I'd have to -- we'd have to go back through
11 the -- find the records.

12 Q. Would those be at --

13 A. Because when we sold them -- we sold them
14 all in one -- the last year, I know we sold them all.

15 Q. Okay. And would those records be at your
16 residence?

17 A. No. I don't have any records.

18 Q. Who would have the records of the
19 livestock?

20 A. Julie would know where they were, but I
21 don't -- I don't know where they are.

22 Q. Okay. Who decided what you would do for
23 the Searchlight Trust as consulting or agent or
24 manager, whatever term?

25 A. I think when we had our original meeting

1 Q. Did you explain to them what their
2 responsibilities would be as a trustee?
3 A. Uh-huh. Yeah, they were informed.
4 Q. What did you tell them?
5 A. Well, they were supposed to be trustworthy
6 and honest, to begin with, because we didn't -- I
7 didn't want -- they didn't want to have a trustee
8 taking care of your trust that was not honest. And
9 they were to read things over and sign stuff that
10 the -- the business needed signed.
11 Q. So, would they go out and decide how the
12 business would be operated, or did they rely on you
13 to do that?
14 A. I think during the first part there they
15 relied mostly on me until I fell by the wayside.
16 Q. And when did you fall by the wayside?
17 A. Oh, in the last three or four years, I've
18 just kind of -- I've done I think very little.
19 Q. So, has Mr. Hopkins or Mr. Spickelmire,
20 have they been -- done any business activities for
21 Searchlight Trust?
22 A. Not since --
23 Q. Have they ever, themselves, managed the
24 Searchlight Trust?
25 A. No.

1 A. Twilegar.
2 Q. Twilegar Bar.
3 A. Uh-huh.
4 Q. Was that a large piece of property?
5 What -- what is the reference, Twilegar Bar?
6 A. I think that was around eleven hundred
7 acres, and that was sold off.
8 Q. Do you recall who it was sold to?
9 A. No. It was broken up and sold in pieces.
10 Q. Do you have the approximate value of that
11 property?
12 A. No. It was all done through the -- through
13 the trust at that time, and I don't.
14 Q. But you were the one who was managing the
15 trust at that time --
16 A. Yeah, I was --
17 Q. -- or acting for the trust?
18 A. Yeah. I was helping out doing things.
19 Q. Right. So, who else besides you would know
20 how much that property sold for?
21 A. It would be in the -- in the trust's
22 records.
23 Q. Anybody besides yourself that was working
24 on the sale of that property, Twilegar Bar?
25 A. Twilegar Bar?

1 Q. Okay. Who did you report to when it was --
2 before Mr. Ioane became involved, who did you report
3 to on behalf of the Searchlight Trust?
4 A. Just -- it was just between me and the
5 trustees and --
6 Q. Mr. Hopkins and Mr. Spickelmire?
7 A. Yeah. We just tried to -- tried to make
8 a --
9 Q. Tried to what?
10 A. Tried to make a go of it.
11 Q. Okay. Did you have any set hours that you
12 worked for the trust?
13 A. No. We worked all the time for it, really.
14 Q. Okay. Anybody value what the -- what your
15 work was worth to the trust?
16 A. No.
17 MS. SCHWAGER: Do you need a break?
18 THE COURT REPORTER: Yeah.
19 (Discussion held off the record.)
20 Q. (BY MS. SCHWAGER) Mr. Lindsey, during your
21 time as general manager, the -- and however you want
22 to refer to it, I'm not trying to put words -- agent
23 of Searchlight, it sold a lot of real property,
24 right? And my understand is that there's Terwilliger
25 (phonetic) Bar? Is that how you pronounce it?

1 Q. Yeah.
2 A. I think, near as I can remember, Shannon
3 was the salesman on that. I -- I wasn't the
4 salesman.
5 Q. Shannon Lindsey?
6 A. Shannon Lindsey was the salesman, showing
7 it to people and doing the groundwork and all that --
8 that work. I didn't do it.
9 Q. Okay. So was Shannon appointed by the
10 trustees to act on behalf of the trust also?
11 A. Yeah. He was -- he was appointed. He was
12 working on a commission.
13 Q. For selling some of the real property?
14 A. Yes.
15 Q. Anything else that he did for the trust?
16 A. I think he was just on the real estate
17 working on a commission as a salesman.
18 Q. So did -- how did he get approval from the
19 trustees to be appointed for that position?
20 A. I think we probably must have had a meeting
21 with the trustees and myself.
22 Q. And that was Boyd and Jim?
23 A. That was -- that was Boyd and Jim, I
24 believe.
25 Q. Okay. There's also the Cow Creek property,

1 does that reference --
 2 A. Yes, uh-huh.
 3 Q. How many acres was that?
 4 A. That was a small piece about -- between
 5 five and six hundred acres, I believe. That was the
 6 same way. He was the salesman for that and set up
 7 the --
 8 Q. Shannon was?
 9 A. -- the people. They broke it up into
 10 pieces, and he sold it for the -- for the trust.
 11 Q. Okay. So Shannon might have some
 12 information on the value of the property?
 13 A. He -- he may remember some of the -- some
 14 of them, but they would all be in the records of
 15 Searchlight Trust.
 16 Q. The records, though, that nobody's
 17 producing?
 18 A. Well, you'll have to go to the right place
 19 to get them.
 20 Q. Okay. And --
 21 A. I -- I simply can't -- I don't seem to be
 22 able to get them. Maybe you can.
 23 Q. Okay. Title company that those sales went
 24 through, do you recall who that was?
 25 A. I think probably Idaho County.

1 A. Would have -- I probably did some of it and
 2 Julie probably did some of it.
 3 MRS. LINDSEY: Well, he was our lawyer, so
 4 it was just a given, I think.
 5 A. He was our lawyer. It was a given.
 6 Q. He was your personal lawyer?
 7 A. Yeah. Uh-huh.
 8 Q. Okay. And then the other property is Twin
 9 River Ranch property; how many acres was that?
 10 A. I think that was around twelve thousand
 11 acres that they bought all at one time.
 12 Q. They bought at one time as a development?
 13 A. They bought it for development, yeah.
 14 Q. Has that been developed?
 15 A. Yeah. Yeah, they developed it and sold it.
 16 Q. And you don't know the -- the amount that
 17 the twelve thousand acres was sold for?
 18 A. Not exactly, no.
 19 Q. And all that money went into the
 20 Searchlight accounts?
 21 A. Yes.
 22 Q. Can I have --
 23 A. There was a debt -- there was a debt on all
 24 these, you know. It wasn't just putting money in the
 25 account. The debt was a lot of times more than the

1 MR. LINDSEY: Was it Idaho County?
 2 MS. SCHWAGER: Is that what they're called?
 3 MR. GROOM: Had to be. There's two.
 4 There's Inland and there's Idaho County and --
 5 MR. LINDSEY: The one that Dennis works
 6 for.
 7 MR. GROOM: And Dennis works with Idaho
 8 County so --
 9 MR. LINDSEY: Must be Idaho County.
 10 MR. LINDSEY: I'm sure --
 11 MS. SCHWAGER: Dennis Albers?
 12 MR. GROOM: He owns part of it, so I'm sure
 13 he didn't go to a competitor.
 14 MR. LINDSEY: His wife was running it for a
 15 while.
 16 MR. GROOM: His wife still does run it.
 17 Q. (BY MS. SCHWAGER) Was Dennis working for
 18 the trust, Dennis Albers?
 19 A. I believe he did do some of the work for
 20 the trust.
 21 Q. And who hired him?
 22 A. Searchlight Trust.
 23 Q. I understand, but the Searchlight Trust
 24 isn't a person. So who physically called up
 25 Mr. Albers and retained him on behalf of the trust?

1 sale.
 2 Q. Who was the debt owed to?
 3 A. I don't know. Whoever we bought them from.
 4 It was a variety of people, lots of people, different
 5 people that we bought ranches for when -- under L.T.
 6 and L.
 7 Q. So there really was no money to go into the
 8 Searchlight account?
 9 A. There was probably -- some of them there
 10 was and some of them there probably wasn't.
 11 Q. And you don't know. You'd have to look at
 12 the Search --
 13 A. You'll need to go to Searchlight records
 14 and get all that.
 15 Q. Right.
 16 MS. SCHWAGER: Okay. Let's mark this one
 17 as Exhibit 16, please.
 18 EXHIBITS:
 19 (Deposition Exhibit No. 16 marked for
 20 identification.)
 21 Q. (BY MS. SCHWAGER) Mr. Lindsey, can you
 22 take a few minutes and review that document and then
 23 tell me if you know what that document is?
 24 MRS. LINDSEY: It went to Julie.
 25 MR. LINDSEY: It's my signature.

1 A. Uh-huh.
 2 Q. Why would you turn all your property over
 3 to somebody you don't know who may not give it to
 4 your children?
 5 MRS. LINDSEY: How did -- how did he -- how
 6 was he recommended, Gerald? The name had to come
 7 from someplace. And the --
 8 A. It was through the IRS.
 9 MRS. LINDSEY: -- referral.
 10 A. It was through the IRS is the way we got to
 11 know Mike Ioane's name.
 12 Q. You got Mr. Ioane's name from the IRS?
 13 A. No. We got it from -- we got it from some
 14 of the people that set up the -- the trust
 15 originally --
 16 Q. Uh-huh.
 17 A. -- from California.
 18 Q. Uh-huh.
 19 A. When we got a letter from the IRS
 20 assessing us --
 21 Q. Right.
 22 A. -- we had -- Julie contacted this trust
 23 that set up our trust, the owners or the agents or
 24 the officers, whatever.
 25 Q. Uh-huh.

1 remembered seeing Mr. Ioane.
 2 MR. LINDSEY: Uh-huh.
 3 MR. GROOM: And over the bowl of soup down
 4 at the restaurant down there, we got to talking about
 5 Mike and how he got to be involved, and I'll let
 6 Gerald tell you, but he said he did meet him once.
 7 He did have a conversation with him once and he had
 8 lunch at Mack's Bar in White Bird.
 9 MR. LINDSEY: He came -- he came to the
 10 ranch right after this IRS ordeal came up.
 11 MS. SCHWAGER: Okay.
 12 MR. LINDSEY: And he was -- recommended us
 13 to answer the IRS letter, so that's what -- that's
 14 what he -- we never talked hardly any business. We
 15 just -- but he -- that's what he was there to go
 16 over. And then we -- then he took -- he wrote the
 17 letters to the IRS, and that's all -- all I know of
 18 Mike Ioane.
 19 Q. (BY MS. SCHWAGER) Okay. But yet you've
 20 trans -- you've allowed Julie to transfer all of the
 21 documents of Searchlight Trust to Mr. Ioane, correct?
 22 A. Uh-huh.
 23 Q. What was the purpose of transferring all
 24 those documents to him?
 25 A. I don't really -- I don't know exactly.

1 A. I don't know the details.
 2 Q. Uh-huh.
 3 A. And they recommended her to contact Mike
 4 Ioane.
 5 Q. Okay.
 6 A. That he was familiar with the IRS --
 7 Q. Uh-huh.
 8 A. -- problems you get into. So that was
 9 done. Julie recommend -- or got a hold of Mike Ioane
 10 and he answered the first letter of the IRS's.
 11 Q. Okay.
 12 A. And the second and I think the third one.
 13 I think we've gotten three -- three letters.
 14 Q. Okay.
 15 A. And that's -- that's all I -- I've never --
 16 I don't know him. I've met him I -- I believe I met
 17 him once.
 18 Q. In -- in Grangeville?
 19 A. No. I met him in White Bird.
 20 Q. In White Bird. I'm sorry, I keep
 21 forgetting. I think that you live in Grangeville.
 22 I'm not familiar with the area.
 23 MR. GROOM: And for the record, this is
 24 something that I was going to ask, but go ahead and
 25 explore it. Over lunch I asked Gerald if he ever

1 Q. Was it to -- was it -- did he suggest that
 2 in order to avoid the IRS?
 3 A. No, I don't -- I don't believe so.
 4 MRS. LINDSEY: I know what it was.
 5 Q. Go ahead, Ona.
 6 MRS. LINDSEY: They were spending all their
 7 time on the telephone, faxes, and he had -- so he
 8 evidently has such a large clientele or whatever that
 9 he is so busy that we couldn't get questions
 10 answered.
 11 And I -- now, I'm not sure of this -- I'll
 12 have to ask Julie when I get home. But she told me
 13 that -- when we were visiting one day, and I asked
 14 her about what she thought, because she met with
 15 Ioane. That's evidently how he came to White Bird is
 16 he came to see her over some paperwork he was going
 17 through, and so -- I forgot what I was going to say
 18 now.
 19 MR. GROOM: Why the documents went to
 20 Ioane.
 21 MRS. LINDSEY: Yeah. It was much easier,
 22 if he was going to take care of all this account
 23 stuff, is to have everything there. This, you know,
 24 the miles and -- and the phone calls and all this, it
 25 made sense.

1 sure the record's clear, we're talking about the tax
 2 returns, the person who file -- who signed your
 3 latest tax returns?
 4 A. Yes.
 5 Q. Is that correct?
 6 A. That's Mary Fuentes.
 7 Q. Mary Fuentes.
 8 A. Yes.
 9 MS. SCHWAGER: You okay?
 10 THE COURT REPORTER: Yes.
 11 Q. How can Mr. Ioane be replaced as the
 12 administrator?
 13 A. I don't know.
 14 MRS. LINDSEY: We'll have to do research.
 15 Q. Okay. Has your business trust been amended
 16 to appoint Mr. Ioane as the administrator of the
 17 trust?
 18 A. I don't know that either.
 19 Q. Okay. Who would know that?
 20 A. I don't know if it's amended or not.
 21 MRS. LINDSEY: Julie would.
 22 A. Julie would know.
 23 Q. Julie would know that?
 24 A. Uh-huh.
 25 Q. And how often do Mr. Ioane and Julie talk?

1 she contacted the -- the company in California that
 2 was setting up the trust.
 3 Q. Okay.
 4 A. And Darryl -- Darryl, he was just an agent
 5 out selling trusts.
 6 Q. Do you know where Julie got the information
 7 as to who to call in California?
 8 A. You know, I'm -- I don't know.
 9 Q. Because you don't have a copy of the trust
 10 document located on your -- your property?
 11 A. No. I don't -- I don't know who she -- who
 12 she called to get that. I could find out who --
 13 MRS. LINDSEY: She might have called
 14 Darryl's daughter, Dara. Dara Norgaard. Dara worked
 15 for her dad.
 16 Q. Worked with whose dad, Julie's?
 17 MRS. LINDSEY: No.
 18 Q. Oh, with --
 19 MRS. LINDSEY: Darryl Willis. Dara is
 20 Darryl Willis's daughter.
 21 Q. Uh-huh.
 22 MRS. LINDSEY: And they -- she went into
 23 the trust work with him later, and I think maybe
 24 Julie called Dara.
 25 A. I don't know.

1 A. We have -- we have no idea.
 2 Q. Okay. Would Julie have copies of the
 3 contracts that Mr. Ioane's referring to, which he --
 4 which states -- I'm sorry, which he refers to in his
 5 letter, which means that you cannot get copies of the
 6 documents?
 7 A. No. She wouldn't have that.
 8 Q. She would not have a copy of that contract?
 9 A. If she had, we could have gotten it,
 10 because we had to write to him to try to get it.
 11 Q. What did -- who was the first trustee,
 12 Darryl --
 13 A. Darryl Willis.
 14 Q. Willis. What did he charge you to set up
 15 that business trust?
 16 A. Oh, I think twenty-five hundred dollars, if
 17 I remember right.
 18 Q. Twenty-five hundred?
 19 A. If I remember right.
 20 Q. And is he the person that Julie called when
 21 you received the IRS notice?
 22 A. I don't -- I don't know.
 23 Q. She just called somebody that -- a number
 24 that's listed on the trust?
 25 A. No. I think she -- I think -- I believe

1 MRS. LINDSEY: It's a good possibility.
 2 Q. Okay.
 3 MRS. LINDSEY: It was either that or from
 4 some other people who had the trust -- had the same
 5 kind of trust.
 6 Q. Because Julie couldn't locate the trust
 7 document?
 8 MRS. LINDSEY: No, I don't know about that,
 9 but --
 10 Q. Do you know who else in the community has
 11 this type of trust?
 12 MRS. LINDSEY: No, not anymore. Huh-uh.
 13 MS. SCHWAGER: Okay. Do you guys want --
 14 do you have some follow-up questions before I get
 15 into more, because we've only got five minutes.
 16 MR. DERBIDGE: Yeah. Actually, what I was
 17 thinking was it might be a good break point unless
 18 you had something that you needed to get --
 19 MS. SCHWAGER: I could go on and on.
 20 MR. DERBIDGE: I know. You've got tons of
 21 stuff, but I was -- I was just wondering whether you
 22 needed something answered right away?
 23 MS. SCHWAGER: No, I'm fine.
 24 MR. McHUGH: See whether Ford's available?
 25 MR. DERBIDGE: Yeah, see whether -- and

1 particularly since I couldn't remember what time he
 2 wanted to do it and confirm if that's what he wants
 3 to do.
 4 MS. SCHWAGER: Why don't I just go ahead
 5 and --
 6 MR. DERBIDGE: -- reconvene --
 7 MS. SCHWAGER: -- ask some questions until
 8 he gets back.
 9 Q. (BY MS. SCHWAGER) If Mike Ioane were to
 10 pass away today, what would happen to the trust
 11 assets?
 12 A. I don't know.
 13 MRS. LINDSEY: We made the first mistake by
 14 not knowing more about a trust, or this trust, in the
 15 first place and had to learn as we went. Second one
 16 was this mess, and we thought that this man had -- I
 17 assumed that the -- there was information on Mike
 18 Ioane that made him trustworthy. And I did talk to
 19 Julie. I asked her opinion, and I don't know
 20 whether -- what it was based on, but she -- she felt
 21 that he was trustworthy.
 22 A. It seems like he was recommended from the
 23 trust.
 24 MRS. LINDSEY: And -- and I have to say in
 25 defense of Julie, over the years she's become like

1 Q. And what services do you provide to get
 2 your medical bills paid through the Searchlight
 3 Trust?
 4 A. Oh, my God.
 5 Q. What was that?
 6 A. I said, my God.
 7 Q. Do you still provide services for
 8 Searchlight?
 9 A. Yes. I caretake -- I caretake the yards
 10 around the house.
 11 MRS. LINDSEY: Plant trees, pick rocks.
 12 A. Do a little watering, irrigation, pick
 13 rocks.
 14 Q. How much are those medical bills a year?
 15 A. Not medical bills, just the insurance and
 16 prescriptions. I have Medicare that takes care of
 17 all the medical bills and an insurance policy that
 18 takes care of the balance of them, because --
 19 Q. And so, who pays the insurance policy?
 20 A. Searchlight. Searchlight does.
 21 Q. Searchlight Trust does? And do you know
 22 what the premium -- or do you know what they pay for
 23 your insurance policy?
 24 A. I think it's around two hundred each for
 25 us.

1 our daughter and when our health, and especially
 2 Gerald's, has gawn downhill, if she can take care of
 3 something and not bother, you know, she does it. And
 4 she's very, very honest and -- to a fault, so we've
 5 always felt good until all this complication. So --
 6 Q. So you don't know what would happen if he
 7 were to die tomorrow?
 8 A. No.
 9 Q. You don't know where the bank accounts are
 10 located? Would Julie know that information?
 11 MRS. LINDSEY: We'll find out.
 12 Q. You don't know?
 13 A. Huh-uh.
 14 Q. And so you don't know if he started using
 15 the money in the trust for his own benefit whether
 16 you could stop him from doing that?
 17 MRS. LINDSEY: Not right at the moment.
 18 Q. Okay.
 19 A. Huh?
 20 MRS. LINDSEY: Not right at the moment we
 21 don't know.
 22 A. No, we don't really know.
 23 Q. Are -- are your medical bills still being
 24 paid through the Searchlight Trust?
 25 A. Yes.

1 Q. A year?
 2 A. A month.
 3 Q. A month. And then does Searchlight also
 4 have to pay any additional expense above that for
 5 prescriptions or --
 6 A. Prescriptions, yeah. The insurance pays
 7 for part of the prescriptions.
 8 Q. Right. And Searchlight pays for rest of
 9 the prescriptions?
 10 A. Searchlight pays for the balance.
 11 Q. So when you go get medicine, do you just
 12 give the bills to Julie?
 13 A. No. I just charge it and they send the
 14 bills to Julie.
 15 Q. Okay. And where do they send the bills?
 16 A. To her box number.
 17 Q. To Julie. And then does Julie send them on
 18 to Mike? I mean how does this --
 19 A. I don't know.
 20 Q. You don't know?
 21 A. No.
 22 MS. SCHWAGER: Go ahead, Ford.
 23 MR. ELSAESSER: I think we ought to wrap up
 24 here pretty quick, and so I guess we -- I guess the
 25 16th doesn't work for you, Brit, is that right?

1 A. That's when -- when Jim and Boyd resigned
2 and new trustees were appointed, near as I know
3 that's when -- that's when that happened.

4 Q. I know you're -- everyone is tired. We're
5 all tired. And I appreciate the fact that we're
6 getting to the end of the day here. But you're still
7 saying that you don't know who the other trustees
8 are?

9 A. No, I don't. No. We're going to find out,
10 but at this point --

11 Q. How -- how do we find out?

12 A. We're going to make a trip down to
13 California and look Mike Ioane up and find out more
14 details.

15 Q. Okay. And you don't -- have you ever heard
16 of P.O. Box 42 in Grangeville?

17 A. No.

18 Q. Doesn't ring a bell?

19 MR. GROOM: Doesn't ring a bell to me. I
20 saw that on one document that was in here.

21 Q. (BY MR. ELSAESSER) And you've never heard
22 of National Holdings?

23 A. National Holding I've heard of, but --

24 Q. What -- what are they?

25 A. It's a trust that some of the -- I believe

1 (Deposition adjourned at 4:46 p.m., in sine
2 die.)
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1 the -- I believe the mine went -- went into National
2 Holding.

3 Q. Okay. Well, I notice one of the cars seems
4 to be registered to National Holdings.

5 A. National Holding. Could be some other --

6 Q. So, who owns National Holding?

7 A. I don't know. I honestly don't know.

8 Q. Is National Holding owned by Searchlight?

9 A. I don't know that either.

10 Q. Is Searchlight owned by National Holding?

11 I mean, you're really telling me with a straight
12 face, Gerald, that you don't know who owns that car?

13 A. No, I honestly don't.

14 Q. You're driving a car that's registered to
15 them, not to Searchlight, but you don't know who they
16 are?

17 A. No, I don't.

18 Q. Okay. If you have any interest in National
19 Holdings, of course you'll turn it over to the
20 bankruptcy estate, right?

21 A. Yeah. I certainly would because I don't
22 have any interest.

23 Q. Okay. All right. Well, I appreciate your
24 time today. You all want to -- why don't we go off
25 the record.

1 CERTIFICATE OF WITNESS - GERALD LINDSEY
2 PAGE LINE
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15 I hereby certify that this is a true and
16 correct copy of my testimony, together with any
17 changes I have made on this and any subsequent pages
18 attached hereto:

19 Dated this day of
20 2004.

21 GERALD LINDSEY, DEPONENT

22 Sworn and Subscribed before me this
23 day of , 2004.

24 NOTARY PUBLIC FOR THE STATE OF IDAHO
25 Residing in , Idaho
My Commission Expires:

EXHIBIT B

1 IN THE SECOND JUDICIAL DISTRICT,
2 SITTING WITHIN AND FOR IDAHO COUNTY,
3 STATE OF IDAHO
4

5 VIRGIL VIAL, MARK VIAL and)
6 MIKE VIAL, d/b/a AU MINING,)
7 Plaintiffs,)
8)

9 vs.

)NO. CV-34112

)Alaska Case No. 3AN-01-9064CIV

10
11 GERALD LINDSEY,)
12 Defendant.)
13

14 _____
15 TRANSCRIPT OF THE DEPOSITION OF BOYD HOPKINS
16 HAD ON THE 2ND DAY OF MAY, 2003, AT 8:32 AM
17 _____

17 APPEARANCES

18 For the Plaintiffs: MR. GREGORY FITZMAURICE
19 Attorney at Law
20 200 South College
Grangeville, ID 83530

21 For the Defendant: MR. BRIT GROOM
22 Attorney at Law
23 323 West Main Street
Grangeville, ID 83530

24
25 REPORTED BY: KEITH M. EVANS, RPR, CSR NO. 655

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EXHIBIT B

1 A. Julie.

2 Q. So Julie Fowler is, in fact, the sole office
3 personnel?

4 A. Yes.

5 Q. Now, at one point in time you became a
6 trustee of Searchlight, is that correct, Mr. Hopkins?

7 A. Yes.

8 Q. Could you tell me the circumstances of when
9 that occurred?

10 A. I don't remember exactly.

11 Q. Approximately would be fine.

12 A. Four years ago, five years ago.

13 Q. The late 1990s?

14 A. Could have been something like that.

15 Q. Can you tell me how that came about?

16 A. They asked me to be a trustee.

17 Q. Who asked you?

18 A. Gerald.

19 Q. Again, when you say, Gerald, you mean Gerald
20 Lindsey?

21 A. Uh-huh (affirmative.)

22 Q. And did he tell you why he wanted you to be a
23 trustee?

24 A. At that time I don't know. It's been too
25 long.

1 Q. Okay. Did he tell you what your job was
2 going to be, sir?

3 A. Not -- I don't remember. I really -- I
4 just -- I was a figurehead, I guess, you would say.

5 Q. Okay. So, in essence, you were appointed to
6 this job or asked to act in this job and you viewed
7 yourself basically as a figurehead for this trust?

8 A. Right.

9 Q. You didn't ask any question about what your
10 job would be or what your duties would be?

11 A. I did, but I don't remember.

12 Q. Okay. Do you know what your job is as the
13 trustee of the trust?

14 A. I'm not a trustee.

15 Q. Okay. When you were a trustee did you know
16 what your job was?

17 A. I was supposed to sign maybe documents or
18 something.

19 Q. Okay.

20 A. But I don't remember.

21 Q. Okay. Did you have an active role in
22 managing the assets of the trust during the period of
23 time you were the trustee?

24 A. No.

25 Q. Why was that?

1 A. I don't know.

2 Q. What did you view your responsibilities as as
3 trustee of the trust?

4 A. I don't know that either.

5 Q. Okay. Did you just view yourself as a live
6 body that was supposed to be there and just sign
7 documents?

8 A. That was basically what I did.

9 Q. Okay, and is that how you viewed your job?

10 A. Yeah.

11 Q. You didn't ask any questions or look into
12 anything or make any independent decisions?

13 A. No.

14 Q. You didn't use any knowledge that you had
15 with reference to investments or real property in terms
16 of that?

17 A. No.

18 Q. And had you been a personal friend of Gerald
19 Lindsey's for a considerable period of time?

20 A. No.

21 Q. So did you feel it odd that you were being
22 asked to be a trustee of Searchlight Trust?

23 A. No.

24 Q. Okay. What special skills would you bring to
25 the job of trustee of Searchlight Trust.

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1 A. Not really.

2 Q. Did you know where the money went to?

3 A. No.

4 Q. And now you live with Ms. Fowler; is that

5 correct?

6 A. Yes.

7 Q. Was she actively involved in informing you

8 issues with reference to your duties as trustee of the

9 trust?

10 A. Sometimes.

11 Q. What would she tell you your duties were?

12 A. Go sign a deed or a transfer.

13 Q. Okay. So if I can summarize, you made no

14 independent decisions whatsoever as trustee?

15 A. Right.

16 Q. You followed the lead of either Gerald or

17 Shannon Lindsey or Julie Fowler in what you were

18 supposed to do?

19 A. Yes.

20 Q. You read some documents with reference to

21 sales of assets but not all the documents?

22 A. True.

23 Q. Now were you paid --

24 A. No.

25 Q. -- to be a trustee of Searchlight?

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1 IN THE SECOND JUDICIAL DISTRICT,
2 SITTING WITHIN AND FOR IDAHO COUNTY,
3 STATE OF IDAHO
4

5 VIRGIL VIAL, MARK VIAL and)
6 MIKE VIAL, d/b/a AU MINING,)
7 Plaintiffs,)

8)
9 vs.)

)NO. CV-34112

)Alaska Case No. 3AN-01-9064CIV

10)
11 GERALD LINDSEY,)
12 Defendant.)

13 _____
14 TRANSCRIPT OF THE DEPOSITION OF JAMES SPICKELMIRE
15 HAD ON THE 2ND DAY OF MAY, 2003, AT 9:25 AM
16 _____

17 APPEARANCES

18 For the Plaintiffs: MR. GREGORY FITZMAURICE
19 Attorney at Law
20 200 South College
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21 For the Defendant: MR. BRIT GROOM
22 Attorney at Law
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Grangeville, ID 83530

23
24
25 REPORTED BY: KEITH M. EVANS, RPR, CSR NO. 655

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1 involved in at this point in time?

2 A. There was nothing in particular right now.

3 Q. When did you become a trustee of Searchlight?

4 A. I don't remember.

5 Q. Could it have been in the early 1990s?

6 A. Probably.

7 Q. And, Mr. Spickelmire, can you recall how they
8 came upon you to act as a trustee of Searchlight?

9 A. Yes. I've been a friend of Gerald's for most
10 of both of our lives. And he said he needed a trustee
11 and would I do it. And I said, well, what the Hell is
12 a trustee?

13 Q. What did he tell you?

14 A. He said, I'm not sure, but we got to have
15 one.

16 Q. Okay, and so you became a trustee based upon
17 that conversation, I take it?

18 A. Yeah.

19 Q. What did you do to sign up as trustee?

20 A. I don't even recall as I done anything. I
21 guess I signed a -- I don't remember.

22 Q. You've known Mr. Lindsey all your life; is
23 that correct?

24 A. Well, pretty much.

25 Q. Okay. At that time -- where was Mr. Lindsey

1 the business of Searchlight was discussed and
2 Mr. Hopkins was present at those meetings?

3 A. Sometimes.

4 Q. Okay.

5 A. But these things -- I wouldn't say that they
6 were monthly just --

7 Q. How many times since the early '90s to
8 present can you average about how many times you would
9 meet a year?

10 A. I don't know.

11 Q. Three?

12 A. If I told you a number it would be a guess.

13 Q. Okay. Well, would it be more than one a
14 year?

15 A. I don't know. I never paid any attention to
16 what was going on as -- they would say, come on down,
17 we're going to have a meeting. I --

18 Q. Okay.

19 A. To me it was very unimportant, to me
20 personally.

21 Q. Well, during these meetings would you talk
22 about acquisitions and sales of property?

23 A. One time I remember they were -- they were
24 talking about if -- Searchlight? Yeah, that -- that
25 Searchlight was being done correctly for sure. And I,

1 owned by Searchlight or Lindsey; is that correct?

2 A. That was my understanding.

3 Q. Okay, and that was a significant
4 multi-million dollar sale, right, Mr. Spickelmire?

5 A. I think so.

6 Q. And you took part in that sale; is that
7 correct?

8 A. Yes.

9 Q. And what did you know about that sale?

10 A. Nothing.

11 Q. Okay.

12 A. I was a figurehead, just sat there.

13 Q. That's -- you are the second person to use
14 that word, figurehead. That's kind of an interesting
15 word. Where did you come up with the word figurehead?

16 A. I don't -- I don't know.

17 Q. Have you discussed this with Mr. Hopkins and
18 both used -- said let's call ourselves figureheads?

19 A. I have not.

20 Q. Okay. Discussed it with Mr. Groom and said
21 call yourself a figurehead?

22 A. I have not.

23 Q. So it's just odd circumstances that in the
24 last 30 minutes I've heard the word figurehead from
25 both you and Mr. Hopkins?

1 A. Maybe we hear it all the time on television.
2 Q. Okay.
3 A. I don't know.
4 Q. In reference to who?
5 A. In reference to anything.
6 Q. Okay.
7 A. I don't know.
8 Q. What do you mean by figurehead?
9 A. Just they needed somebody to be a trustee and
10 asked me to do it. And I said, well, okay, if it
11 doesn't take any brain power.
12 Q. Okay.
13 A. So that means I was just there as a like --
14 just like the letter says, just as a secretarial
15 position.
16 Q. Okay. Well, you've had secretaries work for
17 you, right?
18 A. Yes, I have.
19 Q. And secretarial position would mean that --
20 that you follow the lead of a boss. You carry out
21 the -- what your boss tells you to do, correct?
22 A. That's usually the case.
23 Q. Okay. So who was your boss when you were
24 acting as a secretarial nominee, slash, trustee?
25 A. If I had a boss it was Julie.

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1 Q. So Julie Fowler told you what to do?

2 A. She never told me what to do.

3 Q. She told -- asked you to sign things?

4 A. Yes. She said we have some papers that we
5 need signed.

6 Q. And you asked nothing about those papers?

7 A. I would say, what is this? She would say
8 this is -- whatever it was. And I would -- I think in
9 all cases I said, oh, then I signed it. I didn't want
10 to sign that I signed away all my fortune.

11 Q. Okay. So other than making sure that you
12 weren't signing away your own personal fortune you used
13 none of these years of accumulated business knowledge
14 that you have to make a determination whether it was
15 the right transaction or not?

16 A. Absolutely not at all.

17 Q. Okay. So in acting as a figurehead you were
18 taking Julie Fowler's word for what to do?

19 A. I guess.

20 Q. And who did you think Julie Fowler was acting
21 on behalf of?

22 A. Searchlight.

23 Q. Okay, and who -- you say Searchlight, who is
24 Searchlight?

25 A. I think it's a trust, isn't it?

1 Q. Well, I'm asking you.

2 A. If I'm a trustee or was.

3 Q. Who's the beneficiary of that trust?

4 A. I don't know.

5 Q. If I would tell you that the draft of

6 Searchlight shows that Gerald Lindsey is the

7 beneficiary of the trust would you be shocked?

8 A. No.

9 Q. Okay. Did you believe when you were working
10 for Searchlight you were working for the benefit of
11 Gerald Lindsey, your friend?

12 A. What I believed was that the Searchlight
13 thing was set up to protect for business and for the
14 entire Lindsey family in the generations of Lindsey's
15 family.

16 Q. So --

17 A. Not Gerald Lindsey in person, not him
18 personally, no.

19 Q. So you believe that Searchlight held, in
20 essence, the assets of the Lindsey family for the
21 benefit of the Lindsey family?

22 A. Well, as I understood what Searchlight --
23 what a trust was, is that where you put assets or
24 something in a trust and therefore they're not yours or
25 they're not anybody else's. They belong to the trust.