	ET 1 PAGE 1		PAGE 3
1		1	3
2	UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK	2	STIPULATIONS
3	x	3	
4	IN RE: JENNIFER CONVERTIBLES, INC. et al,	4	
5	Debtor, Case No. 10-13779	5	IT IS HEREBY STIPULATED AND AGREED by
6	(ALG)	6	and between the attorneys for the respective
7	x	7	parties hereto, that signing, sealing and
8	100 Quentin Roosevelt Boulevard Garden City, New York	8	certification be and the same are hereby waived.
9	• •	9	IT IS FURTHER STIPULATED AND AGREED
10	December 8, 2010 11:15 a.m.	10	that all objections, except as to the form of the
11		11	question, shall be reserved to the time of the
12		12	trial.
13	EXAMINATION BEFORE TRIAL OF EDWARD B.	13	IT IS FURTHER STIPULATED AND AGREED
14	SEIDNER, a witness testifying on behalf of the	14	that the within examination(s) may be subscribed
15	Debtor, pursuant to Subpoena, and held at the	15	and sworn to before any Notary Public with the
16	above-noted time and place before a stenotype	16	same force and effect as though subscribed and
17	reporter and Notary Public of the State of New	17	sworn to before this Court.
18	York.	18	
19		19	00
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24		24	
25		25	
PAG	E 2		PAGE 4

PAGE 2		PAGE	4
1 1	2	1	Edward Seidner 4
2	APPEARANCES:	2	
3		3	EDWARD B. SEIDNER, the witness
4	CULLEN and DYKMAN, LLP	4	herein, after having been first duly sworn by a
5	Attorneys for TMCC, INC. 44 Wall Street	5	Notary Public of the State of New York, was
6	New York, New York 10006-2407	6	examined and testified as follows:
7	BY: BONNIE L. POLLACK, ESQ.	7	EXAMINATION BY
8		8	MR. POLLACK:
9	OLSHAN, GRUNDMAN, FROME,	9	Q State your name for the record,
10	ROSENZWEIG & WOLOSKY, LLP. Attorneys for Jennifer Convertibles, Inc,	10	please.
11	Park Avenue Tower 65 East 55th Street	11	A Edward B. Seidner.
12	New York, New York 10022	12	Q What is your address?
13	BY: ELLEN V. HOLLOMAN, ESQ.	13	A 417 Crossways Park Drive, Woodbury,
14	*** *** ***	14	New York 11797.
15		15	Q Good morning, Mr. Seidner. As you
16		16	know, my name is Bonnie Pollack and I am an
17		17	attorney from Cullen and Dykman and we represent
18 .		18	TMCC, Inc. in the Jennifer Convertibles' matter,
19		19	and I will refer to them as TMCC today. I will
20		20	be asking you some questions. Have you ever been
21		21	deposed before?
22		22	A Yes.
23		23	Q On how many occasions?
24		24	A Once.
25		25	Q In connection with what matter?

	HEET 2 PAGE 5	PA	GE 7
1	Edward Seidner 5	1	Edward Seidner 7
2	A SCC matter, back in the mid nineties.	2	A Yes.
3	Q So you're generally familiar with a	3	Q Are you aware of whether the subpoena
. 4	deposition. To go over some of the rules, the	4	called for the production of documents by
5	court reporter will be taking down what we say.	5	Hartsdale?
6	It's important that we try not to talk at the	6	A Yes.
7	same time, although that's difficult at times to	[] 7	Q Are you aware of whether Hartsdale
8	get a clean record. In every day life we shake	8	produced documents in response to the subpoena?
9	our head, say uh-huh, etc. I would like to keep	9	A Yes.
10	it to a yes or no so that the court reporter can	10	Q Did they produce documents in
11	take it down and it's clear and it's clean.	11	response to the subpoena?
12	Please only answer the question I ask of you and	12	A Yes.
13	keep your answers confined to the subject matter	13	Q Did you, Mr. Seidner, assist in the
14	of the question. If you need to take a break,	14	preparation of the documents produced in
15	want to get a drink, go to the bathroom, let me	15	connection with the subpoena?
16	know. The only stipulation, if there's a	16	A Yes.
17	question pending, the question should be answered	17	Q What was your level of assistance?
18	before we take the break. If you don't	18	A Delegating to the appropriate people
19	understand the question, stop and ask me and ${\tt I}$	19	as to sending the documents over to my attorney.
20	will explain it or rephrase it. We don't want	20	Q For the record, your attorney being
21	you to speculate. We want you to give whatever	21	being the Olshan group?
22	information that you have on the subject of the	22	A Correct.
23	question. Also you will need to answer every	23	Q Did you review any documents in
24	question except those that would divulge	24	preparation for this deposition?
25	privileged information. Other than privileged	25	A Yes.
	AGE 6	D.70	an o
P/	Edward Seidner 6	1 PA	GE 88 Edward Seidner 8
	Edward Seidner 6 information, all questions have to be answered.		
1	Edward Seidner 6	1	Edward Seidner 8
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1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	information, all questions have to be answered. Although if you or counsel chooses to object to the question, that objection will be preserved. MS. POLLACK: I would like to start by marking this as Exhibit 1. We can use numbers on this. (Whereupon, a Subpoena was marked as Exhibit 1, for identification, as of this date.) Q For identification purposes, Mr. Seidner, Exhibit 1 is a subpoena dated September 22, 2010 which was served by TMCC upon Hartsdale Convertibles, Inc. which I will refer to as Hartsdale going forward for ease. Have you seen this subpoena before? A No. I don't recollect ever seeing it before. I apologize. I'm going to page two. I have seen this before. Q Take your time. Read and review the document.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Edward Seidner 8 Q What documents did you review? A My e-mail that I formulated. Other documents I did not review. Q You say email that you formulated? A I created. There was one particular e-mail. I don't know it by heart, but it was from my computer relating to the matter and perhaps applicable as needed. Q Was that email produced in the document production? A I believe so. Q Did you review the transcripts of the depositions of Gerald McCrystal, Joseph Picone, or Victor Emanuelo that was taken in connection with this matter? A I reviewed them. Q Did you discuss the testimony that you would be giving today at this deposition with anybody? A Yes.

	EET 3 PAGE 9	PA	GE 11Edward Seidner 11
1	Edward Seidner 9		
2	unable to testify truthfully today?	2	A 1987.
3	A No.	3	Q Prior to being named executive
4	Q Do you intend to testify truthfully?	4	vice-president, what position did you hold with
5	A Yes.	5	Jennifer Convertibles?
6	Q What is the highest degree of	6	A I was a partner.
7	education that you attended?	7	Q Was Jennifer Convertibles a
8	A College.	8	partnership at that time?
9	Q Which where was that?	9	A It was a corporation but we called
10	A New York Tech.	10	ourselves three partners as it was a private
11	Q When?	11	company, so one-third, one-third, one-third,
12	A 1983 through '85.	12	three partners.
13	Q Did you obtain a degree?	13	Q So you held an ownership interest in
14	A No.	14	Jennifer Convertibles?
15	Q How many years of college?	15	A That's correct.
16	A I would guess and say three.	16	Q Do you still hold an interest in
17	Q Why did you leave college?	17	Jennifer Convertibles?
18	A I left college because I felt that my	18	A We're in bankruptcy right now. I'm
19	time could be more applicable to creating a	19	not sure how to answer that question.
20	business and making money.	20	Q The days before you filed bankruptcy,
21	Q When you left college, what did you	21	did you hold an ownership interest in Jennifer
22	do?	22	Convertibles?
23	A Jennifer Convertibles. I'm one of	23	A Yes.
24	the founders.	24	Q Is it still one third?
25	Q So you have been working at Jennifer	25	A No.
***************************************	GE 10	, <u> </u>	GE 12
1	Edward Seidner 10	1	Edward Seidner 12
2	Convertibles since '83, '84?	2	Q What was it the days before you filed
3	A No. I misled you on that. In the] 3	bankruptcy, if you know?
4	sense that I went back to college, while I was	4	A I'm going to say approximately ten
5	with Jennifer Convertibles and I needed to devote	5	percent.
6	more time to Jennifer. I have been with Jennifer	6	Q Besides being a partner, as you
7	Convertibles for I would say approximately 34	7	called it, or owner, prior to 1987, were you an
8	years.	8	officer in any respect of Jennifer Convertibles?
9	Q So you started out after high school	9	A Yes, I was.
9			,
10	working for Jennifer Convertibles, then went to	10	Q What was that office?
	working for Jennifer Convertibles, then went to college at some point?	10	
10	•	11	Q What was that office?
10 11	college at some point?	11	Q What was that office? A I was vice-president.
10 11 12	college at some point? MS. HOLLOMAN: Objection.	11 12	Q What was that office? A I was vice-president. Q So is it safe to say in '87, your
10 11 12 13	college at some point? MS. HOLLOMAN: Objection. Q You can answer.	11 12 13	Q What was that office? A I was vice-president. Q So is it safe to say in '87, your position moved up, so to speak, to executive
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10 11 12 13 14 15 16 17 18 19 20	college at some point? MS. HOLLOMAN: Objection. Q You can answer. A No. MS. HOLLOMAN: You can answer, if you understand. A I understand, and it was a short period of time in between part-time jobs relating to the furniture industry and then right into Jennifer Convertibles.	11 12 13 14 15 16 17 18 19	Q What was that office? A I was vice-president. Q So is it safe to say in '87, your position moved up, so to speak, to executive vice-president? A No. MS. HOLLOMAN: Objection. A No. Q Is it safe to say that the company went from a private company to a public company
10 11 12 13 14 15 16 17 18 19 20 21	MS. HOLLOMAN: Objection. Q You can answer. A No. MS. HOLLOMAN: You can answer, if you understand. A I understand, and it was a short period of time in between part-time jobs relating to the furniture industry and then right into Jennifer Convertibles. Q What it your position now with	11 12 13 14 15 16 17 18 19 20	Q What was that office? A I was vice-president. Q So is it safe to say in '87, your position moved up, so to speak, to executive vice-president? A No. MS. HOLLOMAN: Objection. A No. Q Is it safe to say that the company went from a private company to a public company and it was restructured?
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SH	HEET 4 PAGE 13	PAGE 15	
1	Edward Seidner 13	1 Edward Seidner	15
2	Convertibles, Inc.	2 the operation of retail furniture stores?	
3	Q Are you the executive vice-president	MS. HOLLOMAN: Objection to	
4	for Hartsdale, as well?	4 the form.	
5	A I am.	5 A Yes.	
6	Q How long have you been the executive	6 Q Are you aware of any lease that	
7	vice-president of Hartsdale?	7 Jennifer is a party to where the store being	
8	A Since 1987.	8 operated pursuant to that lease is an Ashley	
9	Q What is Hartsdale's business?	9 store?	
10	A The same as Jennifer Convertibles,	10 A With Hartsdale Convertibles being a	à
11	Inc. It's a retail furniture business.	11 wholly owned subsidiary of Jennifer, I'm not su	ıre
12	Q How does it distinguish itself, if at	12 what the answer would be. I'm not sure if the	
13	all, from Jennifer Convertibles, it being	13 answer is yes or no. I don't know.	
14	Hartsdale?	14 Q What are your duties with Hartsdale	∍?
15	A Again, wholly-owned subsidiary.	15 A My duties with Hartsdale are strict	:ly
16	Other than that I'm not sure what the distinction	16 real estate related.	
17	would be.	17 Q Can you explain, elaborate on what	
18	Q Have you ever heard of the Ashley	18 that means?	
19	Furniture stores?	19 A I negotiate, I find locations, I si	Lgn
20	A Certainly.	20 the leases.	
21	Q Are you aware of who operates the	21 Q Do you do that for both Hartsdale a	and
22	Ashley Furniture stores?	22 Jennifer?	
23	A Ashley furniture stores are operated	23 A That's correct.	
24	by Hartsdale Convertibles.	Q Do you have any duties for Jennifer	c
25	Q Does Jennifer Convertibles operate	25 that are not real estate related?	
P.F	AGE 14	PAGE 16	
1	Edward Seidner 14	1 Edward Seidner	16

25	Q	Does Jennifer Convertibles operate	25	that are not real estate related?
	E 14	Edward Seidner 14	Г <u>т</u> Р	PAGE 16 Edward Seidner 16
1				
2	any Ashley	furniture stores?	2	A Mostly real estate, if not all real
3	A	Yes.	3	estate.
4	Q	How many Ashley furniture stores are	4	Q You have authority to bind Hartsdale
5	there pres	ently?	5	and Jennifer in connection with the leases that
6	А	Six.	6	you enter into?
7	Q	How many of those are operated by	7	A I do.
8	Hartsdale	versus operated by Jennifer	8	Q Let's limit this to the past two
9	Convertible	es?	9	years. Has anyone else in the past two years
10		MS. HOLLOMAN: Objection to	10	negotiated any leases for Hartsdale or Jennifer?
11		the form.	11	A No.
12	А	It's a technicality that I am	12	Q Has anybody for the past three years
13	probably n	ot in a position to explain, but again,	13	negotiated any leases for Hartsdale or Jennifer?
14	I can just	repeat that Hartsdale is a	14	A No.
15	wholly-own	ed subsidiary of Jennifer, so it's the	15	Q So what would you say is the earliest
16	same opera	ting team that operates Jennifer	16	time that no one else but you has negotiated
17	Convertible	es that operates Ashley.	17	leases for Hartsdale and Jennifer?
18	Q	I understand it's the same operating	18	MS. HOLLOMAN: Objection to
19	team.		19	the form.
20	А	Yes.	20	A You want me to answer exactly?
21	Q	Do both Jennifer and Hartsdale enter	21	Q Of course.
22	into lease	s of property?	22	A In order for me to answer exactly, I
23	А	Could you repeat that?	23	will have to just answer you I'm not sure.
24	Q	I will call it Jennifer for ease. Do	24	Q I will try to keep it brief and
25	both Jenni.	fer and Hartsdale lease properties for	25	narrow it. For the past five years, has anybody

1 Sn.	EET 5 PAGE 17	PAC	GE 19
2	else but you negotiated leases on behalf of	2	A No.
3	Jennifer or Hartsdale?	3	Q Are you aware of what relation TMCC
4	A No.	4	had to Gerald McCrystal?
5	Q Did there come a time when you	5	MS. HOLLOMAN: Objection.
6	negotiated to lease the space located at 1821	6	A Yes. I know Gerald owned TMCC.
7	Route 110 in East Farmingdale, New York?	7	MS. POLLACK: Let's mark this.
8	A Yes.	8	(Whereupon, a sublease
9	Q I'm going to refer to that as the	9	agreement, Bates stamped JCI000167
10	premises for ease, if you don't mind.	10	through JCI000197, was marked as
11	A I don't mind.	11	Exhibit 2, for identification, as of
12	Q Do you recall when you began your	12	this date.)
13	negotiations for those premises?	13	MS. POLLACK: For
14	A I recall that it was August of 2010.	14	identification purposes, Exhibit 2 is
	Q 2010?	15	a sublease agreement dated August
15	A I'm sorry. August of 2009. Thank	16	18, 2009 between TMCC and Hartsdale
16	•	17	which was produced by Hartsdale
17	you. Q With whom did you conduct those	18	pursuant to the subpoena and bears
18		19	Bates stamped Numbers JCI000167
19	negotiations?	20	through JCI000197.
20	A Gerald McCrystal.	21	Q I ask you, Mr. Seidner, to review
21	Q At the time you began your	22	that document and when you are done with your
22	negotiations in August of 2009, was there a	23	review, let me know and we will continue.
23	furniture store at that premises at that time?	24	A Thank you. I'm familiar with this.
24	A Yes.	25	Q Have you seen the document before?
PA	Q Do you know what the name of the GE 18	PA:	GE 20
1	Edward Seidner 18		
	Editard Societies	1	Edward Seidner 20
2	furniture store was?	2	A I have.
3	furniture store was? A Roma Furniture.	2 3	A I have. Q If you could turn to the last page,
3 4	furniture store was? A Roma Furniture. Q Do you know what Mr. McCrystal's	2 3 4	A I have. Q If you could turn to the last page, the one marked as JCI000197, is that your
3 4 5	furniture store was? A Roma Furniture. Q Do you know what Mr. McCrystal's relation to Roma was at the time?	2 3 4 5	A I have. Q If you could turn to the last page, the one marked as JCI000197, is that your signature on that document?
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3 4 5 6 7	furniture store was? A Roma Furniture. Q Do you know what Mr. McCrystal's relation to Roma was at the time? A He owned the business. Q Do you know who Roma's landlord at	2 3 4 5 6	A I have. Q If you could turn to the last page, the one marked as JCI000197, is that your signature on that document? A That's my signature. Q Did you prepare this document?
3 4 5 6 7 8	furniture store was? A Roma Furniture. Q Do you know what Mr. McCrystal's relation to Roma was at the time? A He owned the business. Q Do you know who Roma's landlord at the premises was?	2 3 4 5 6 7 8	A I have. Q If you could turn to the last page, the one marked as JCI000197, is that your signature on that document? A That's my signature. Q Did you prepare this document? A I did not.
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	SHEET 6 PAGE 21		PAGE 23
1	Edward Seidner 21	1	Edward Seidner 23
2	Q Do you recall negotiating the terms	2	Harvey J. Greenfield by entering the premises and
3	of the sublease?] 3	asking Mr. McCrystal if he would have an interest
4	A Sure.	4	in subleasing the premises.
5	Q Did the sublease that you signed	5	Q To Hartsdale?
6	contain the terms that you negotiated?	6	A To Hartsdale Convertibles.
7	A Yes.	7	Q Would that have been for the purpose
8	Q Were you satisfied with the terms of	8	of operating an Ashley store there?
9	the sublease when you signed it?	9	A Yes. Mr. Greenfield made that clear
10	A Yes, I was.	10	to Mr. McCrystal.
11	Q I'm going to get back to one thing	11	Q After that you and Mr. McCrystal
12	before I move on. You mentioned before that you	12	continued the negotiations which culminated in
13	said for the last five years, Mr. Seidner, were	13	the sublease?
14	the only person for Jennifer Convertibles that	14	A That was the end of the conversations
15	entered into the leases for real property, so	15	between Mr. Greenfield and Mr. McCrystal, and
16	based upon your background, is it safe to assume	16	when Mr. McCrystal said yes, I would be
17	you are familiar with the concept of a landlord	17	interested, Mr. McCrystal was told to call me.
18	and tenant and the difference in those terms?	18	Q Why did Hartsdale desire to rent the
19	MS. HOLLOMAN: Objection to	19	premises for the operation of an Ashley store?
20	the form.	20	A It allowed our company to have a
21	A Yes. I am familiar.	21	presence on Route 110 in Farmingdale and the
22	Q What's your understanding of what a	22	building that Roma Furniture occupied was in an
23	tenant is?	23	excellent location.
24	A Tenant, in laymens terms, which will	24	Q Was there an Ashley store located on
25	suffice I hope for this answer, is one who	25	Route 110 prior to them?
	PAGE 22	1 -	PAGE 24Edward Seidner 24
, 1	Edward Seidner 22	1	Edward Seruner 24

25	suffice I hope for this answer, is one who	25		Route 110 prior to them?
PAGE	22		PAGE	24
1	Edward Seidner 22	1		Edward Seidner 24
2	occupies the premises.	2		A No.
3	Q In the five years that we were	3		Q Did Hartsdale move to an Ashley
4	speaking of that you negotiated leases on behalf	4		Furniture store from an existing location to the
5	of Jennifer Convertibles, was Jennifer	5		premises after you entered into the sublease or
6	Convertibles the tenant named on a lease of a	6		did it open up an entirely new Ashley retail
7	property operating as Ashley Furniture Store?	7		store?
8	MS. HOLLOMAN: Objection to	8		MS. HOLLOMAN: Objection to
9	the form.	9		the form.
10	A I don't believe so.	10		A It opened up an entirely new Ashley
11	Q Going back to the sublease agreement	11		furniture store.
12	for the premises, how did Hartsdale's occupancy	12		Q So for instance, if you operated five
13	of the premises come about?	13		Ashley furniture stores prior to the time that
14	A Hartsdale's occupancy of the premises	14		you entered into the sublease, when you opened at
15	came about because the Ashley stores were	15		the premises, you now operated six?
16	separated out I'm going to use a general	16		MS. HOLLOMAN: Objection.
17	phrase, tax purposes, that allowed the Ashley	17		Q For example, for numbers, I'm not
18	stores to use Hartsdale Convertibles, Inc. as a	18		holding you to the numbers.
19	tenant on the leases.	19		MS. HOLLOMAN: Objection to
20	Q Did you approach Mr. McCrystal to	20		the form.
21	lease the space at the premises or did Mr.	21		A If you're not holding me to a number,
22	McCrystal approach you?	22		my answer is correct. It could have been two to
23	MS. HOLLOMAN: Objection to	23		three.
24	the form.	24		Q Two to three or nine to ten. I'm
25	A The initial approach was done by	25		just using those numbers as an example.
			n to	¥ 516 600 1400

SHI	EET 7 PAGE 25		GE 27Edward Seidner 2'
_		2	the form.
2		3	A I know it to be a profitable store
	Q So would you say that the premises is	4	but that is not my role to be able to answer that
	a very good location for the furniture industry?	5	question.
5	A Yes.	6	Q Are there documents that you could
6	Q Is it fair to say that Ashley was	°	look at to get the answer to that question?
7	desirous of operating at that location?		A I could get access to that. I do not
8	A Yes.	° 9	look at it. Again, not part of my role.
9	Q Was Ashley extremely desirous to		
0	operate at that location?	10	-
1	MS. HOLLOMAN: Objection to	11	documents do exist?
2	the form.	12	A Yes.
3	A When you say Ashley, I have to	13	MS. POLLACK: Let's mark
4	Q I'm sorry. Hartsdale. Was Hartsdale	14	this as Exhibit 3.
5	extremely desirous to operate an Ashley store at	15	(Whereupon, a document Bates
6	that location?	16	stamped JCI00037 was marked as
7	MS. HOLLOMAN: Objection to	17	Exhibit 3, for identification, as of
.8	the form.	18	this date.)
9	A Desirous, I don't need to add	19	MS. POLLACK: For
0	extremely. I will not chase a deal that might	20	identification purposes, Exhibit
1	turn out to be an onerous deal just for the sake	21	3 is a document entitled Exhibit B,
2	of having a location. I know we haven't gone	22	fixed rent schedule, and it was
23	long into this.	23	produced by Hartsdale pursuant to
24	(Whereupon, a discussion was	24	subpoena marked as Exhibit 1, and
25	held off the record.)	25	bears Bates stamp number JCI 000037.
PA	GE 26]	AGE 28Edward Seidner
2	O Before we went off the record, I	2	Q Have you seen this document before?
3	believe, and we will have it read back, I believe	3	A Yes.
	you stated that Hartsdale won't Chase after a	4	Q The document is titled fixed rent
4	deal that might turn out to be onerous to have a	5	schedule, correct?
5		6	A Correct.
6	location, correct? MS. HOLLOMAN: Objection to	7	Q Could you just refer back to the
7	-	8	sublease agreement that's referred to as Exhibit
8	the form.		2. You could turn to the page marked JCI 000016
9	A That is correct.	10	which is two pages into it.
LO	Q When you entered into the sublease	11	A Two pages?
11	agreement that's marked as Exhibit 2, did you	12	Q Yes. Paragraph 4, rent on the top,
12	believe that the deal might turn out to be	13	do you see that?
L3	onerous?	11	A I do.
1.4	MS. HOLLOMAN: Objection to	14	Q Sub paragraph A states, sub-tenant
15	the form.	15	covenant agrees to pay sub-landlord during the
16	A No.	16	term fixed rent in accordance with Exhibit B
17	Q Is the operation of the Ashley store	17	•
18	at this premises a profitable operation for	18	attached hereto made a part hereof, which is
19	Hartsdale?	19	defined, parenthetically, as the fixed rent.

21

22

23

24

25

Yes.

for some other reason?

What is your average monthly profit?

Because you don't know by memory or

MS. HOLLOMAN: Objection to

I'm not in a position to say.

20

21

22

23

24

25

I see that.

sublease, to your knowledge, is Exhibit B

marked as Exhibit 3 in this deposition?

Does that paragraph 4A or the

referred to in paragraph 4A the Exhibit B that's

MS. HOLLOMAN:

Objection to

Α

SHEET 8 PAGE 29 Edward Seidner 29 1 PAGE 31 Edward Seidner 29 1 the form. 3 A Yes. 4 Q Did there come a time when Exhibit B 5 to the sublease which is Exhibit 3 marked at this deposition was amended? 6 MS. HOLLOMAN: Objection to 8 MS. POLLACK: Let's mark this 11 as Exhibit 4. 12 (Whereupon, a document Bates 13 Edward Seidner 2 Q Do you know why that payment was no made at the time of the execution of the lease agreement? 8 A It was part of my negotiations with Mr. McCrystal. 7 Q What exactly was negotiated with respect to that payment? 9 A I can't say exactly what was negotiated because I do so many of these frank! 11 but to give you as good an answer as I possibly can is it was done in such a way for cash flow purposes for our company, we delayed the payment several weeks after the execution. 15 Chibit 4, for identification, as of 14 several weeks after the execution. 16 Q For identification purposes, Exhibit 16 the financial ability to make \$100,000 payment 17 the time the lease was executed? 18 rent schedule, and it was produced by Hartsdale 17 the time the lease was executed? 19 pursuant to the subpoena and bears Bates stamp 19 the form. I'm not sure if we have 120 number JCI000158 through JCI000159. Do you 120 testimony about when the lease was executed.
A Yes. Q Did there come a time when Exhibit B to the sublease which is Exhibit 3 marked at this deposition was amended? MS. HOLLOMAN: Objection to MS. HOLLOMAN: Objection to MS. POLLACK: Let's mark this MS. POLLACK: Let's mark this MS. Exhibit 4. (Whereupon, a document Bates MS. Moltoman and JCI000158 was marked as this date.) Q For identification purposes, Exhibit A is a document entitled amended Exhibit B fixed pursuant to the subpoena and bears Bates stamp number JCI000158 through JCI000159. Do you MS. HOLLOMAN: Objection to A It was part of my negotiations with MR. McCrystal. A It was part of my negotiations with MR. McCrystal. A It was part of my negotiations with MR. McCrystal. A It was part of my negotiations with MR. McCrystal. C What exactly was negotiated with respect to that payment? A It can't say exactly what was negotiated because I do so many of these frankly but to give you as good an answer as I possibly can is it was done in such a way for cash flow purposes for our company, we delayed the payment several weeks after the execution. D Do you recall whether Hartsdale had the financial ability to make \$100,000 payment the time the lease was executed? MS. HOLLOMAN: Objection to the form. I'm not sure if we have the form. I'm not sure if we have the stimony about when the lease was
Q Did there come a time when Exhibit B 5 to the sublease which is Exhibit 3 marked at this 6 deposition was amended? 6 Mr. McCrystal. 7 MS. HOLLOMAN: Objection to 8 respect to that payment? 9 A Was amended, no. 10 MS. POLLACK: Let's mark this 11 as Exhibit 4. 12 (Whereupon, a document Bates 13 stamped JCI000158 was marked as 14 Exhibit 4, for identification, as of 15 this date.) 16 Q For identification purposes, Exhibit 17 4 is a document entitled amended Exhibit B Tixed 18 rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you A It was part of my negotiations with 6 Mr. McCrystal. 7 Q What exactly was negotiated with 8 respect to that payment? 9 A I can't say exactly what was 10 negotiated because I do so many of these frankl 11 but to give you as good an answer as I possibly 12 can is it was done in such a way for cash flow 13 purposes for our company, we delayed the payment 14 several weeks after the execution. 15 Q Do you recall whether Hartsdale had 16 the financial ability to make \$100,000 payment 17 the time the lease was executed? 18 MS. HOLLOMAN: Objection to 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 20 testimony about when the lease was
to the sublease which is Exhibit 3 marked at this deposition was amended? MS. HOLLOMAN: Objection to MS. HOLLOMAN: Objection to MS. HOLLOMAN: Objection to MS. POLLACK: Let's mark this MS. HOLLOMAN: Objection to MS. HOLLOMAN: Objection to The form. I'm not sure if we have The form of the form. I'm not sure if we have The form of the form. I'm not sure
deposition was amended? MS. HOLLOMAN: Objection to MS. HOLLOMAN: Objection to MS. HOLLOMAN: Objection to MS. POLLACK: Let's mark this MS. POLLACK: Let'
MS. HOLLOMAN: Objection to 8 the form. 9 A Was amended, no. 10 MS. POLLACK: Let's mark this 11 as Exhibit 4. 12 (Whereupon, a document Bates 13 stamped JCI000158 was marked as 14 Exhibit 4, for identification, as of 15 this date.) 16 Q For identification purposes, Exhibit 17 4 is a document entitled amended Exhibit B fixed 18 rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 8 respect to that payment? 8 respect to that payment? 9 A I can't say exactly what was 10 negotiated because I do so many of these frankly 11 but to give you as good an answer as I possibly 12 can is it was done in such a way for cash flow 13 purposes for our company, we delayed the payment 14 several weeks after the execution. 15 Q Do you recall whether Hartsdale had 16 the financial ability to make \$100,000 payment 17 the time the lease was executed? 18 MS. HOLLOMAN: Objection to 19 the form. I'm not sure if we have 20 number JCI000158 through JCI000159. Do you 20 testimony about when the lease was
the form. 8 respect to that payment? 9 A Was amended, no. 10 MS. POLLACK: Let's mark this 11 as Exhibit 4. 12 (Whereupon, a document Bates 13 stamped JCI000158 was marked as 14 Exhibit 4, for identification, as of 15 this date.) 16 Q For identification purposes, Exhibit 17 4 is a document entitled amended Exhibit B fixed 18 respect to that payment? 9 A I can't say exactly what was 10 negotiated because I do so many of these frank! 11 but to give you as good an answer as I possibly 12 can is it was done in such a way for cash flow 13 purposes for our company, we delayed the payment 14 several weeks after the execution. 15 Q Do you recall whether Hartsdale had 16 the financial ability to make \$100,000 payment 17 the time the lease was executed? 18 rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 20 testimony about when the lease was
A Was amended, no. MS. POLLACK: Let's mark this Durposes I do so many of these frankly Letter from the subpose of the second and second and answer as I possibly can is it was done in such a way for cash flow purposes for our company, we delayed the payment several weeks after the execution. Durposes for our company, we delayed the payment several weeks after the execution. Durposes for our company, we delayed the payment several weeks after the execution. Durposes for our company, we delayed the payment several weeks after the execution. Durposes for our company, we delayed the payment several weeks after the execution. Durposes for our company, we delayed the payment several weeks after the execution. Durposes for our company, we delayed the payment several weeks after the execution. Durposes for our company, we delayed the payment several weeks after the execution. MS. HOLLOMAN: Objection to the time the lease was executed? MS. HOLLOMAN: Objection to the form. I'm not sure if we have the form o
MS. POLLACK: Let's mark this 10 negotiated because I do so many of these frankl 11 as Exhibit 4. 12 (Whereupon, a document Bates 13 stamped JCI000158 was marked as 14 Exhibit 4, for identification, as of 15 this date.) 16 Q For identification purposes, Exhibit 17 4 is a document entitled amended Exhibit B fixed 18 rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 10 negotiated because I do so many of these frankl 11 but to give you as good an answer as I possibly 12 can is it was done in such a way for cash flow 13 purposes for our company, we delayed the payment 14 several weeks after the execution. 15 Q Do you recall whether Hartsdale had 16 the financial ability to make \$100,000 payment 17 the time the lease was executed? 18 MS. HOLLOMAN: Objection to 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 10 testimony about when the lease was
as Exhibit 4. (Whereupon, a document Bates (Whereupon, a document Bates (Whereupon, a document Bates tstamped JCI000158 was marked as Exhibit 4, for identification, as of this date.) Q For identification purposes, Exhibit Q For identification purposes, Exhibit The financial ability to make \$100,000 payment the time the lease was executed? MS. HOLLOMAN: Objection to pursuant to the subpoena and bears Bates stamp number JCI000158 through JCI000159. Do you 11 but to give you as good an answer as I possibly can is it was done in such a way for cash flow purposes for our company, we delayed the payment several weeks after the execution. Q Do you recall whether Hartsdale had the financial ability to make \$100,000 payment the time the lease was executed? MS. HOLLOMAN: Objection to the form. I'm not sure if we have the form of the form of the form. I'm not sure if we have the form of the fo
(Whereupon, a document Bates 12 can is it was done in such a way for cash flow stamped JCI000158 was marked as 13 purposes for our company, we delayed the payment Exhibit 4, for identification, as of 14 several weeks after the execution. 15 this date.) 15 Q Do you recall whether Hartsdale had 16 the financial ability to make \$100,000 payment 17 4 is a document entitled amended Exhibit B fixed 17 the time the lease was executed? 18 rent schedule, and it was produced by Hartsdale 18 MS. HOLLOMAN: Objection to 19 pursuant to the subpoena and bears Bates stamp 19 the form. I'm not sure if we have 20 number JCI000158 through JCI000159. Do you 20 testimony about when the lease was
stamped JCI000158 was marked as 14 Exhibit 4, for identification, as of 15 this date.) 16 Q For identification purposes, Exhibit 17 4 is a document entitled amended Exhibit B fixed 18 rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 13 purposes for our company, we delayed the payment several weeks after the execution. 14 several weeks after the execution. 15 Q Do you recall whether Hartsdale had the financial ability to make \$100,000 payment to the time the lease was executed? 18 MS. HOLLOMAN: Objection to the form. I'm not sure if we have a suppose the form. I'm not sure if we have a suppose through JCI000159. Do you 18 The form of the payment of the form of the
Exhibit 4, for identification, as of this date.) Q For identification purposes, Exhibit 4 is a document entitled amended Exhibit B fixed rent schedule, and it was produced by Hartsdale pursuant to the subpoena and bears Bates stamp number JCI000158 through JCI000159. Do you 14 several weeks after the execution. 15 Q Do you recall whether Hartsdale had the financial ability to make \$100,000 payment the time the lease was executed? MS. HOLLOMAN: Objection to the form. I'm not sure if we have the form. I'm not sure if we have the form about when the lease was
this date.) 15 Q Do you recall whether Hartsdale had the financial ability to make \$100,000 payment 17 4 is a document entitled amended Exhibit B fixed 18 rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 15 Q Do you recall whether Hartsdale had the financial ability to make \$100,000 payment 16 the financial ability to make \$100,000 payment 17 the time the lease was executed? 18 MS. HOLLOMAN: Objection to 19 the form. I'm not sure if we have 20 testimony about when the lease was
Q For identification purposes, Exhibit 14 is a document entitled amended Exhibit B fixed 15 rent schedule, and it was produced by Hartsdale 16 the financial ability to make \$100,000 payment 17 the time the lease was executed? 18 rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 20 testimony about when the lease was
4 is a document entitled amended Exhibit B fixed 17 the time the lease was executed? 18 rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 20 testimony about when the lease was
rent schedule, and it was produced by Hartsdale 19 pursuant to the subpoena and bears Bates stamp 20 number JCI000158 through JCI000159. Do you 18 MS. HOLLOMAN: Objection to 19 the form. I'm not sure if we have 20 testimony about when the lease was
pursuant to the subpoena and bears Bates stamp number JCI000158 through JCI000159. Do you 19 the form. I'm not sure if we have 20 testimony about when the lease was
20 number JCI000158 through JCI000159. Do you 20 testimony about when the lease was
Number Schools Chrough Schools 20 year
21 recognize this document?
1
22 A I recognize the document, yes. 22 MS. POLLACK: I will ask that
23 Q Could you turn to the second page of 23 question a second time. He already
24 the document with the 159 number on the bottom. 24 testified it was made some weeks
25 Is that your signature on the document? 25 after the lease was executed in mid
PAGE 30 PAGE 32 Edward Seidner 30 1 Edward Seidner

25	Is that your signature on the document?	25	after the lease was executed in mid
PF	AGE 30Edward Seidner	30 1	PAGE 32Edward Seidner 32
1		2	
2	A It is.	11	
3	Q Does this refresh your recollection		~ ,
4	as to whether Exhibit B to the sublease was	4	- ,
5	amended?	5	
6	A It must be, so the answer is yes.	6	
7	Q Do you recall, if you know, why	7	- ·
8	Exhibit B to the sublease was amended?	8	·
9	A No.	9	financial ability to make the \$100,000 payment
10	Q We're going to focus now on Exhib	it 10	required by amended Exhibit B at the time of the
11	4, which is the document we have in front of	you. 11	execution?
12	If you look at the middle of the document, it	12	MS. HOLLOMAN: Objection to
13	says additional monthly rent paid to Roma FLI	13	the form.
14	Inc. Then underneath that, one time upfront	14	A I don't recall.
15	payment, paid upon execution of agreement,	15	Q Was Mr. McCrystal amenable to
16	\$100,000. Do you know if that payment was ma	ide? 16	allowing Hartsdale additional time to make the
17	A I do know if that payment was mad	le. 17	\$100,000 payment?
18	Q Was it made?	18	MS. HOLLOMAN: Objection to
19	A Yes.	19	the form,
20	Q Do you know if it was made at the	20	A Very amenable.
21	execution of the lease agreement?	21	Q If Mr. McCrystal had not been
22	A To the best of my recollection it	: was 22	amenable to extending the time to make the
23	made after the execution of the lease agreeme	ent. 23	payment, do you know if Hartsdale would have been
24	Q Do you know when it was made?	24	able to make the payment at that time?
25	A In October.	25	MS. HOLLOMAN: Objection to

S	HEET 9 PAGE 33		PAGE 35
	Edward Seidner 33	1	Edward Seidner 35
2	the form.	2	the form.
3	A I don't recall.	3	Q Do you see where that it is?
4	Q For some basic issues, why don't you	4	A I do see where that is, yes.
5	wait until your attorney objects. I don't know	5	Q At the bottom section, for the same
6	if the court reporter is having a hard time	6	period November 1, 2011, there's an \$18,000
7	getting down your answers. You're answering the	7	payment, correct?
8	same time as Ms. Holloman is objecting. I just	8	A Not for rent. It was required under
9	want to make sure the court reporter is getting	9	the lease, correct.
10	both your objection and answer. I just want to	10	Q On November 1, 2011, \$52,612,
11	make sure. Do you know why the \$100,000 payment	11	required to pay under the lease, correct?
12	was required?	12	A Correct.
13	A Yes.	13	Q You already testified that the
14	Q What was that reason?	14	amendments in this schedule, Exhibit 4, are the
15	A Mr. McCrystal needed it as part of	15	amounts required to be paid pursuant to paragraph
16	our it was part of our negotiations and Mr.	16	4A of the sublease, correct 4A?
17	McCrystal needed it in order to make his move	17	MS. HOLLOMAN: Objection to the
18	from one location to another and do his build out	18	form.
19	to complete a new location for operation.	19	A No. I did not. I apologize, but I
20	Q That would be the Roma furniture that	20	do not recall that I said both payments were
21	was operating at the premises?	21	fixed rent.
22	A At the existing premises, yes, which	22	Q That's not the question I asked.
23	is now operating next door.	.23	A I apologize then.
24	Q If you look at the top portion of	24	Q I will re-ask the question.
25	Exhibit B, amended Exhibit B, which is Exhibit 4,	25	Paragraph 4A of the sublease requires that as
	AGE 34Fdward Seidner 34		PAGE 36
1		2	
2	I'm going to stick with Exhibit 4 until I say	3	
3	otherwise. At the top portion, second line down,		the balments on Exhibit p to the subreasel

25	Exhibit B, amended Exhibit B, which is Exhibit 4,	25	Paragraph 4A of the sublease requires that as
PAGI	E 34Edward Seidner 34		PAGE 36
2	I'm going to stick with Exhibit 4 until I say	2	obligations under the sublease, Hartsdale makes
3	otherwise. At the top portion, second line down,	3	the payments on Exhibit B to the sublease,
4	provides for the period of November 1, 2009 to	4	correct?
5	October 31, 2010 that there is \$32,000 to be paid	5	MS. HOLLOMAN: Objection to
6	to TMCC, correct?	6	the form. The document does speak
7	A Correct.	7	for itself.
8	Q If you go to the third section of	8	MS. POLLACK: It's already
9	Exhibit 4, second line down, for that same time	9	been answered, so
10	period of November 1, 2009, and to September 30,	10	Q Do you know why the payments were
11	2010, so it's not exactly the same time frame, so	11	structured under the lease so that some payments
12	the record is clear, there is a \$20,000 payment	12	were made to TMCC and some were made to GMM
13	to be made to GMM Consulting, correct?	13	Consulting?
14	A That's correct.	14	A Yes.
15	Q So on November 1, 2009, Hartsdale was	15	MS. HOLLOMAN: Objection to
16	required under this schedule to make \$52,000	16	the form.
17	worth of payments under the lease, correct?	17	MS. POLLACK: I would like to
18	. MS. HOLLOMAN: Objection to	18	know what your continuing objection
19	the form.	19	is.
20	A The answer is yes.	20	MS. HOLLOMAN: You must be
21	Q Similarly, if you would go to the	21	referring to the sublease when you
22	line item 4 that begins November 1, 2011, which	22	say lease.
1 23	is the fourth line item on the top section of the	23	Q I interchangeably refer to the
24	page, November 4, 2011, \$34,611; is that correct?	24	sublease as either the sublease or the lease.
25	MS. HOLLOMAN: Objection to	25	MS. HOLLOMAN: I will object

1	SHEET 10 PAGE 37	PAGE	E 39
_		2	Exhibit B, fixed rent schedule.
2	as appropriate.	1	
3	MS. POLLACK: What was the	3	Q That's all the answer required. I
4	objection?	4	have acknowledged as Exhibit B was amended, as
5	MS. HOLLOMAN: Could you read	5	originally attached?
6	back the question?	6	A I originally said there was no
7	(Whereupon, the above-requested	7	amendment. There is an amendment to Exhibit B.
8	portion of testimony was read back by	8	MS. HOLLOMAN: Objection to
9	the reporter.)	9	the form.
10	MS. HOLLOMAN: With respect to	10	Q Is it your understanding that what is
11	that question, my objection as to the	11	referred to as Exhibit B in paragraph 4A of the
12	characterization of this document, as	12	sublease is what you are holding in your hand
13	the lease, when it is a sublease.	13	which is Exhibit 4 to the deposition?
14	Q For ease I will be referring to the	14	MS. HOLLOMAN: Objection to
15	document that's been marked as 2 as either the	15	the form.
16	lease or sublease. Either way I am referring to	16	A I respectfully ask you to ask it
17	Exhibit 2.	17	again.
18	A Does that require an answer for me?	18	Q No problem. Do you understand
19	Q No.	19	Exhibit 4 to the deposition which is titled
20	A What was the question?	20	amended Exhibit B, to be the Exhibit B referred
21	Q Do you know why the payments under	21	to in paragraph 4A of the sublease?
22	the sublease were structured so that some amounts	22	MS. HOLLOMAN: Objection to
23	were paid to TMCC and some were paid to GMM	23	the form. The documents speak for
24	Consulting?	24	themselves.
25	A Surely.	25	Q Do you understand in the answers
1	PAGE 38Edward Seidner 38	PAG	E 40 Edward Seidner 40
2	Q What was that?	2	contained on amended Exhibit B, which is Exhibit
3	A As part of the negotiation, Mr.	3	4D to the deposition, you are to be paid pursuant
4	McCrystal made perfectly clear to me that for	4	to paragraph 4A of the sublease?
5	whatever reason additional monthly rent to GMM	5	MS. HOLLOMAN: Objection to
6	which is characterized as additional monthly rent	6	the form.
7	on this document was to be used for his potential	7	A The answer is no.
8	loss of profits in moving from a 20,000 square	8	Q Why?
9	foot location to an 8,000 square foot location	9	A I'm confused with my exhibits. This
10	and he needed this money as a vig to pay	10	is two.
11	household bills, to feel comfortable in doing the	11	MS. HOLLOMAN: The record
12	transaction.	12	should reflect the sublease
13	Q Looking at Exhibit 4, at the top,	13	agreement, paragraph 4A, refers to
14	exhibit titled fixed rent schedule.	14	fixed rent.
15	MS. HOLLOMAN: Objection to	15	Q It says in accordance with Exhibit B
16	the form.	16	attached hereto.
17	A I'm sorry? Where am I?	17	A Correct.
18	Q Exhibit 4.	18	Q Is Exhibit B referred to in that
19	A Yes.	19	paragraph as amended Exhibit 4 to the deposition?
20	Q In Exhibit 4 to the deposition, which	20	MS. HOLLOMAN: Objection to
21	is amended Exhibit B to the sublease, what is the	21	the form.
	title of that document?	22	MS. POLLACK: We can do this
22		Н.,	the hard way or the easy way. We are
22	MS. HOLLOMAN: Objection to	23	
	$ \qquad \qquad \text{MS. HOLLOMAN:} \qquad \text{Objection to} $ the form.	23	going to be here all day.

SH	HEET 11	PAGE 41		E 43
1		Edward Seidner	41 1	Edward Seidner 43
2		this the right way. We need to have	2	unacceptable. You cannot cut off his
3		a clear record. I am going to make	3	testimony.
4		my objections. The record is not	4	MS. POLLACK: I didn't ask
5		clear. The witness testified he has	5	what Mr. McCrystal did or anything. I
6		trouble understanding. Instead of	6	asked a specific paragraph in the
7		shouting at him, just work with him	7	sublease provides something.
8		to clarify.	8	MS. HOLLOMAN: Just because
9		MS. POLLACK: Keep	9	you do not like the answer does not
10		interrupting my questions.	10	mean you can cut him off.
11		MS. HOLLOMAN: I want to make	11	MS. POLLACK: It's a yes or no
12		sure the record is clear. The	12	answer.
13		witness has expressed confusion with	13	MS. HOLLOMAN: I simply cannot
14		the questions and struggling to	14	agree. I will re-ask a question.
15		answer them and not getting any	15	A Ms. Pollack, may I interrupt? Is
16		clarity from you, Mrs. Pollack.	16	this considered an interruption when I ask you?
17	(Q Mr. Seidner, the statement that you	17	Q It may be. That's okay.
18	attorne	ey just made; is that correct?	18	A So you will answer me?
19		MS. HOLLOMAN: Objection.	19	Q Maybe. When I refer to Mr. McCrystal
20		That really is pointless. You know,	20	it is only a beginning of a clarification of my
21		we really are going to be here all	21	answer to your question. Let me try to rephrase
22		day.	22	the question. I am asking yes or no questions,
23	(Q Are you having trouble understanding	23	okay?
24	the que	estion?	24	MS. HOLLOMAN: You can answer
25		A Yes.	25	as you see fit. You don't have to
PA	AGE 42		PAGI	E 44

PAC	E 42	P	AGE 44
1	Edward Seidner 42	1	Edward Seidner 44
2	Q Paragraph 4A of the sublease requires	2	answer yes or no.
3	that payments be made in accordance with Exhibit	3	Q 4A of the sublease requires that
4	B attached hereto, referring to the sublease; is	4	fixed rent in accordance with Exhibit B attached
5	that correct?	5	to the sublease be paid to the sub-landlord,
6	MS. HOLLOMAN: Objection to	6	correct?
7	the form.	7	MS. HOLLOMAN: May I have the
8	A Yes.	8	question read back, please?
9	MS. HOLLOMAN: Let him answer	9	(Whereupon, the question was
10	his question.	10	read back by the reporter.)
11	MS. POLLACK: You can cross	11	A Yes. However
12	examine him. You have a right to	12	Q Sir.
13	cross examine him.	13	MS. HOLLOMAN: Are you not
14	MS. HOLLOMAN: You need to	14	going to allow him to testify?
15	clarify your answer or to complete	15	MS. POLLACK: Strike the whole
16	your answer. You should say that.	16	line of questioning.
17	A I am here to give complete truthful	17	Q Mr. Seidner, I'm not interested in
18	answers, so the clarity is required only, and	18	knowing whether you believe something is rent or
19	rightfully, because I want to give truthful and	19	not rent, okay? Let's preface the question with
20	honest answers. Mr. McCrystal and I	20	that. What's your understanding of, and I will
21	Q Sir, this is not a narrative. If	21	use November 1, 2010 as a date for purposes of
22	your counsel wants to cross examine you after,	22	these questions, okay?
23	she is welcome to do so. I am asking a yes or no	23	A Okay.
24	answer. I will ask a new question.	24	Q On November 1, 2010, what is your
25	MS. HOLLOMAN: This is	25	understanding of payments that have to be made to

	SHEET 12 PAGE 45	P	AGE 47
1	Edward Seidner 45	1	Edward Seidner 47
2	TMCC under the sublease period?	2	Q Do you acknowledge that Hartsdale has
3	A \$32,000.	3	an obligation to make what you term the big
4	Q What is your understanding of the	4	payments, I will use your term, as a result of
5	\$18,000 that's not part of that?	5	the entry into Exhibit B and amended Exhibit B?
6	MS. HOLLOMAN: Objection to	6	A Ask the question again, please.
7	the form. Bottom part of what?	7	Q Sure.
8	MS. POLLACK: Exhibit B.	8	MS. POLLACK: Can you read back
9	Q Amended Exhibit B.	9	the question?
10	A Very clearly, Mr. McCrystal and I had	10	(Whereupon, the question was
11	an understanding that the bottom portion that you	11	read back by the reporter.)
12	speak of was a vig to Mr. McCrystal that would be	12	A Yes.
13	paid to him on a monthly basis. That would cover	13	Q I recognize that you're taking the
14	his insecurity, understandable insecurity of	14	position that for ease, again, the vig payments,
15	moving from a 20,000 square foot location to an	15	because it's easier than to try to say the third
16	8,000 square foot location and he needed a vig	16	party, the vig payments are not rent?
17	that would motivate him to make this deal happen.	17	MS. HOLLOMAN: Is that a
18	Q Is it your position that, again,	18	question?
19	using November 1, 2010, obviously the numbers	19	MS. POLLACK: I didn't finish
20	change, but I'm going to use that date for ease,	20	my question.
21	is it your position that on November 1, 2010,	21	Q But is it nevertheless an obligation
22	Hartsdale did not have an obligation to pay	22	that must be paid under the sublease?
23	\$18,000 under this lease, sublease?	23	MS. HOLLOMAN: Objection to
24	MS. HOLLOMAN: Objection to	24	the form.
25	the form.	25	A The answer to your question is yes.
	PAGE 46	F	AGE 48

25	the form.	25	A The answer to your question is yes.
PAG	GE 46		2 48
1	Edward Seidner 46	1	Edward Seidner 48
2	A That they did not have an obligation,	2	However, it is as much as it's an obligation, I
3	no, they did have an obligation.	3	must stress it is not an obligation for fixed
4	Q Is there any other document that you	4	rent. I must stress that with my negotiations
5	entered into with Mr. McCrystal respecting the	5	with Mr. McCrystal, we had a very clear
6	premises and Hartsdale's lease of the premises?	6	understanding, and to repeat your words, I am
7	MS. HOLLOMAN: Objection to	7	referring to it as a vig payment. Mr. McCrystal
8	the form.	8	is the author of the vig payment, and \boldsymbol{I} am
9	A There is.	9	stressing that Mr. McCrystal as proof, there's
10	Q Other than the sublease and the	10	not another document, but as proof of our
11	amendment to the sublease.	11	negotiations, that Mr. McCrystal said whatever
12	MS. HOLLOMAN: Objection to	12	you do, you will never mention this payment to
13	the form.	13	GMM to
14	A There is the master lease.	14	MS. POŁLACK: I will move to
15	Q Did Hartsdale enter into the master	15	strike the whole answer
16	lease?	16	MS. HOLLOMAN: Make sure his
17	A No.	17	entire testimony is taken down.
18	Q Other than the sublease, and I say	18	MS. POLLACK: as not
19	amended Exhibit B, because Hartsdale signed it.	19	responsive.
20	A Correct.	20	MS. HOLLOMAN: We oppose that
21	Q Were there other documents that	21	motion.
22	Hartsdale entered into with Mr. McCrystal or any	22	Q Mr. Seidner, are you aware the
1 23	entities owned by Mr. McCrystal in connection	23	landlord Joe Josalco has consented they consent
24	with Hartsdale lease of this premises?	24	to the payments being made?
25	A No.	25	A They not only did not sign the
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	IEET 13 PAGE 49	PAC	GE 51Edward Seidner	51
1	Edward Seidner 49			21
2	sublease	2	of when Hartsdale stopped making payments	
3	Q That was not my question. Are you	3	entirely under the sublease?	
4	aware that representatives of the landlord	4	A It helps.	_
5	testified you stated earlier that you read the	5	Q Is it safe to say in or around May	OI
6	deposition transcripts of Mr. Picone and Mr.	6	2010?	
7	Emanuelo, correct?	7	MS. HOLLOMAN: Objection to	
3	MS. HOLLOMAN: Objection to	8	the form.	
€	the form.	9	A If you were allowing me the	
)	A Yes.	10	flexibility of saying in or around May, the	
1	Q Are you aware they testified at those	11	answer is yes.	
2	depositions that they have no issue with these	12	Q Okay.	
3	payments being made?	13	A Yes.	
1	MS. HOLLOMAN: Objection to	14	Q Give or take a month, either way,	
5	the form.	15	we'll say in or around, Hartsdale made payments	5
5	A My answer is please let me finish	16	to both TMCC and GMM for approximately seven	
7	my answer, with all due respect, my answer is	17	months?	
3	yes, I am aware. However, how could they?	18	A Yes.	
)	Q So I guess you are questioning the	19	Q Do you know why?	
)	veracity of their testimony.	20	A I agree.	
l	MS. HOLLOMAN: Objection to	21	Q Do you know why Hartsdale stopped	
2	the form of the objection.	22	making payments to TMCC?	
3	A I don't have the answer to my	23	A Yes.	
1	question. How could they?	24	MS. HOLLOMAN: Objection.	
5	Q If you could look at Exhibit 4, which	25	MS. POLLACK: For the record	d,
_ P.F	AGE 50	I ☐ PA	GE 52Edward Seidner	5
l	Edward Seidner 50	-	I have already stated I will be	J
2	is amended Exhibit B to the sublease, you see	2		i +
3	where it says amended Exhibit B on the top, sir?	3	interchangeably referring to Exhib B as either a sublease or lease.	10
1	A I do.	4	MS. HOLLOMAN: For the reco	rd
5	Q What does the second line say?	5		Lu,
6	A Fixed rent schedule.	6	I have stated I object as this is	0
7	Q Did in fact Hartsdale make payments	7	appropriate. We have to make sure	we
3	to both TMCC and GMM for a period of time under	8	have a clear record.	
9	the sublease?	9	MS. POLLACK: There is no	
0	A Yes.	10	other lease, so we are only referr	ıng
1	Q Did there come a time when Hartsdale	11	to the sublease when we talk about	
2	stopped making payments entirely under the	12	the lease.	_
3	sublease?	13	MS. HOLLOMAN: Then we shou	ld
4	A Yes.	14	refer to it.	
	Q When was that?	15	Q Do you know the answer to the	

17

18

19

20

21

22

23

24

25

I don't recall the month. I can guess

MS. HOLLOMAN: Objection to

Does that refresh your recollection

Well, do you recall a conversation

that you had with Mr. McCrystal in the middle of

May 2010 where Mr. McCrystal asked why the

payments for May have not been received?

but you don't want me to guess.

the form.

Yes.

Q

Α

Q

16

17

18

19

20

21

22

23

24

25

question, sir?

Q

MS. POLLACK: Why don't you

portion of testimony was read back by

What were the cash flow issues that

(Whereupon, the above-requested

read back the question?

the reporter.)

Why was that?

Hartsdale was having at that time?

Cash flow purposes.

S	HEET 14 PAGE 53	1	PAGE 55Edward Seidner 55
2	MS. HOLLOMAN: Objection to	2	rent, and there was an extra payment, absolutely
3	the form.	3	not considered rent to Mr. McCrystal for his
4	A Hartsdale's cash flow as being a	4	MS. POLLACK: Objection to the
5	wholly owned subsidiary of Jennifer Convertibles	5	extent that somebody said. It's
6	was draining.	6	hearsay.
7	O I'm sorry?	7	MS. HOLLOMAN: You can make a
8	A Was draining.	8	motion. You can't object.
9	Q Draining what? Was being drained by	9	MS. POLLACK: I move to
	Jennifer Convertibles or	10	strike.
.0		11	MS. HOLLOMAN: We oppose that
1	A No. Was draining in general.	12	motion.
2	Q What does that have to do with being	13	Q You already stated that amended
3	a wholly owned subsidiary of Jennifer	14	Exhibit B to the sublease is titled fixed rent
4	Convertibles?	15	schedule, correct?
5	MS. HOLLOMAN: Objection to	16	MS. HOLLOMAN: Objection to
6	the form.	17	the form.
7	A It's not my role to accurately be	18	A May I go back?
8	able to answer that appropriately.	19	MS. HOLLOMAN: Absolutely.
9	Q Well, did you refer Mr. McCrystal	20	You may clarify your answers.
0	when he asked why the payments were not being	21	A It's not a matter of clarifying my
1	made to somebody else who might be better able to	!	
2	answer the question for him?	22	answers. Maybe I am being inappropriate. MS. POLLACK: You are.
3	MS. HOLLOMAN: Objection to	23	MS. HOLLOMAN: You were not.
4	the form.	24	
5	A Mr. McCrystal did not ask me to.	25	Q You're being unresponsive. PAGE 56
_ F	AGE 54Edward Seidner 54	1	Edward Seidner
2	Q What was the conversations that you	2	MS. HOLLOMAN: It's absurd.
3	had with Mr. McCrystal?	3	A I will ask you, please, let's stay in
4	A I appreciate your asking that	4	order of course.
5	question, because it helps quite a bit to clarify	5	Q There's nothing out of order, sir.
6	this whole situation. When Mr. McCrystal and I	6	A Okay. When I say
7	had that conversation on or about mid May, Mr.	7	MS. HOLLOMAN: Do not argue
8	McCrystal says, can you at least get the rent out	8	with this witness. Allow him to
9	to me. Put aside the extra vig payment, and I	9	finish.
0	said to him, no, I cannot. I don't have the	10	MS. POLLACK: I move to
1	\$32,000 right now, and he said, Mr. Picone is	11	strike the unresponsive part of his
2	going to have a problem with that. I have to get	12	question.
13	Mr. Picone his rent, and if you can get me the	13	MS. HOLLOMAN: We oppose that

this whole situation. When Mr. McCrystal and I	6 A Okay. When I say						
had that conversation on or about mid May, Mr.	7 MS. HOLLOMAN: Do not argue						
McCrystal says, can you at least get the rent out	8 with this witness. Allow him to						
to me. Put aside the extra vig payment, and I	9 finish.						
said to him, no, I cannot. I don't have the	10 MS. POLLACK: I move to						
\$32,000 right now, and he said, Mr. Picone is	11 strike the unresponsive part of his						
going to have a problem with that. I have to get	12 question.						
Mr. Picone his rent, and if you can get me the	13 MS. HOLLOMAN: We oppose that						
rent, at least I can keep Mr. Picone comfortable,	14 objection.						
don't worry about my vig.	15 A It's interesting, but you might be						
Q Okay, and what did you take that to	16 debating with me. I'm not saying you're arguing						
mean?	17 with me, and perhaps my attorney is correct. I'm						
A I took it to mean exactly what I just	18 saying I view it as you're debating me and I am						
said, with all respect, and that is, I took it to	19 saying that when I want to stay in order, I had						
mean two things. Number one, Mr. McCrystal was	20 asked my attorneys if I can just go back and I						
in a desperate situation, and number two, Mr.	21 want to know what you meant by hearsay. You said						
McCrystal was being consistent with our	22 this is hearsay. What's my hearsay?						
negotiations and the consummation of this lease	23 Q It's not appropriate for you to ask						
in that there was a fixed rent of at that time	24 me questions. If you have a question of what						
\$32,000. I'm being redundant again. For fixed	25 hearsay is, I'm sure your counsel will be happy						
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	SHEET 15 PAGE 57		PAGE 59
1	Edward Seidner 57	1	Edward Seidner 59
2	to explain that concept after the deposition.	2	question. I asked what your
3	A I understand what hearsay is. My	3	objection was.
4	problem is everything I am saying is the truth.	4	MS. HOLLOMAN: Yes, and my
5	Q We have now established that you had	5	objection is as to the form of the
6	conversation with Mr. McCrystal and that you	6	question.
7	explained that you, Hartsdale, could not make any	7	MS. POLLACK: Read the
8	payments to them in or about May of 2010, and Mr.	8	question back and I would like to
9	McCrystal asked if at the very least you can make	9	know that form is objectionable.
10	the \$32,000 payment so he could in turn make his	10	MS. HOLLOMAN: I don't think I
11	payment to Josalco, correct?	11	understand the question.
12	A That he could make his rent payment	12	Q Did you understand the question?
13	to Josalco.	13	MS. HOLLOMAN: That's what
14	Q Did you consider any part of that	14	matters, if he understands it. It
15	discussion to be a modification of the sublease?	15	does not matter about my objection.
16	MS. HOLLOMAN: The answer is	16	A I understood the question.
17	no.	17	Q How many conversations did you have
18	Q I believe you stated that Mr.	18	with Mr. McCrystal regarding the payments due
19	McCrystal said at that time during that	19	under the lease in or around May of 2010?
20	conversation, he was less concerned with getting	20	MS. HOLLOMAN: Objection to
21	the \$18,000 payment than the \$32,000 payment,	21	the form.
22	correct?	22	A Several.
23	MS. HOLLOMAN: Objection to	23	Q In any of those conversations, do you
24	the form.	24	recall telling Mr. McCrystal that the June
25	Q At that time?	25	payments under the sublease would be made and
	PAGE 58	_	PAGE 60

25 Q At that time?	25 payments under the sublease would be made and
PAGE 58	PAGE 60
1 Edward Seidner 5	8 1 Edward Seidner 60
2 A Yes.	2 that you would talk to Mr. McCrystal in July or
3 Q Did you consider that an amendment of	3 August about how to catch up with the May
4 the sublease to the extent that the \$18,000	4 payment?
5 payments were no longer required?	5 MS. HOLLOMAN: Objection to
6 A No.	6 the form.
7 MS. HOLLOMAN: Note my	7 MS. POLLACK: What's the
8 objection to that question.	8 objection?
9 MS. POLLACK: What was the	9 MS. HOLLOMAN: Compound.
10 objection?	10 A I just need to repeat it. I'm lost.
11 MS. HOLLOMAN: I'm not sure I	11 Q During the conversations that you had
12 understand the question. We're	12 with Mr. McCrystal which you just said were
13 talking about modifications.	13 several, in or around May of 2010, do you recall
14 MS. POLLACK: Right, and the	14 telling Mr. McCrystal that the June payments
15 witness stated that he had	15 required would be paid?
16 MS. HOLLOMAN: The witness is	16 A I don't recall.
17 still answering.	17 MS. HOLLOMAN: Objection to
18 MS. POLLACK: The witness	18 the form.
19 stated he had a conversation with Mr.	19 MS. POLLACK: What was the
20 McCrystal wherein Mr. McCrystal is	20 objection?
21 more concerned.	21 MS. HOLLOMAN: Assumes facts
22 MS. HOLLOMAN: This is	22 not in evidence.
23 pointless. My objections are for the	23 MS. POLLACK: What's the facts
24 record.	24 not in evidence?
25 MS. POLLACK: I am asking a	25 MS. HOLLOMAN: Whatever the

SHEET 16 P	AGE 61	PAGE 63	Edward Seidner
2	payments are that you're attributing	2	time and you are familiar with the
3	to Mr. McCrystal and Mr. Seidner. I	3	rules of a deposition. You object to
4	mean this is your deposition. You	4	form. That's the colloquey that
5	can answer.	5	you're engaging.
6	MS. POLLACK: I want to know	6	MS. POLLACK: I have a right
7	what the objection is. Repeat the	7	to ask you what the objection is
8	question.	8	about.
9	MS. HOLLOMAN: And I have	9	MS. HOLLOMAN: I can tell you
10		10	You don't have to prove anything
	explained to you.	1 11	to me. Ask your question and he
.1	MS. POLLACK: I'm asking if he		• •
2	told	12	will answer the question.
3	MS. HOLLOMAN: There is no	13	MS. POLLACK: I am trying to
4	foundation for your questions. The	14	answer the question. I have tried
.5	questions you should be asking what	15	three times to answer the question.
6	were those conversations rather than	16	MS. HOLLOMAN: When you're
.7	putting words in his mouth. That	17	prepared and ready, ask the question
8	would be appropriate, but it's your	18	MS. POLLACK: I was ready five
.9	deposition so you ask the questions	19	minutes ago.
0	any way you like.	20	MS. HOLLOMAN: Here we are.
1	MS. POLLACK: When did you	21	Ask your question.
2	graduate law school? Are you giving	22	MS. POLLACK: Ms. Holloman. I
13	me a lecture?	23	would appreciate
? 4	MS. HOLLOMAN: It's	24	MS. HOLLOMAN: The record mus
25	inappropriate.	25	be
PAGE 62	Edward Seidner 62	PAGE 64	Edward Seidner
2	MS. POLLACK: I asked a	2	MS. POLLACK: I would
3	direct question. You tell me what it	3	appreciate that you save your
4	assumes not in evidence.		self-serving discussions and
5	MS. HOLLOMAN: Do you need a	5	self-serving characterizations for
6	break? You need some time to compose	6	the courtroom when there is a jury
7	yourself?	7	that can see the demeanor of
8	MS. POLLACK: For the record,	8	everybody involved.
9	I am not being deposed.	9	MS. HOLLOMAN: That
9		11 1	
0		10	instruction is entirely
	MS. HOLLOMAN: You know how	10	instruction is entirely inappropriate, as is your demeanor
1	MS. HOLLOMAN: You know how this works. You ask questions. I	11	inappropriate, as is your demeanor
1	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent	11 12	inappropriate, as is your demeanor and conduct has been for the last 10
1 2 3	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand.	11 12 13	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes.
1 2 3 4	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your	11 12 13 14	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to
1 2 3 4 5	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in	11 12 13 14 15	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question.
1 2 3 4 5	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in evidence and I am asking what the	11 12 13 14 15 16	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question. MS. HOLLOMAN: That's what
1 2 3 4 5 6	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in evidence and I am asking what the facts were. I will repeat the	11 12 13 14 15 16	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question. MS. HOLLOMAN: That's what we're here for.
1 2 3 4 5 6 7	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in evidence and I am asking what the facts were. I will repeat the question so there's no confusion and	11 12 13 14 15 16 17	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question. MS. HOLLOMAN: That's what we're here for. MS. POLLACK: Isn't it?
1 2 3 4 5 6 7	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in evidence and I am asking what the facts were. I will repeat the question so there's no confusion and you still know what the facts were in	11 12 13 14 15 16 17 18	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question. MS. HOLLOMAN: That's what we're here for. MS. POLLACK: Isn't it? Mr. Seidner, in your conversations,
1 2 3 4 5 6 7 8	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in evidence and I am asking what the facts were. I will repeat the question so there's no confusion and	11 12 13 14 15 16 17 18 19 20 and yo	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question. MS. HOLLOMAN: That's what we're here for. MS. POLLACK: Isn't it? Of Mr. Seidner, in your conversations, as and you had several with Mr. McCrystal,
1 2 3 4 5 6 7 8 9	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in evidence and I am asking what the facts were. I will repeat the question so there's no confusion and you still know what the facts were in	11 12 13 14 15 16 17 18 19 20 and yo 21 in or	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question. MS. HOLLOMAN: That's what we're here for. MS. POLLACK: Isn't it? Of Mr. Seidner, in your conversations, around May 2010, did you tell him that the
1 2 3 4 5 6 7 8 9 0	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in evidence and I am asking what the facts were. I will repeat the question so there's no confusion and you still know what the facts were in evidence?	11 12 13 14 15 16 17 18 19 20 and yo 21 in or	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question. MS. HOLLOMAN: That's what we're here for. MS. POLLACK: Isn't it? Of Mr. Seidner, in your conversations, as and you had several with Mr. McCrystal,
10 11 12 13 14 15 16 17 18 19 20 21	MS. HOLLOMAN: You know how this works. You ask questions. I object. He answers to the extent he can understand. MS. POLLACK: I ask what your objection is. It assume facts not in evidence and I am asking what the facts were. I will repeat the question so there's no confusion and you still know what the facts were in evidence? MS. HOLLOMAN: I am going to	11 12 13 14 15 16 17 18 19 20 and yo 21 in or	inappropriate, as is your demeanor and conduct has been for the last 10 or 15 minutes. MS. POLLACK: I am trying to ask a question. MS. HOLLOMAN: That's what we're here for. MS. POLLACK: Isn't it? Q Mr. Seidner, in your conversations, u said you had several with Mr. McCrystal, around May 2010, did you tell him that the ayments required under the sublease would

how this process works. Otherwise

you are wasting the witness's

24

25

24

Did you tell him in those

	EET 17 PAGE 65	PA	GE 67
1		1	Edward Seidner 6
2	conversations that in July or August of 2010 you	2	A Sometimes.
3	would talk to him about how to catch up with the	3	Q Would there be a situation other than
4	May payment?	4	you're sick or out of town that you wouldn't
5	MS. HOLLOMAN: Objection to	5	attend a meeting?
6	the form.	6	MS. HOLLOMAN: Objection to
7	A My answer is I would think so. Most	7	the form.
8	likely.	8	A Yes.
9	Q Have Hartsdale already consulted with	9	Q What would those situations be?
10	an attorney regarding its financial problems at	10	A I'm not required to attend.
11	that time?	11	Q Why would there be a specific topic
12	A Yes.	12	discussed that wouldn't require your attendance?
13	Q When did Hartsdale, to the extent	13	A It could very well relate to in depth
14	that you know, first meet with counsel regarding	14	accounting in the business, the structure of the
15	the filing of the bankruptcy or other type of	15	business, and it's not necessary for me to
16	financial re-structure?	16	attend. I would get a general feedback.
17	A My answer might not suffice, but I	17	Q As an officer of Jennifer and/or
18	will give it anyway, and that is many months ago.	18	Hartsdale, do you receive memoranda or other
19	Q Was it in 2009?	19	information from other officers respecting other
20	A I don't know.	20	details of the company other than the real estate
21	Q Do you know if it was before the	21	matters?
22	summer of 2010?	22	A Yes.
23	A Yes.	23	Q Do you review those?
24	Q So somewhere in the first half of	24	A I peruse them.
25	2010?	25	Q In any of those memoranda or other
PAG	GE 66		GE 68
1	Edward Seidner 66	1	Edward Seidner 6

24	Q So somewhere in the first half of	24	A I peruse them.
25	2010?	25	Q In any of those memoranda or other
PAG	GE 66	PAG	E 68
1	Edward Seidner 66	1	Edward Seidner 68
2	A To the best of my recollection, my	2	types of communications, was the finance
3	answer is I think so.	3	situation of the company discussed?
4	Q Although you said you don't know,	4	A Yes.
5	could it have been in 2009 that Hartsdale had	5	MS. HOLLOMAN: Note my
6	discussions with counsel?	6	objection.
7	MS. HOLLOMAN: Objection to	7	A It couldn't be discussed. It would
8	the form.	8	be set forth.
9	A The fact that I don't know, the	9	Q I understand being in charge of the
10	answer is it could have been.	10	lease aspects, the real estate aspects as you
11	Q What was Hartsdale's financial	11	said of the company, this company, Jennifer and
12	situation in August of 2009 when you began	12	Hartsdale, you don't have an everyday familiarity
13	negotiating the sublease with TMCC?	13	with the line items in the books and records of
14	MS. HOLLOMAN: Objection to	14	the company, but do you have a general
15	the form.	15	understanding of the performance of the company?
16	A It's not my role to say specifically	16	A Yes.
17	what its financial condition was. I'm not the	17	Q Won't you indeed need to have a
18	controller. I'm not the accountant. I am the	18	general understanding of the performance of the
19	real estate lease in this business.	19	company in order to know what markets to rent or
20	Q Does Hartsdale and/or Jennifer have	20	not?
21	periodically or in any interval meetings of the	21	A No.
22	officers of the company?	22	Q Why is that, just out of curiosity?
23	A Yes.	23	A Surely. It requires to ask a
24	Q Do you attend these meetings with an	24	question though.
25	officer of Hartsdale and Jennifer?	25	Q I said why is that? That's a yes or

1 Edward Seidner 69 2 A I do. 3 A My answer is a yes. What do I do? 4 Q Did there ever come a time when you 5 took a pay cut? 6 A Yes. 7 MS. HOLLOMAN: Note my 9 Q When was that? 10 A I believe it was January of 2009, the 11 year 2009. 12 MS. POLLACK: Mark this as 13 Exhibit 5. 14 (Whereupon, a disclosure 15 statement was marked as Exhibit 5, 16 for identification, as of this date.) 17 MS. POLLACK: For 18 identification purposes, we have 19 marked Exhibit 5, which is a document 20 entitled disclosure statement with 21 respect to joint Chapter II plan 22 corvertibles, Inc. and its 24 affiliated debtors dated November 19, 25 2010. For the record, I note that 10 A I do. 2 A I do. 3 Q Two lines down, sub section A, which is identification as yes. What do I do? 4 is titled liquidity. That's the paragraph I'm 5 going to be focusing on. The second sentence states, the debtors incurred a net loss and had both working capital and stockholders 6 deficiencies for the years ended August 29, 2009 9 and August 30, 2008. For the record, for your understanding, we will note that debtor is a defined term in the disclosure statement and the plan that goes with it, and includes Jennifer and includes Hartsdale and also includes various other affiliated debtor. That sentence, from the disclosure statement, speaks of working capital deficiencies for the year ended August 29, 2009, which was at or about the time that Hartsdale was negotiating the sublease for the premises, correct? 20 A Correct. 21 Q Did Hartsdale have working capital deficiencies at that time? 22 Convertibles, Inc. and its 23 A I don't believe so. 24 affiliated debtors dated November 19, 2010. For the record, I note that		SHEET 18 PAGE	69	P	PAGE 71
A My answer is a yes. What do I do? Q Did there ever come a time when you took a pay cut? A Yes. MS. HOLLOMAN: Note my objection. A I believe it was January of 2009, the year 2009. MS. POLLACK: Mark this as Exhibit 5. (Whereupon, a disclosure statement was marked as Exhibit 5, for identification purposes, we have marked Exhibit 5, which is a document entitled disclosure statement with entitl	1		Edward Seidner 69	1 1	Edward Seidner 71
4 Q Did there ever come a time when you 5 took a pay cut? 6 A Yes. 7 MS. HOLLOMAN: Note my 8 objection. 9 Q When was that? 10 A I believe it was January of 2009, the 11 year 2009. 12 MS. POLLACK: Mark this as 13 Exhibit 5. 14 (Whereupon, a disclosure 15 Statement was marked as Exhibit 5, 16 for identification, as of this date.) 17 MS. POLLACK: For 18 identification purposes, we have 19 marked Exhibit 5, which is a document 20 entitled disclosure statement with 21 correct: 22 Convertibles, Inc. and its 24 affiliated debtors dated November 19, 25 states, the debtors incurred a net loss and had 26 states, the debtors incurred a net loss and had 27 both working capital and stockholders 28 deficiencies for the years ended August 29, 2009 29 and August 30, 2008. For the record, for your 29 understanding, we will note that debtor is a 29 defined term in the disclosure statement and the 29 plan that goes with it, and includes Jennifer and 30 includes Hartsdale and also includes various 31 other affiliated debtor. That sentence, from the 31 deficiencies for the year ended August 29, 2009, 32 which was at or about the time that Hartsdale was 33 negotiating the sublease for the premises, 34 correct. 35 Q Did Hartsdale have working capital 36 deficiencies at that time? 36 A I don't believe so. 37 A I don't believe so. 38 deficiencies at that I was just	2	no question	1.	2	A I do.
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13 includes Hartsdale and also includes various 14 (Whereupon, a disclosure 15 statement was marked as Exhibit 5, 16 for identification, as of this date.) 17 MS. POLLACK: For 18 identification purposes, we have 19 marked Exhibit 5, which is a document 20 entitled disclosure statement with 21 respect to joint Chapter 11 plan 22 of reorganization for Jennifer 23 Convertibles, Inc. and its 24 affiliated debtors dated November 19, 25 other affiliated debtor. That sentence, from the 26 disclosure statement, speaks of working capital 27 deficiencies for the year ended August 29, 2009, 28 which was at or about the time that Hartsdale was 29 negotiating the sublease for the premises, 20 Pid Hartsdale have working capital 21 deficiencies at that time? 22 A I don't believe so. 23 A I don't believe so. 24 The paragraph that I was just	11	year 2009.		11	defined term in the disclosure statement and the
14 (Whereupon, a disclosure 15 statement was marked as Exhibit 5, 16 for identification, as of this date.) 17 MS. POLLACK: For 18 identification purposes, we have 19 marked Exhibit 5, which is a document 20 entitled disclosure statement with 21 respect to joint Chapter 11 plan 22 of reorganization for Jennifer 23 Convertibles, Inc. and its 24 affiliated debtor. That sentence, from the disclosure statement, speaks of working capital deficiencies for the year ended August 29, 2009, 17 which was at or about the time that Hartsdale was 18 negotiating the sublease for the premises, 19 correct? 20 A Correct. 21 Q Did Hartsdale have working capital 22 deficiencies at that time? 23 A I don't believe so. 24 The paragraph that I was just	12		MS. POLLACK: Mark this as	12	plan that goes with it, and includes Jennifer and
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for identification, as of this date.) MS. POLLACK: For identification purposes, we have marked Exhibit 5, which is a document entitled disclosure statement with respect to joint Chapter 11 plan of reorganization for Jennifer Convertibles, Inc. and its affiliated debtors dated November 19, deficiencies for the year ended August 29, 2009, which was at or about the time that Hartsdale was negotiating the sublease for the premises, correct? A Correct. Q Did Hartsdale have working capital deficiencies at that time? A I don't believe so. Q The paragraph that I was just	14		(Whereupon, a disclosure	14	other affiliated debtor. That sentence, from the
MS. POLLACK: For 17 which was at or about the time that Hartsdale was identification purposes, we have 18 negotiating the sublease for the premises, 19 marked Exhibit 5, which is a document 20 entitled disclosure statement with 20 A Correct. 21 respect to joint Chapter 11 plan 22 of reorganization for Jennifer 23 Convertibles, Inc. and its 24 affiliated debtors dated November 19, 24 Q The paragraph that I was just	15		statement was marked as Exhibit 5,	15	disclosure statement, speaks of working capital
identification purposes, we have marked Exhibit 5, which is a document entitled disclosure statement with respect to joint Chapter 11 plan of reorganization for Jennifer Convertibles, Inc. and its affiliated debtors dated November 19, identification purposes, we have 18 negotiating the sublease for the premises, correct? 20 A Correct. 21 Q Did Hartsdale have working capital deficiencies at that time? 23 A I don't believe so. Q The paragraph that I was just	16		for identification, as of this date.)	16	deficiencies for the year ended August 29, 2009,
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respect to joint Chapter 11 plan 20 of reorganization for Jennifer 21 deficiencies at that time? 22 Convertibles, Inc. and its 23 A I don't believe so. 24 affiliated debtors dated November 19, 26 Q The paragraph that I was just	19		marked Exhibit 5, which is a document	19	correct?
of reorganization for Jennifer Convertibles, Inc. and its affiliated debtors dated November 19, 22 deficiencies at that time? 23 A I don't believe so. 24 Q The paragraph that I was just	20		entitled disclosure statement with	20	A Correct.
23 Convertibles, Inc. and its 24 affiliated debtors dated November 19, 25 A I don't believe so. 26 Paragraph that I was just	21		respect to joint Chapter 11 plan	21	Q Did Hartsdale have working capital
24 affiliated debtors dated November 19, 24 Q The paragraph that I was just	22		of reorganization for Jennifer	22	deficiencies at that time?
	23		Convertibles, Inc. and its	23	A I don't believe so.
25 2010. For the record, I note that 25 referring to continues to state you, in an effort	24		affiliated debtors dated November 19,	24	Q The paragraph that I was just
	25		2010. For the record, I note that	25	referring to continues to state you, in an effort

23		
25	2010. For the record, I note that	25 referring to continues to state you, in an effort
	SE 70	PAGE 72
1	Edward Seidner 70	1 Edward Seidner 72
2	the exhibits that were attached to	2 to address their liquidity needs, the debtors
3	this disclosure statement has filed	3 implemented cost cutting programs, including
4	with the bankruptcy court are not	4 store closings, termination of personnel, salary
5	attached to Exhibit 5.	5 reductions for certain executive officers and
6	Q Have you seen this document before?	6 renegotiations of lease agreements. Is that an
7	A I have.	7 accurate statement, to the best of your
8	Q Did you assist in the preparation of	8 knowledge?
9	this document in any respect?	9 A Yes.
10	A I would have to review the document	10 Q Did you participate in the
11	again to give you an accurate answer. My	11 renegotiation of the lease agreement that's
12	educated guess would be in some form or another I	12 referred to in that sentence?
13	was contacted from a real estate standpoint to	13 A Yes.
14	assist so as much as I'm not trying to be the	14 Q But at the time of this cost cutting
15	answer is I would think so.	15 and the lease renegotiations, to pair it down,
16	Q It's possible that you gave	16 Hartsdale entered into the sublease with TMCC
17	information to somebody at Hartsdale or Jennifer	17 . which required at that time payments of \$52,000
18	or counsel to use, at some point some form was	18 per month, correct?
19	used in the representation of this document?	19 MS. HOLLOMAN: Objection to
20	A I would think so, yes.	20 the form.
21	Q If you could please turn to page 26	21 A Yes.
22	of the disclosure statement. The top of the page	22 Q Did Hartsdale have the financial
23	says article three events leading to this Chapter	23 wherewithal to make the payments at the time it
24	11 case, and there's a paragraph 3.01, which is	24 entered into the lease?
25	pre-petition events. Do you see that?	25 A Yes.

	SHEET 19 PAGE 73		PAGE 75
1	Edward Seidner 73	1	Edward Seidner 75
2	Q Did Hartsdale have an intention to	2	Q And Hartsdale entered the sublease
3	pay its obligations under the sublease at the	3	with the knowledge that at that time \$52,000 a
4	time it entered into the sublease?	4	month would have to be paid under the sublease,
5	A Of course.	5	correct?
6	Q At any time during your negotiations	6	A That is correct.
7	of the sublease with Mr. McCrystal, did you	7	Q And with knowledge that those amounts
8	advise Mr. McCrystal of the debtor's financial	8	would increase over time?
9	problems?	9	MS. HOLLOMAN: Objection to
10	MS. HOLLOMAN: Objection to	10	the form.
11	the form.	11	A Yes, but let me appropriately point
12	A Yes.	12	out, that if you notice the schedule, Exhibit 4,
13	Q What did you advise Mr. McCrystal?	13	the payments, to be more accurate again, as I
14	A Mr. McCrystal and I had the luxury of	14	must stress, honest and appropriately, the vig
15	both being in the retail franchise for years as	15	payments went from \$20,000 to \$18,000 for several
16	was his father, so he was a retail furniture	16	years, and the reason for that \$2,000 reduction
17	business, and me being the business for over 30	17	per month for so many years was Mr. McCrystal
18	years, it was easy to discuss the economy and the	18	paying us back \$100,000 that we lent him in order
19	play it had on the debilitating effect on the	19	for him to move from one location to the other.
20	furniture industry, so Mr. McCrystal was hurting	20	Q And Hartsdale did not sign a
21	badly as he described to me, and I was telling	21	promissory note for Mr. M¢Crystal for any of the
22	him that although we were not in a perilous	22	what you call vig, correct?
23	condition, we enjoyed the luxury of opening up	23	A No.
24	when stores which were a tremendous benefit to	24	Q Again, using your term vig, is only
25	the company as a whole.	25	provided for in the lease, correct? The payment
	PACE 74		PAGE 76

24	when stores which were a tremendous benefit to	24	Q Again, using your term vig, is only		
25	the company as a whole.	25	provided for in the lease, correct? The payment		
PAGE	C 74		PAGE 76		
1	Edward Seidner 74	1	Edward Seidner 76		
2	Q Am I correct in understanding that	2	of that amount, the payment of the amounts to ${\sf GMM}$		
3	the Ashley stores are more profitable than the	3	are provided for only in the sublease, correct,		
4	Jennifer Convertible stores?	4	and in no other document?		
5	A Overall, yes.	5	MS. HOLLOMAN: Objection to		
6	Q Again, you would not have entered	6	the form.		
7	into the sublease if you thought it would turn	7	A It is provided for in the sublease,		
8	out to be too onerous, correct?	8	correct.		
9	A No, I would not. However, it was	9	MS. POLLACK: I'm going to		
10	clearly understood between Mr. McCrystal, who	10	take a few minutes.		
11	viewed it as a lottery ticket, so to speak, if	11	(Whereupon, a discussion was		
12	you allow me to use that term, and our senior	12	held off the record.)		
13	management team, that top dollar was being paid	13	Q Mr. Seidner, do you know when the		
14	for that location between the vig and the fixed	14	payments required under the sublease are due to		
15	rent.	15	be paid?		
16	Q But Hartsdale was willing to pay top	16	A They're due to be paid the first of		
17	dollar at that time, correct?	17	the month. There's a grace period but they're		
18	A Correct.	18	due be paid the first of the month.		
19	Q You negotiated in fact to pay top	19	Q Do you know what the grace period is?		
20	dollar, correct?	20	A Depends on the lease.		
21	A Correct.	21	Q Do you know what the grace period is		
22	Q You, Hartsdale, wouldn't have signed,	22	on the sublease?		
23	entered into the sublease, if you were not	23	A I don't.		
24	satisfied with the terms at that time, correct?	24	Q Has any payments been made for		
25	A That is correct.	25	December of 2010 to Mr. McCrystal in connection		

	SHEET 20 PAGE 77		PAGE 79
1	Edward Seidner 77	1	Edward Seidner 79
2	with the sublease?	2	CERTIFICATION
3	A Yes. The rent was paid.	3	
4	Q When was it paid?	4	I, Debra Gumpel, a Shorthand Reporter and
5	A Just refresh my memory today. Today's	5	Notary Public in and for the State of New York,
6	date is the eighth. Today is Wednesday, the	6	do hereby certify:
7	eighth. I signed the check, first thing Monday	7	That the testimony of EDWARD B. SEIDNER,
8	morning, the sixth.	8	was held before me at the aforementioned time and
9	Q Do you know if it was sent out	9	place.
10	Monday?	10	That said witness was duly sworn before the
11	A Yes.	11	commencement of the testimony and that the
12	MS. POLLACK: I have no	12	testimony was taken stenographically by me and is
13	further questions.	13	a true and accurate transcription of my
14	MS. HOLLOMAN: There will be	14	stenographic notes.
15	no cross at this time.	15	I further certify that I am not related to
16	(Time noted: 1:05 p.m.)	16	any of the parties to the action by blood or
17		17	marriage and that I am in no way interested in
18	POWER AT CELL DATE.	18	the outcome of this matter.
19	EDWARD B. SEIDNÉR	19	IN WITNESS WHEREOF, I have hereunto set my
20	Subscribed and sworn to before me this day of, 2010.	20	hand this day of, 2010.
21		21	
22	Notary Public	22	
23		23	Debra Gumpel
24		24	000
25		25	and the same of th
	PAGE 78		

ı	1	11102			Edward	Seidner	78	
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