

IN THE CHANCERY COURT
FOR CAMPBELL COUNTY, TENNESSEE

DANIEL J. VALLE, ET AL,

Plaintiffs,

v.

No. 7CH1-2019-CV-237

FIELDS DEVELOPMENT
COMPANY, INC., ET AL,

Defendants.

DEPOSITION OF PAULA RAE LEJEUNE

June 27, 2023

Reporter: Todd Humble, LCR

APPEARANCES OF COUNSEL:

For the Plaintiffs:

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I N D E X

THE WITNESS: PAULA RAE LEJEUNE

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The deposition of PAULA RAE LEJEUNE, called as a witness at the instance of the Plaintiffs, for purposes of discovery, pursuant to the applicable sections of Tennessee Rules of Civil Procedure, taken by agreement on June 27, 2023, before Todd Humble, Licensed Court Reporter and Notary Public, at the Hilton Garden Inn, 6200 Papermill Drive, Knoxville, Tennessee, pursuant to the stipulation of counsel.

STIPULATIONS

It being agreed that Todd Humble, Licensed Court Reporter and Notary Public, may swear the witness, report the deposition in machine shorthand, afterwards reducing the same to typewriting.

All objections except as to the form of the question are reserved to on or before the hearing.

It being further agreed that all formalities as to notice, caption, certificate, transmission, et cetera, including the reading of the completed deposition by the witness and the signature of the witness, are expressly waived.

1 VIDEOGRAPHER: Okay, we're on the
2 record. The time on the camera is 9:07. You
3 may swear the witness.

4 COURT REPORTER: I will ask you raise
5 your right hand, please. Do you solemnly
6 swear or affirm the testimony you're about to
7 give will be the truth, the whole truth,
8 nothing but the truth so help you God?

9 THE WITNESS: Yes, I do.

10 COURT REPORTER: Let's start with
11 Preston and go that way with the
12 identification, please.

13 MR. HAWKINS: This is Preston Hawkins.
14 I represent the Defendants in this case.

15 MR. LEJEUNE: Marc LeJeune.

16 MR. FIELDS: Scott Fields.

17 MR. VALLE: Dan Valle.

18 MR. WILKIN: Bob Wilkin.

19 MS. SERGENT: Georgia Sergent.

20 MS. SATZGER: Kim Satzger.

21 MR. HURLEY: My name is Scott Hurley
22 and I represent the Plaintiffs in this case.

23 PAULA RAE LEJEUNE,
24 called as a witness at the instance of the Plaintiffs,
25 having first been duly sworn, was examined and deposed

1 as follows:

2 EXAMINATION

3 BY MR. HURLEY:

4 Q Would you state your full name for the
5 record, please?

6 A Paula Rae Fields LeJeune.

7 Q And Ms. Lejeune, have you ever given a
8 deposition before?

9 A No, I have not.

10 Q Okay. Well, I am Scott Hurley. We
11 met formally just a few minutes ago as you came in and I
12 do represent the Plaintiffs in this case. Today we're
13 giving what is called a deposition, and you have not
14 given one before?

15 A I have not.

16 Q So you've got an outstanding attorney
17 and I'm sure he's explained this process to you, but let
18 me mention just a couple of things here at the start.

19 I'm going to be asking you questions
20 today for the purpose of trying to learn some things
21 about this case and especially from the Defendants'
22 perspective. If any of the questions that I ask you
23 today are unclear or if they don't make sense to you,
24 will you stop me and let me know?

25 A Yes.

1 Q And I'll try to rephrase or repeat or
2 we'll work on it until we're on the same page, okay?

3 A Okay.

4 Q Secondly, if during the deposition you
5 need a break to go to the restroom, to get a drink of
6 water -- we've got some water set up over here and I
7 think there's some coffee just outside the door, so if
8 you need a break at any time to do that don't be
9 uncomfortable, let me know, and we'll accommodate that,
10 okay?

11 A Okay.

12 Q Third, during my questioning today, if
13 it comes to your mind that there's some kind of document
14 that exists that would help you or assist you in
15 answering the question, if you will tell me that, if
16 we've got it, we'll try to look it up and make it
17 available at some point so that you can refer to it,
18 okay?

19 A Okay.

20 Q And then finally, you were sworn at
21 the start of this procedure today, and a deposition is
22 the giving of official testimony just as if you were
23 sitting in a courtroom with the Judge nearby, and you
24 understand that, correct?

25 A Yes.

1 Q So during the questioning today you do
2 understand that your questioning -- the answers that you
3 give will be under oath to the questions that you're
4 given?

5 A Yes.

6 Q All right, okay. You reside, as I
7 understand it, in Deerfield; is that correct?

8 A Yes.

9 Q And how long have you lived there?

10 A Since 1989.

11 Q All right. And you might want to
12 speak up just a little bit for all of us. This is a big
13 room and it kind of swallows noise because of that. So
14 just speak up as best you can.

15 One other thing, and I do this, if I'm
16 doing this you let me know and I'll let you know
17 otherwise, we here in East Tennessee in particular have
18 a practice sometimes of saying uh-huh and huh-uh or just
19 answering with head nods. So if I'm doing that with
20 you, you let me know. If you're doing that I'll let you
21 know because it's very important for the court reporter
22 to be able to get down an actual answer so that he's got
23 that correct, and sometimes uh-huh and huh-uh is hard to
24 distinguish, okay?

25 A Okay.

1 Q Just to touch on one thing early on
2 since I mentioned you're living in Deerfield. It's my
3 understanding that there is a larger tract of property
4 of some 80 some acres that has recently been acquired
5 that adjoins or touches part of Deerfield, and that that
6 acquisition has been by you and your husband or perhaps
7 some entity in your name; is that correct?

8 A That's correct.

9 Q And have you all acquired that parcel
10 individually or did you acquire it through an entity
11 that you had formed?

12 A For now it's individual.

13 Q Individual, okay. And I have had the
14 chance to talk with your attorney about that just a
15 little bit. It's my understanding from what I have
16 learned that it is not your intention at this time to
17 develop that as some type of residential community,
18 other than you and your husband having a personal
19 residence on that tract?

20 A That is our plan at this time.

21 Q Okay. And it would be your intention
22 then, as I understand it, to move from the location that
23 you currently reside at to that home once it's built --
24 has it been started?

25 A No.

1 Q -- at some point in time in the
2 future; is that correct?

3 A Probably.

4 Q Okay, all right. Is there a plan for
5 that parcel, which I've not been up there and I've not
6 seen it, is there a plan for that parcel to be connected
7 to the road network of Deerfield Resort as we know it?

8 A We plan to have a driveway coming off
9 of the Deerfield Road to our house so that we can come
10 back and forth. We have a hangar at the airstrip.

11 Q Right.

12 A So we plan to access our hangar
13 through that property where it adjoins.

14 Q Okay, all right. So it would be a
15 driveway off of Deerfield Lane?

16 A Airstrip Road.

17 Q Airstrip Road, okay.

18 A With a gate, we would have a gate
19 there.

20 Q Okay. For entry to the residence
21 area?

22 A Right, to keep people from driving on
23 it.

24 Q Okay, all right. Is there any present
25 plan as to the timing of the construction of that home?

1 A Probably within the year.

2 Q Okay. But no other, other than
3 perhaps some appurtenant or accessory outbuildings,
4 garages, storage buildings, or things of that nature, no
5 other type of residences other than one personal
6 residence?

7 A Not that we plan at this time, but
8 it's private property so we might do something
9 different.

10 Q Will there be any intention to make
11 that property part of what we know as Deerfield Resort?

12 A That's not our plan.

13 Q Okay. I want to talk with you just a
14 minute about Deerfield Resort, and when I use the phrase
15 Deerfield Resort, I'm referring to the residential,
16 generally residential community in Campbell County that
17 consists of a large residential development with a lot
18 of lots for homes. As I understand it, there are also
19 -- there is property that is dedicated to condominiums,
20 there are small or tiny homes on some parcels. Are
21 there villas?

22 A There's -- I mean we call them villas.
23 I don't know that there's an official designation as
24 villas, but that's what we call the homes in Deerfield
25 Village.

1 Q Okay, Deer Hill Village?

2 A Uh-huh.

3 Q And then there is an airstrip there?

4 A Yes.

5 Q That also has along the airstrip
6 various hangars that house airplanes and related parts
7 and equipment and things of that nature, correct?

8 A Correct.

9 Q There are, and we'll talk about this a
10 little later, a very few properties that have commercial
11 type buildings or businesses on them, correct?

12 A That's correct.

13 Q But we can collectively, can you and I
14 today collectively, when we say Deerfield Resort, what
15 we've just discussed, residential homes, villas, the
16 condos, the tiny homes, the airstrip and hangars, we're
17 talking about Deerfield Resort, correct?

18 A Correct.

19 Q Can we also agree today, and as I've
20 gotten to get familiar with this case and go through a
21 lot of documents, I see a lot of references to
22 statements that Deerfield Resort is a private community;
23 would you agree with that statement?

24 A I would agree with that statement
25 because we have -- our roads are not maintained by the

1 county. Our roadways are not maintained. In the past
2 we had a gate, but it's not functional at this point, so
3 --

4 Q I've been up there a few times and as
5 you approach the Deerfield area there is what I would
6 kind of designate as an entrance area.

7 A Yes.

8 Q There's a sign there, correct, that
9 has Deerfield on it?

10 A That's correct.

11 Q There is a guard shack there, for lack
12 of a better term. Is that the way you refer to it?

13 A Yes.

14 Q The guard shack. And there are there
15 at the guard shack arms or mechanisms that if operating
16 and operational --

17 A No.

18 Q They're not there?

19 A No.

20 Q They're not there, okay.

21 A There's nothing to block the entrance
22 at this time.

23 Q Okay. Were those items there
24 previously?

25 A We had a gate many years ago. It's

1 been a long time since we've had that.

2 Q But now it is not, while it's a
3 private community, it's not formally a gated community?

4 A Technically.

5 Q All right. And with the guard shack
6 there, are there times when the guard shack is actually
7 occupied by security type personnel?

8 A Yes.

9 Q Can you give me a general indication
10 as to the timeframes? I mean, is it 24/7, is it
11 weekdays, is it weekends? Give me a general indication
12 of when that guard shack is actually occupied by someone
13 serving in some type of security capacity.

14 A Monday through Fridays there's someone
15 there ten hours a day, usually 7:00 a.m. to -- 7:00 p.m.
16 to 5:00 a.m., and on Saturdays and Sundays then there's
17 someone there throughout the day as well on weekend days
18 during high traffic time.

19 Q Let me make sure I heard that right.
20 During the weekdays it's kind of a nighttime occupation
21 of the guard shack and generally starting about 7:00
22 p.m.?

23 A Typically. In the wintertime it will
24 be 6:00 p.m.

25 Q It gets dark earlier. And then

1 continuing on until approximately 5:00 a.m. in the
2 mornings?

3 A Yes.

4 Q But during what we would generally
5 call the daylight hours on weekdays it's not occupied?

6 A Correct.

7 Q And then on weekends we have a
8 situation where it is occupied.

9 A Typically 8:00 or 9:00 a.m. until the
10 nighttime guard comes on. So there's about a two hour
11 gap in the morning when there isn't someone there on
12 Saturday or Sunday.

13 Q And that gap would typically be from
14 about 5:00 a.m. to 7:00 or 8:00 a.m.?

15 A Right. The guards run in ten hour
16 shifts.

17 Q And when the guard shack is occupied
18 by someone in a security type role, is it just one
19 person that's there or more than one person?

20 A It's supposed to be just one. We just
21 hire one per shift.

22 Q One at a time. Now, when the guard
23 goes into the guard shack to fulfill his or her duties
24 there, I would assume that the guard shack, number one,
25 has electricity to it?

1 A Yes.

2 Q And does it have any type of
3 communication system or just cell phones used?

4 A It has a telephone and internet.

5 Q So there's telephone, internet,
6 electricity there for communication purposes if needed
7 for any reason. And is that guard shack and the costs
8 that are associated with the electricity that's provided
9 to it, the internet that's provided to it, the phone
10 service provided to it, I would assume, and you correct
11 me if I'm wrong, that those costs are part of the costs
12 that are absorbed by the security and maintenance funds
13 that are kept by Deerfield?

14 A That's correct.

15 Q All right. Now, I did something just
16 now and I want to stop a second and mention this.
17 Sometimes I've read a lot of stuff. There's a long
18 history of Deerfield and it's a beautiful and impressive
19 community and I've studied it a lot over the last few
20 months. Sometimes I will say I'm assuming or I have
21 assumed, or would you agree with me, and I'll state a
22 fact and ask you if that's true. I'm not trying to get
23 you to agree with me. If I'm wrong you tell me, okay?

24 A Okay.

25 Q But sometimes that helps us make what

1 might be many, many hours a much shorter deposition, if
2 I can just do that some during the day, but I want you
3 to feel free at any time, if I misstate something, you
4 let me know.

5 A Okay.

6 Q All right. My goal today is to learn.
7 My goal today is to get information. One of my goals
8 today is to make sure that I'm not mistaken about any
9 information, and one of my goals today is to let you, on
10 behalf of the Defendants, tell your perspective of
11 Deerfield and of this case. I want you to be able to
12 feel free to do that, okay?

13 A Okay.

14 Q All right. Who started Deerfield?

15 A My father, Paul Fields, and my mother,
16 Madeline Fields.

17 Q When did they start it?

18 A Approximately 1988 -- '85.

19 Q All right, and that's fine. Sometimes
20 we don't know something, there may be somebody in the
21 room that does. I don't have a problem with that. I
22 just want it to be your testimony --

23 A Right.

24 Q Today. So there will be a time when I
25 get a chance to depose Scott Fields who is here, and

1 also your husband, Marc, who is here. But getting the
2 information is fine today, so that was okay.

3 A Right.

4 Q So starting in about 1985, you said?

5 A Yes.

6 Q At the time that it was started as a
7 community that had some residential construction first
8 starting, had your father already bought all of the real
9 estate that we know as Deerfield Resort or did he
10 acquire parcels over time as residential construction
11 started and grew?

12 A To the best of my recollection, he
13 bought the original parcel from Sam Claiborne, but that
14 did not extend to the guard house and what is part of
15 the golf course. So within a very -- at the very early
16 stages he purchased that from one of the Chapmans, I
17 think, and that was pretty early on. And then around
18 2000 he purchased what we call the Deer Hill section
19 from Carlot Myers.

20 Q Okay. So it sounds like two or three
21 different purchases or acquisitions, three or four maybe
22 purchases and acquisitions of property that now
23 constitute what we are referring to as Deerfield Resort,
24 correct?

25 A Correct.

1 Q Were you always involved in the
2 business from the very inception or did you get involved
3 at some point later on?

4 A I moved back from school in May of
5 1989 and I have been involved to some extent for the
6 most part since then.

7 Q What school did you go to?

8 A Vanderbilt.

9 Q And did you graduate there?

10 A I did.

11 Q And what kind of degree?

12 A Psychology and human development.

13 Q And what year did you finish at
14 Vanderbilt?

15 A 1989.

16 Q So once you finished there, the
17 starting of Deerfield Resort would have preceded you
18 about four years. So it was going on while you were
19 down in Nashville, correct?

20 A Correct.

21 Q And when you finished and had your
22 degree in psychology in 1989, you came back to Campbell
23 County?

24 A Yes.

25 Q And did you start working, I'm going

1 to say for Deerfield, for the resort or the furtherance
2 of the resort at that time?

3 A Yes, I did.

4 Q And when you came back in 1989, did
5 you work full-time?

6 A Yes.

7 Q Have you continued to work full-time
8 for or about Deerfield since 1989?

9 A There was a period from about 2000 to
10 2010 where I was not in the office every day, but I
11 still worked from home some, but I would still call that
12 full-time because we were always on call. We always
13 worked nights and all holidays.

14 Q So from 1989 until approximately 2000,
15 you were working absolutely full-time, getting up and
16 going to work, so to speak, every day. From 2000 until
17 about 2010, you worked from home some, correct?

18 A Right.

19 Q Did you consider yourself still a
20 full-time employee during that timeframe?

21 A Yes.

22 Q 2000 to 2010?

23 A Yes. I don't think I was taking any
24 sort of salary from that time period, if I recall
25 correctly, but I still worked for Deerfield.

1 Q Okay. And then from 2010 to the
2 present have you worked full-time related to Deerfield?

3 A Yes. I would say I'm not full-time in
4 the office, but I would say it's very full-time. When
5 we say full-time, that's not 40 hours for us. That's 60
6 or 70 hours, so that's the minimum.

7 Q I'm kind of the same way. I
8 understand the concept. When you first came back to
9 Campbell County from Vanderbilt in 1989, what position
10 did you have, what was your job title?

11 A My very first job title was -- I was
12 just helping with the community and the resort, but then
13 pretty early on they put me in the rental program. They
14 had a vacation rental business that was separate from
15 Deerfield and I pretty much worked there until around
16 1998, 1999, somewhere in that timeframe.

17 Q What was the vacation rental business
18 called?

19 A I think they just called it Deerfield
20 Rentals. I don't really recall.

21 Q Was the rental business related
22 exclusively to rentals at Deerfield or did it include --

23 A Only in Deerfield.

24 Q Only in Deerfield. And this gives me
25 an opportunity to ask you a couple of other questions

1 down a little bit of a different path and then we'll
2 come back to your job duties. When we talk about
3 Deerfield Resort, I think synonymous with Deerfield
4 Resort for many, many people is the Fields family name
5 and it's my understanding -- would you agree to that?

6 A I wouldn't know.

7 Q Your father and your mother, and I
8 believe your uncle has also had some involvement. He
9 has the golf course; does he not?

10 A Correct.

11 Q Is the golf course part of Deerfield
12 Resort?

13 A We don't know. We've been discussing
14 that. We would say yes, that the original plat included
15 that so that it would be part of Deerfield, but that is
16 something that is in discussion at this time.

17 Q Okay. And so there was your father,
18 Paul, your mother, Madeline, and your uncle is Jim; is
19 that correct?

20 A Uh-huh.

21 Q Any other family members that were
22 owners or involved in the development of the Deerfield
23 concept?

24 A Well, Jim's wife, Diane.

25 Q Okay, Jim and Diane. Any other family

1 members?

2 A No.

3 Q Any other non-family members that were
4 originally owners of Deerfield, or originally owners of
5 parts of it?

6 A No, he's not had any other partners --
7 oh, Elmer Hoskins.

8 Q Elmer Hoskins?

9 A Yes. He did have Elmer Hoskins as a
10 partner and that was before Jim came in.

11 Q So that was back very early?

12 A Very early.

13 Q And do you know about when Elmer
14 Hoskins would have ceased to be in any ownership
15 capacity related to Deerfield?

16 A I just know that Jim came on when they
17 were building the golf course and that was in the early
18 '90s. So I would think Elmer would have been gone at
19 least before 1992.

20 Q Okay. So in the first, less than the
21 first decade, he was already out and since that time
22 it's been your father and your mother and perhaps Jim
23 and Diane, but that's been the ownership, so to speak?

24 A Correct.

25 Q In addition to what I would call the

1 umbrella, Deerfield Resort, it's my understanding that
2 there are a number of companies that are owned or
3 operated by various of your family members, and I want
4 to talk about those for just a second and then we're
5 going to go back to your duties with the companies. As
6 I understand it, there is a company called Fields
7 Development Company, Incorporated, correct?

8 A Correct.

9 Q Now, what does it do?

10 A That has been the development company.
11 It's my understanding that is the company that at least,
12 from the initial purchase from Sam Claiborne, I'm not
13 sure if that was in the name of Paul and Madeline or if
14 it was always in Fields Development, but that was the
15 primary development company from the inception.

16 Q All right. And I'm going to ask you
17 questions today that many of the questions I don't now
18 the answer to, some of them I may think I know the
19 answer to, but I need to find somebody that knows more
20 than I do about it, okay. So I'm going to come to one
21 of those questions right now.

22 The actual ownership of the dirt, the
23 land, the lots, as they ended up being subdivided, who
24 owned or owns the dirt that was being developed?

25 A Fields Development Company.

1 Q Okay. So Fields Development Company
2 was actually the ownership vehicle and the development
3 company, generally speaking, for Deerfield Resort,
4 correct?

5 A Correct.

6 Q When we go back then and look at the
7 history of deeds, and as Deerfield Resort moved from
8 being the dream of your father and mother to them
9 actually owning the real estate, and then it moved even
10 further in them starting to sell the real estate to
11 people who would build homes there, typically speaking,
12 the sale of a piece of real estate to an individual or a
13 family would be from Fields Development Company to
14 whoever it was that was buying a piece of that property
15 to build their home on?

16 A That's my understanding from my
17 recollection of deeds that I have seen.

18 Q Okay. Are you familiar with any other
19 development company, holding company, real estate
20 holding company, or other entity that would have held
21 part of the property for the purpose of developing it or
22 selling it to individuals that would come to Campbell
23 County to buy land?

24 A You mean once we have established what
25 is Deerfield?

1 Q Yes.

2 A I think -- did Fields Real Estate buy
3 -- there's a possibility, I don't remember for sure,
4 that the new parcel, the Deerfield area in 2000, it's
5 possible that that was Fields Real Estate, but I cannot
6 remember for sure.

7 Q Okay. And we'll come to Fields Real
8 Estate in just a moment, okay?

9 A Okay.

10 Q That's kind of on my list to also ask
11 you about. So Fields Development Company then as the
12 developer of the real estate there at Deerfield owned
13 the dirt and typically would sell the dirt, or the lots,
14 or the properties to individuals who were interested in
15 coming in and buying land within Deerfield Resort,
16 perhaps building a home, whatever their plans were.

17 A Correct.

18 Q Was there any requirement, based on
19 your knowledge, and I know part of this was going on
20 while you were in Nashville, but based on your
21 knowledge, was there any requirement if Scott Hurley
22 came to Campbell County and bought a piece of property
23 at Deerfield that I had to or was required to construct
24 a residence or a home within a given timeframe?

25 A No, there's no time limit.

1 Q So, if I just wanted to come and buy a
2 lot and kind of, maybe I was just speculating on the
3 land, or I just wanted to have a lot up there close to
4 the lake and just own it and let it sit there, I could
5 do that?

6 A Yes.

7 Q But it looks like over the years many
8 people chose to build there?

9 A Correct.

10 Q Do you know how many homes there are
11 within what we call Deerfield Resort as of now, and I'm
12 not asking for an exact number unless you know it, but
13 just an approximation?

14 A I don't know it off the top of my
15 head. I know that when we were putting together the
16 list we were separating out what were homes, what were
17 condos, hangars, but I just don't recall from memory
18 what those numbers are.

19 Q Okay. Now, I have seen various
20 documents during my involvement in this case where there
21 has been indications as to the number of lots and, of
22 course, over time it varies. More people buy, some
23 people sell, that type of thing's always going on, but
24 I've seen numbers I believe in the 700s, I've seen some
25 numbers in the 800s. I think maybe the most recent

1 numbers that I've seen are in the 990s, just short of a
2 thousand. Does all that sound generally familiar to
3 you?

4 A Yes, it does.

5 Q And would it be your belief as you sit
6 here today, without getting tied down to an exact
7 number, that in all likelihood there is somewhere close
8 to a thousand separate divided lots in Deerfield?

9 A It seems to me that the last number we
10 came up with was around 992, 993.

11 Q I saw that number in some of the
12 documentation. I believe that came from right around
13 maybe August of last year, 2022.

14 A Correct.

15 Q Does that sound familiar?

16 A Yes, it does.

17 Q And as I understand it, when we talk
18 about approximately 992 lots, those lots may be owned in
19 some instances by one person owning multiple lots?

20 A Yes.

21 Q Or an entity owning multiple lots,
22 correct?

23 A That's correct.

24 Q Did Fields Development do any of the
25 building of homes for purchasers of lots at Deerfield,

1 itself acting as the builder or the contractor?

2 A In the very early stages there were
3 probably a couple of spec homes they would call them,
4 just to get some activity going, but I can't say that
5 that was under Fields Developments. Most likely that
6 was probably personally in Paul and Madeline Fields.

7 Q Okay. Your father and mother would
8 serve, perhaps if somebody needed a contractor they
9 might take on the task of building the home for them?

10 A No, no, they were never a contractor.

11 Q Okay.

12 A They would just maybe hire a
13 contractor to build the home to sell, but they tried not
14 to do that.

15 Q Was there ever a requirement, to your
16 knowledge at any time that if I came to Deerfield and
17 bought a lot for the purpose of building a vacation home
18 or a permanent residence there that I was required to
19 use any particular builder?

20 A No.

21 Q Or any particular type of building
22 plan?

23 A No. There was some minimum square
24 footage requirements, but there was no restrictions on
25 who could be used or any sort of style floor plan.

1 Q I've been around a lot of developments
2 where there were those types of restrictions, and the
3 folks that would come into the subdivision were told
4 here's an approved contractor's list. To your
5 knowledge, there was never such a thing at Deerfield?

6 A We have a vendors list that we would
7 put out for anything people asked for in the community,
8 window washing, grass mowing, and they would have
9 builders that they've not had complaints about on that
10 list. So there would usually be three or four names,
11 maybe five at the most. And they would also have a
12 different set of people who would do remodeling or that
13 sort of thing.

14 Q But there was never an absolute
15 requirement that someone use the names from that list?

16 A No.

17 Q And was there ever any arrangement by
18 which if one of those builders or contractors or
19 renovators was used, that they paid money to Fields
20 Development or to your mother or father as a result of
21 that referral or that connection?

22 A Never.

23 Q That was always a solely, absolutely
24 independent type thing?

25 A That's correct.

1 Q All right. I think I know the answer
2 to this, but let me ask you just to be sure so I'm not
3 assuming too much. There is a phrase in the real estate
4 industry called spec homes or spec building and that's
5 where a developer, in addition to having a subdivision
6 where they're going to build property, they come in and
7 they'll take some of those lots and they'll build what
8 we call a spec home or a speculation home. They don't
9 necessarily have a buyer for it when they start, but
10 they're building one on the hope that someone will come
11 and buy that home. Did Fields Developments do any of
12 that?

13 A They did the condominium buildings
14 that we called A, B, C, and D and I assume those were
15 Fields Development, but I don't know for sure. By the
16 time they did the Skyline Condos, I think that may have
17 been Fields Development as well. That could have
18 possibly been Paul and Madeline Fields.

19 Q So you believe, you're not absolutely
20 certain, that condo buildings A, B, C, and D were
21 developed by Fields Development?

22 A I believe.

23 Q And you believe that those condos were
24 built without necessarily having a buyer ready for every
25 unit?

1 A Correct.

2 Q And those sales of those condos
3 happened over time, maybe some during the
4 preconstruction, some during construction, and some
5 after?

6 A Correct.

7 Q You believe that the Skyline Condos --
8 which is a separate condominium project, correct?

9 A It's still part of the Condo
10 Association though. It's still in the Condo Association
11 umbrella, so --

12 Q Okay. They're under the same
13 Association umbrella?

14 A Right.

15 Q All right. And you believe that those
16 may have either been built by Fields Development or
17 possibly by your mother and father in their individual
18 names?

19 A Right. And then there was, I know of
20 one house on Deerfield Way that they built as a spec
21 home just to sell. If there's more, I don't remember.
22 That's the only one I can specifically recall.

23 Q Do you know which house that was or
24 who bought it?

25 A We call it the Fleet house. I think

1 Marty Baumhauer owns it now.

2 Q You call it the Fleet house, F-l-e-e-
3 t?

4 A Yes, but I think Baumhauer is the
5 current owner.

6 Q So we've got the buildings A, B, C,
7 and D, what we call the Skyline Condos; are there any
8 other condos up there?

9 A Not that Fields Development would have
10 built.

11 Q Okay. Are there other condos up there
12 that someone other Fields has built?

13 A There's what we call the Deer Lake
14 Condos. Those are the lakefront condominiums and my
15 husband, Marc, and I built those as Rae Alan Properties.

16 COURT REPORTER: What was the name of
17 the properties?

18 THE WITNESS: Rae Allen Properties.

19 Q R-a-e A-l-l-e-n?

20 A A-l-a-n.

21 Q A-l-a-n. And Rae Alan Properties is
22 you and your husband, Marc; is it an LLC or an Inc.?

23 A It's an LP.

24 Q An LP. And obviously those condos --
25 how many of them are there now?

1 A 52 or 54.

2 Q Those condos sit on dirt and at some
3 point did you and your husband through Rae Alan Condos,
4 LP purchase that dirt from Fields Development?

5 A We bought it from either Fields
6 Development or Fields Real Estate. That was another --
7 that was the original parcel of land owned by Sam
8 Claiborne and he held onto that land when he sold dad
9 the rest of Deerfield, and as he was aging he decided to
10 sell that as well.

11 Q So did he sell it first to Fields
12 Development or Fields Real Estate and then you and your
13 husband through your entity bought it from them?

14 A That's correct.

15 Q All right. And are you and your
16 husband the only owners of Rae Alan Properties?

17 A Well, the general partner is Lejeune
18 Custom Homes, his building company, it was one of his
19 older building companies.

20 Q So Lejeune Custom Homes, is that an
21 Inc. or an LP or --

22 A That's an Inc.

23 Q An Inc., okay. And who owns Lejeune
24 Custom Homes?

25 A Marc and Paula Lejeune.

1 Q And is Lejeune Custom Homes, has it
2 ever been one of those builders that might show up on
3 the builder's list that would be given to people who
4 would inquire about possible buyers?

5 A Yes.

6 Q And has Lejeune Custom Homes, Inc.
7 built a significant number of homes within Deerfield
8 Resort?

9 A I couldn't recall the exact number. I
10 wouldn't know if it's significant or not. I wouldn't
11 say it's anywhere up to half, but they've built custom
12 homes for people.

13 Q And when you said up to half, up to --

14 A No, I said would not be --

15 Q Would not be up to half?

16 A -- not even close to half.

17 Q Okay. Do you think it would be over a
18 hundred?

19 A I don't think so.

20 Q Something less than a hundred?

21 A Less than a hundred.

22 Q Any other condos at Deerfield?

23 A The Deerfield Village villas, those
24 are technically classified as condominiums.

25 Q Who owns that development?

1 A That is PARC Properties, P-A-R-C.

2 Q And who owns PARC Properties?

3 A Marc and Paula Lejeune, and there's
4 one other condominium building in Deerfield that was
5 just built by an individual. That wasn't the developer
6 for Lejeune Homes or Rae Alan.

7 Q Who was that person?

8 A His name is George Vincent.

9 Q Is that V-i-n-s-a-n-t?

10 A V-i-n-c-e-n-t.

11 Q How many units are in it
12 approximately?

13 A Six.

14 Q Did Mr. Vincent then buy a piece of
15 property?

16 A Yes.

17 Q And he had provided the announced
18 intention before he bought that he intended to build
19 some condos there?

20 A I'm not sure at what point he decided
21 to build condos. I just know that he originally bought
22 the parcel just as a purchase and then decided to build
23 some.

24 Q Did he have to get permission from
25 anyone to do that?

1 A Well, it was an agreement. So he
2 would have had permission from the developer in order to
3 allow him to do that, because the restrictions state
4 that if you have more than two acres you can subdivide.
5 Less than -- and you can have -- and that the square
6 footage minimum and it's not required if it's more than
7 two acres and it's going to be that sort of condominium
8 development. But otherwise, you can do it with the
9 permission of the developer. And so there was an
10 agreement and understanding and permission that he could
11 have put the condominium there.

12 Q So his building of the six unit
13 condominium complex, is it one single building?

14 A Yes, it is.

15 Q That was with the agreement of Fields
16 Development Company as the developer of Deerfield
17 Resort?

18 A Yes.

19 Q Did he pay anything extra or special
20 for that agreement other than just buying the dirt?

21 A He just bought the lot.

22 Q Okay. Any other condos?

23 A As far as my remembrance for what is
24 classified as a condominium, those are the only
25 structures that are classified as condominiums in

1 Deerfield.

2 Q All right. We will look later today
3 at various restrictions, sometimes called covenants and
4 restrictions, that have been in existence at Deerfield
5 for various times.

6 A Okay.

7 Q I think there was an original set
8 maybe in '90 -- excuse me, in '85 or '86, maybe one in
9 each of those years. There was one right around 2000,
10 an amended one, and then there was one around 2018, and
11 maybe another one. We'll look at them here shortly.

12 A Okay.

13 Q I've got copies of them. To your
14 knowledge, as you sit here today, are all of the condos,
15 all of the villas, all of the parcels of property that
16 would be occupied by what I would call multi-family
17 residential, more than one family living within a
18 building or complex, are all of those projects, to the
19 best of your knowledge as you sit here, in compliance
20 with the covenants and restrictions of Deerfield Resort?

21 A They all have equal requirements to be
22 under the restrictions, but again, as I just previously
23 mentioned, one thing that has been brought up on
24 Facebook is the square footage minimum requirements and
25 that does not apply if it's multi-housing, or if it's

1 condominiums, or if it has been anything that has been -
2 - two acres has been subdivided into a smaller section.
3 So any of the patio homes or villas or condominiums
4 would not be subject to those requirements. But
5 otherwise, they should all -- all of their deeds say
6 that they are under the restrictions of Deerfield
7 Resort.

8 Q As I understand your answer then, you
9 believe that all of those multi-family type structures
10 that have condos, villas, tiny homes, or whatever
11 they're referenced as would be within compliance with
12 the covenants and restrictions?

13 A Yes.

14 Q Okay. Any other types of properties,
15 parcels within Deerfield Resort, as we're referring to
16 it, that would be occupied by buildings that would have
17 multi-residential facilities within it?

18 A I don't know. There may be some other
19 duplexes within Deerfield, but nothing's coming to mind.
20 I can't recall anything like that. I don't know if we
21 have any situations where people are doing Airbnb out of
22 their basement, or a garage apartment, or something
23 along those lines, that's possible.

24 Q Is Airbnb and VRBO, for example,
25 within compliance with the covenants and restrictions as

1 you understand them to exist?

2 A To my recollection of the Deerfield
3 Resort restrictions there's no restriction that it has
4 to be managed by a Tennessee licensed management
5 company. That would be -- there are restrictions like
6 that in the condominiums in Deerfield Village, but
7 Deerfield itself, there's no restrictions against doing
8 self-managed rental properties.

9 Q Is there any restriction to your
10 knowledge of Deerfield Resort that restricts the parcels
11 to one residence per lot?

12 A Not that I'm aware of. I can't say
13 that because I know that a lot of -- not a lot of
14 people, but there have been instances where people have
15 built a separate garage and put an apartment above it
16 and there didn't ever seem to be any concern about that
17 sort of activity.

18 Q Are you aware of any instances where
19 people have built two residences on one lot?

20 A Well, there's one that I wasn't aware
21 of that I found when we were putting the list together,
22 Terry Swihart. I thought those were two separate lots
23 and two separate houses, or that he had divided the lot,
24 but it appears that it's two houses on one parcel.

25 Q You said that was Terry --

1 A Swihart, S-w-i-h-a-r-t.

2 Q Okay.

3 A And for the purposes of the list we
4 counted that as two parcels. It's my understanding he's
5 billed for both houses for as far as the security and
6 maintenance.

7 Q So he has been counted in that 992 or
8 three number as two lots and, to your knowledge, he's
9 actually paying as two?

10 A That's my understanding.

11 Q But you didn't know that the situation
12 actually existed of two residences on one lot until you
13 got to looking?

14 A I just assumed he had split the two
15 lots formally.

16 Q All right. And if someone buys a
17 parcel within Deerfield Resort and wishes to subdivide
18 it, obviously there can be requirements of the county or
19 the city or the state that a project is in. Deerfield
20 Resort is not in a city, is it?

21 A No.

22 Q It is in Campbell County though?

23 A Yes.

24 Q And if a lot within Deerfield Resort
25 is going to be subdivided, to the best of your

1 knowledge, is it required that the person that's going
2 to do the subdividing has to get the approval of some
3 government affiliated agency or group?

4 A They would have to have approval of
5 the Planning Commission.

6 Q For Campbell County?

7 A Campbell County. And the restrictions
8 say that you have to have held it for five years before
9 you subdivide it without the permission of the
10 developer, or you could do it sooner with the permission
11 of the developer.

12 Q So if I buy a parcel of property
13 that's capable of being subdivided, if I've held it for
14 less than five years, I need to come to the developer
15 and get the developer's approval?

16 A Correct.

17 Q If I've held it for more than five
18 years, then the developer approval is not required?

19 A That's my understanding --

20 Q However -- I didn't mean to interrupt
21 you. However, even if I'm outside the five year window,
22 I would still have to get the approval of the Campbell
23 County Planning Commission for that subdivision?

24 A Correct.

25 Q Now, any other parcels that have

1 multi-units on them? And I understand the VRBO, it's a
2 hot topic in the law now and we see that a lot of
3 places, but any other multi-resident units or parcels?

4 A Nothing is immediately coming to mind.
5 There's nothing I can think of.

6 Q So Fields Development as an entity
7 owned the real estate, generally speaking, at Deerfield
8 Resort, correct?

9 A Correct.

10 Q And it sold lots as time passed to
11 various purchasers?

12 A Yes.

13 Q Correct?

14 A Correct.

15 Q Now, you don't just put up a sign and
16 say I've got a resort and I want to sell lots. There's
17 a lot of stuff that has to be done to get there,
18 correct?

19 A Yes.

20 Q Roads have to be built in, correct?

21 A That's correct.

22 Q Lots of infrastructure has to occur.
23 For example, not only the roads have to be built in, but
24 things have to be done in order to get electrical
25 services inside the resort, right?

1 A Correct.

2 Q Telephone services inside the resort,
3 internet services, not in '85, but at least later inside
4 the resort. And was the developer, Fields Development
5 Company, responsible for all of that, what we call
6 infrastructure development?

7 A Yes.

8 Q And did Fields Development, to the
9 best of your knowledge, and I know some of this preceded
10 you coming back from Nashville, but did Fields
11 Development essentially pay to have that development
12 done?

13 A It depends on the service and what it
14 would be. They would have to pay the electric company
15 to run lines. I don't know if they had to pay them to
16 bring aboveground lines. I think it was only if it was
17 going to be underground. Not every street has
18 underground. Some streets have power poles. They ran
19 the waterlines themselves in-house.

20 Q They being?

21 A Fields Development Company.

22 Q Okay.

23 A They would have hired excavators to
24 grade the roads and then they would have hired a paving
25 company to pay for them.

1 Q Those things cost money. Did your
2 father and mother have sources of money, other than the
3 sale of lots and properties within Deerfield Resort, to
4 help pay for that work?

5 A The only thing I know is they had some
6 bank loans in the beginning and I don't know if those
7 were land loans or if those were construction loans,
8 infrastructure loans. I don't know.

9 Q All right. You weren't around
10 handling that at that time, correct?

11 A No.

12 Q But typically what developers do in a
13 situation like that is they acquire, and sometimes they
14 have to borrow money to acquire the dirt. And then
15 they've got a lot of infrastructure costs that they have
16 to absorb, the roads, the paving, the utilities being
17 brought in so that they have a product that they can
18 sell to people and sometimes they borrow money to do
19 that. Sometimes they may have money set aside to do
20 that, or they may have other businesses and sources of
21 income from which to take money to pay and absorb those
22 costs. Do you know in the situation of your parents
23 which of those it was?

24 A My understanding was that the sale of
25 the lots were paying for any loans or infrastructure

1 costs that they had.

2 Q So, as time went on, they had taken on
3 perhaps debt, or were doing some of the work themselves
4 and not necessarily getting paid for it as they did it,
5 but as lots would be sold they would take the proceeds
6 of those sales and pay down those loans and adjust
7 things for the investment that they had made in the
8 project, correct?

9 A I assume.

10 Q In looking at it and in having
11 developed a little bit of property myself, I know a
12 developer has a dream about a piece of property from
13 time to time. You look at it, you don't see it for what
14 it is. You see it for what it could be. And in looking
15 at Deerfield and in looking at all these documents, it
16 looks to me like your father had a dream for Deerfield
17 Resort.

18 A I would say he did.

19 Q And was your mother an active
20 participant in having and working on that dream?

21 A Yes, she was.

22 Q When did your father pass?

23 A 2016.

24 Q And as I understand it, after he
25 passed your mother was very actively involved, perhaps

1 the principal person involved in continuing to run the
2 business; is that correct?

3 A Correct.

4 Q And did so up until her passing and
5 when was that?

6 A 2021.

7 Q So she survived him by about five
8 years?

9 A Yes.

10 Q In the early years, and let me call
11 the early years 1985 to 1995, did either of your parents
12 have any other business, job, project, or anything that
13 generated income for them, to your knowledge, other than
14 Deerfield Resort?

15 A To the best of my recollection, they
16 were fully focused on Deerfield at that time.

17 Q There came a time when they did a have
18 a few other, maybe one or more other things though,
19 correct?

20 A Outside of Deerfield, I don't --

21 Q Did they ever have any involvement at
22 all in McCloud Mountain?

23 A Oh, they purchased that land some
24 years later. I would say in the mid '90s, with the
25 intent to develop it, but they didn't develop it until

1 about 2010.

2 Q I've been to McCloud Mountain for
3 beautiful views up there, just stunning views, and there
4 was a restaurant up there, correct?

5 A Correct.

6 Q And did your mother and father, or an
7 entity controlled by them, own and operate that
8 restaurant?

9 A Yes.

10 Q And do you know when it opened for
11 business?

12 A 2010.

13 Q Do you know when it closed?

14 A 2021, we closed November of 2021 and
15 we did not reopen it for the '22 season.

16 Q All right. So it was operating for
17 about 11 years?

18 A Yes.

19 Q But it operated seasonally, did it
20 not?

21 A That's correct.

22 Q During all those 11 years or so?

23 A Yes.

24 Q All right. And then when you closed
25 it in 2021, you did not reopen it for 2022?

1 A As a restaurant. We just reopened it
2 as an event rental facility.

3 Q Okay. So you still have -- are you
4 still having events up there from time to time?

5 A Yes.

6 Q So it's a special event. It might be
7 a wedding, it may be some type of meeting, family
8 reunion, whatever the case may be, but it's an event
9 center now?

10 A Correct.

11 Q Any other areas other than generally
12 the McCloud Mountain area where they bought property and
13 have developed things, they being your parents, or any
14 entity controlled by them?

15 A He had Shanghai Landing in the late
16 '80s, early '90s.

17 Q What was it?

18 A It was another lake development. It
19 was by Shanghai Marina.

20 Q Where is it located in relation to
21 Deerfield?

22 A By water it's maybe a mile away, by
23 land it's about 30 minutes away.

24 Q Okay. So it's on the other side --

25 A Yes.

1 Q -- of the water?

2 A It's still in LaFollette.

3 Q Okay. It's still in Campbell County?

4 A Campbell County, yes.

5 Q And did they have any partners in
6 Shanghai Landing?

7 A He had Harry Vestal, was one partner.
8 Jim was not a partner in Shanghai Landing.

9 Q Jim, your Uncle Jim?

10 A Right. He was not involved in
11 Shanghai. It was just Paul, Madeline, Harry and his
12 wife, Janice.

13 Q Okay. And did they actually develop
14 homes or things of that nature there or did they just
15 own and sell dirt?

16 A They built two condominium buildings
17 there. There were homes in Shanghai, but I don't think
18 they built them. I think they only sold off a few lots.

19 Q So home lots were sold off?

20 A Uh-huh.

21 Q Anything else that they built or
22 developed there?

23 A No. It was considerably smaller,
24 maybe a hundred acres at most.

25 Q Do you know roughly how big it is --

1 A I don't.

2 Q -- acreage wise?

3 A I don't.

4 Q Or number of lots?

5 A No.

6 Q Is it, for lack of a better term,
7 done?

8 A Well, they turned it over early on and
9 they -- I think they sold the rest of the property that
10 they had to Carl Tindell and I think he finished selling
11 off the rest of the property.

12 Q Do you, your husband, your brother,
13 Scott, Deerfield, Fields Development Company, Inc.,
14 Fields Real Estate Company, Inc., or any other entity
15 affiliated with you, your brother, or your husband, have
16 any interest now in any property at Shanghai?

17 A No. We actually never did.

18 Q That was all done before your father
19 passed?

20 A Oh yes, that was turned over and sold
21 in the mid 90s at the very latest, I would think.

22 Q All right. Now, let's go back to
23 where we were a long time ago. When you came back to
24 Campbell County, you told me that you had some full-time
25 duties and responsibilities up until about year 2000.

1 Did your job titles or your job, scope of work, or
2 duties change significantly at any point during that
3 timeframe from when you graduated at Vandy until the
4 time that you came back, until the time of 2000?

5 A I was with the rental program until
6 '98 or '99 and then when I stopped doing that, then at
7 that point I just sort of helped in Deerfield, however
8 they needed help. I wasn't officially an employee
9 during that time period, but I would help mom however
10 she needed help, just whatever that would be.

11 Again, we were always on call, so
12 anything after hours we'd take care of. I think at that
13 point I was probably answering all the calls before
14 hours and after hours. I know I did that for many
15 years. I can't remember at what point we took it -- mom
16 and dad had the phone in their house. So they would
17 take the after hours calls, but I think we took that out
18 of their house early on and I took that over in the
19 early '90s, as far as I can remember. It's been a long
20 time ago.

21 Whether I was on the payroll or not,
22 I'm always usually the person -- Scott, I try to shield
23 him from it, but he gets some of the calls. Any time
24 there's a problem with the guard after hours, if there's
25 hunters, anybody who should not be in the resort, one of

1 us has to go chase them down. It's not the guard who
2 does that. And so I still do things like that from 1999
3 until I was officially back in 2010.

4 Q Does your brother, Scott, also live in
5 Deerfield?

6 A Yes, he does.

7 Q Did your job duties and
8 responsibilities grow over time, especially once we get
9 to the 2010 timeframe and you're back? I know you had
10 worked -- you continued to work, but partly from home.
11 Was that related to kids, or anything, or --

12 A It was just with Marc's business. It
13 was getting busier and so I was just helping him and
14 since I wasn't -- they didn't need me for the rental
15 program any longer. So I just wasn't as necessary to be
16 there full-time.

17 Q So you were able to help Marc with his
18 business as well and continued to do that?

19 A Yes.

20 Q Continued to do that, correct?

21 A Correct.

22 Q And then 2010 forward, you got back
23 more involved in Deerfield, true?

24 A Correct.

25 Q Did your job duties and

1 responsibilities tend to grow from 2010, related to
2 Deerfield, to 2016 timeframe, when your father passed?

3 A Well, that's hard to define, you know.
4 My job responsibilities seemed to change from year to
5 year. It just depended on where I was needed the most.
6 It felt like it was always well over 40 hours and always
7 life consuming and overwhelming, but to put it on a
8 chart to say which year was harder than others, I
9 couldn't really say.

10 Q Did your job title change any from
11 2010 until your father passed?

12 A No, I've never had a job title or a
13 card, or anything of that type of description.

14 Q Including now?

15 A Including now.

16 Q Did your job duties and
17 responsibilities and the scope of work increase once
18 your father passed?

19 A Definitely. I mean we just, you know,
20 needed to do more.

21 Q I lost my father in February of last
22 year and I know things change when that happens. It
23 changes for all the family members. I would assume that
24 when your father passed that the duties that he had
25 carried out -- and he had been active from '85 forward,

1 correct?

2 A Correct.

3 Q Did he pass suddenly or have a
4 lingering illness?

5 A He was ill for about a year.

6 Q Okay. Once he had passed, all the
7 things that he had done had to be done by somebody else,
8 right?

9 A Correct.

10 Q Part of that was your mother?

11 A Uh-huh.

12 Q And part of that was you?

13 A Yes.

14 Q Part of that was your brother and your
15 husband?

16 A Correct -- well, just my brother.

17 Q Just your brother. And then your
18 mother passed in 2021 and that's happened again. The
19 things that she did have to be done by someone else,
20 correct?

21 A Correct.

22 Q And has that load primarily been
23 picked up by you and your brother?

24 A Some of it has. We also hired a third
25 party, also a homeowner, to try to take over most of her

1 accounting responsibilities.

2 Q Is that Kelly Sjogren?

3 A Yes, it is.

4 Q Had Kelly worked for the business,
5 Deerfield or any of its affiliated companies, before
6 your mother passed?

7 A No, she did not.

8 Q And when basically did Kelly come on
9 board?

10 A I would say officially it was around
11 May of 2021. We started talking to her though as early
12 as January of that year.

13 Q And once she came on, does she have a
14 job title?

15 A We haven't given her one. I would say
16 she just does all of the bookkeeping, all of the
17 accounting, communications, and just primarily
18 organizational things.

19 Q When one runs a business there's a lot
20 that goes with that. Part of that is that bills come
21 in, bills have to be processed, analyzed, made sure that
22 they're in fact owed, make sure that they're in fact
23 accurate, and then once all of that's determined, if
24 there's money to pay them, they have to be paid, right?

25 A Correct.

1 Q And is Kelly, since she came on board
2 in May of 2021, generally the person that does that?

3 A It's divided. Kelly will pay things
4 if they're not an immediate requirement. Scott will pay
5 a few things. He does all the payroll. And then we
6 also have Tyler Profit is in the office and he will
7 primarily pay most of the immediate bills that are due.

8 Q So Tyler Profit handles any immediate
9 type expenses, emergency things that need to be dealt
10 with. Your brother, Scott, handles generally the
11 payroll that's affiliated with Deerfield Resort and that
12 would be your security maintenance people that occupy
13 the guard shake. And I'm assuming, and we'll get to
14 this a little later, there are multiple people that may
15 do things around the resort to tend to and keep up
16 things.

17 A Correct.

18 Q He's handling that payroll?

19 A Yes.

20 Q And then Kelly would handle the more
21 routine, not necessarily mundane, but routine type bills
22 that roll in regularly that don't have to be paid just
23 on an immediate emergency basis; is that fair?

24 A If there are some that can be done
25 online, I'm perceiving that Tyler does the majority of

1 them.

2 Q Okay. Once Kelly came on board in or
3 about May of 2021, would it be fair to say that from an
4 accounting and records processing standpoint that she
5 kind of took over the duties that your mother had
6 performed?

7 A Yes.

8 Q Was she given access to the records
9 that your mother had worked on and had kept and had
10 access to?

11 A Eventually when she needed those, but
12 she just immediately just started working with what was
13 in front of her and then -- but once we started working
14 with discovery, she was involved with that and so she
15 has reviewed all of those records that we've submitted
16 and she helped us prepare that.

17 Q How many lots as of the time we're
18 sitting here right now, to the best of your knowledge,
19 it doesn't have to be exact, just approximate, remain in
20 Deerfield Resort that are owned by Fields Development
21 Company, Inc.?

22 A I couldn't tell you off the top of my
23 head. I would have to look at our list to see, but it's
24 all listed out there, whatever's owned by Fields
25 Development, Field's Real Estate, Paul and Madeline's

1 names, those are all detailed on that list that was
2 submitted.

3 Q When your mother was still alive and
4 carrying out the functions of record keeping and bill
5 receiving and processing and paying, she was doing all
6 of that, correct?

7 A Correct.

8 Q Who, from an accountant or CPA or tax
9 preparer standpoint, did Deerfield use? And when I say
10 Deerfield, Fields Development Company, Fields Real
11 Estate, did they use a common accountant or CPA firm?

12 A Jack Miller.

13 Q Jack Miller?

14 A Uh-huh.

15 Q And would Jack -- is Jack Miller a
16 CPA?

17 A Yes, he is.

18 Q And would Mr. Miller and/or folks in
19 his firm actually do the tax return preparation for the
20 various entities?

21 A Yes.

22 Q Did they also serve as the CPA's for
23 your mother and father during their lifetime?

24 A Yes.

25 Q And did the Miller CPA relationship go

1 back many years from 2016 when your father passed?

2 A Yes. I believe Jack probably came on
3 board around '97, '98, somewhere in that timeframe.

4 Q And has been the CPA that did tax
5 return preparation generally since that timeframe?

6 A Correct.

7 Q For Fields Development?

8 A Yes.

9 Q Or Fields Real Estate, Inc.?

10 A Yes.

11 Q For your father and mother personally?

12 A Yes.

13 Q And is he also, he or his firm, Mr.
14 Miller's firm, handling any tax and related duties and
15 responsibilities, for example, for your father's estate?

16 A Yes.

17 Q And for your mother's estate?

18 A Yes.

19 Q Any other CPA firms that have
20 generally been involved in doing work for tax or
21 otherwise, financial or accounting type work, for Fields
22 Development, Fields Real Estate, or even Deerfield
23 Homeowners Association, Inc.?

24 A Two of the years of the returns, '21
25 and '22, were prepared by Richard Rutherford.

1 Q So the 2021 and 2022 returns for --

2 A Or it may be '20 and '21. It's
3 whatever we submitted for discovery. So it's possibly
4 '20 and '21 for Fields Development Company.

5 Q And what was that accountant's name
6 again?

7 A Richard Rutherford.

8 Q Where is he located?

9 A He's in LaFollette.

10 Q Was there any particular reason that
11 there was a change made to him from Mr. Miller?

12 A It was just the time constraints that
13 we had for discovery that Jack just -- he had too much
14 other client load. He could not prepare it for us at
15 that time.

16 Q So Mr. Rutherford was more available
17 and agreed to take on tasks that related to, it sounds
18 like, the discovery process in this case?

19 A Correct.

20 Q Has Mr. Rutherford done any of the tax
21 return preparation or has that remained with Mr. Miller?

22 A Everything else is still with Jack.

23 Q Okay. So Mr. Rutherford has just
24 helped in processing documentation and information
25 related to this litigation?

1 A Well, all he did was prepare the tax
2 returns for those two years, that's it.

3 Q Okay. In our situation here today,
4 you're here as a witness and you're testifying today as
5 Paula Lejeune, individually. There may be a time here
6 very soon when we take a deposition of an entity and you
7 may be or someone else may be designated to testify on
8 behalf of the entity. But as you sit here today, and
9 here in the room with us is your husband --

10 A Yes.

11 Q -- Marc and also your brother, Scott
12 --

13 A Yes.

14 Q -- as you sit here today, would it be
15 fair to say that you probably are the person with the
16 most knowledge historically about Deerfield?

17 A I couldn't say that. I think Scott's
18 memory is better than mine. He's been there almost as
19 long as I have. Between the two of us, I think we can
20 come up with most of the answers.

21 Q Was he gone -- I'll get to talk to him
22 tomorrow, but was he gone to college or anything during
23 the Deerfield years like you were?

24 A Scott was. He graduated high school
25 in '89, so he would have been living in Deerfield in the

1 early days, and then he was gone to UT for four years
2 and came back in -- my math is terrible, '93.

3 Q Okay. Did he live on campus at UT?

4 A Yes, but in Deerfield in the summer
5 times.

6 Q Okay. So both of you had gone to
7 school for a period of time, both of you came back and
8 have worked ever since getting out of college?

9 A Yes.

10 Q And has Scott's employment at
11 Deerfield been continuous since he got out of college?

12 A No. He worked for Shanghai Landing
13 some. He worked for the golf course some. And I would
14 have to let him answer anything beyond that. That's all
15 I can remember and I don't remember the timeframe.

16 Q Would it be fair then to say that
17 today, as we sit here in your deposition, that as far as
18 the collective knowledge about Deerfield Resort, it's
19 development, what it's done, what it's doing, that you
20 and your brother would be the best sources for that
21 information?

22 A I would say so.

23 Q All right. Is there any other person
24 that you would consider a right hand type person that
25 would have intimate knowledge about the history of

1 Deerfield?

2 A Well, my Uncle Jim and Diane would
3 have information, but they weren't really involved with
4 the day to day operations of Deerfield much past when
5 the golf course opened. So their history might be
6 better than mine for the early days, but they haven't
7 been as involved in the day to day for at least 20
8 years.

9 Q All right. So if I have questions
10 about the historical perspective of Deerfield, what
11 Deerfield's doing now, what Deerfield hopes to do in the
12 future, the best two people for me to talk to are in
13 this room, you and your brother?

14 A I think so, yes.

15 Q Do you have a -- I think you indicated
16 you don't have an official job title now; is that
17 correct?

18 A That's correct.

19 Q You don't have a business card with a
20 designation on it?

21 A No.

22 Q Would it be fair to say that you and
23 your brother collectively would be the CEOs, the Chief
24 Executive Officers, of Deerfield Resort?

25 A I think on the annual report Scott is

1 the president listed on both and I'm usually either the
2 corporate secretary or something along those lines.

3 Q And I'm around corporations a lot, get
4 to talk to people that are in corporations a lot, and
5 titles don't often designate who's really doing the
6 grunt work and the heavy lifting. Would it be fair to
7 say that essentially you and your brother combined are
8 the collective CEO of Deerfield Resort?

9 A I would say Scott does the heavy
10 lifting, that he would be primarily the person who takes
11 the brunt of most of the operations.

12 Q And when it comes to the finances, the
13 knowing the operations, the finances, and the legal
14 aspects of it, would you also be in that type of
15 capacity as CEO?

16 A That would be more in my wheelhouse,
17 but that's why we brought Kelly on was to handle most
18 all of the financial ends of it.

19 Q As I understand it, Kelly helps
20 administratively, handle, process, develop all of the
21 documentation, the bill paying, a lot of the analyzing
22 that we've talked about.

23 A Uh-huh.

24 Q But does she have any managerial
25 responsibilities where she makes management decisions

1 without you or your brother having input into that?

2 A She has suggestions that she makes
3 based on input from the community and then she brings
4 them to us and we work together to try to accomplish
5 whatever issues are at hand.

6 Q She's not in a position where she
7 makes unilateral management decisions?

8 A That's correct.

9 Q Management decisions that affect the
10 good of the company, the Deerfield companies,
11 collectively are going to be made at the end of the day
12 by you and your brother?

13 A Yes.

14 Q All right. Now, does Kelly have -- I
15 may have asked this, I apologize. I don't mean to
16 repeat myself. Does Kelly have a formal job title now?

17 A I would have to ask her. We haven't
18 given her one. It's just been bookkeeping and
19 communications.

20 Q All right. Now, when it comes to
21 communications that I'm assuming includes a number of
22 things, whatever communications may require, but part of
23 that would be communications with property owners that
24 have an issue that come up, she may do that?

25 A Correct.

1 Q Part of that may be the publishing of
2 general information about Deerfield Resort to the
3 greater Deerfield community?

4 A Correct.

5 Q I believe there's a Facebook page of
6 some type that Kelly makes contributions to from time to
7 time; is that done in her job capacity?

8 A That's hard to say. Sometimes it's
9 personal for her, sometimes it could be something,
10 answering something formal or official, but I couldn't
11 say where she draws the line between what is her
12 personal opinion and her personal feeling as a
13 homeowner.

14 Q So sometimes, as I understand then
15 when you're telling me, sometimes when Kelly engages in
16 a communication that gets published, for example, to a
17 greater community, or to certain individuals or an
18 individual, sometimes that might be her speaking on
19 behalf of Deerfield Resort and sometimes that might just
20 be her personal opinion that she's expressing?

21 A It varies. Sometimes she'll say --
22 she'll text us and say you should go read what I posted
23 and she's already done it. And sometimes she'll say are
24 these facts correct and am I conveying this correctly,
25 so it just varies depending on what the issue is.

1 Q All right. Does she, from time to
2 time, come to you in advance of publishing something and
3 say, for example, maybe not these exact words, but
4 Paula, here's something I'm getting ready to publish
5 unless you've got a problem with it?

6 A I know that before she put out
7 something to do with the fees that were collected from
8 2016 forward, she sent those to me to make sure that
9 those numbers were accurate. So there may be something
10 along those lines that she might ask. So it would just
11 -- I would have to look at each one individually to
12 decide which one.

13 Q There was something that she published
14 that did set forth the fees that had been collected from
15 Deerfield property owners and I believe it was from 2016
16 to 2021?

17 A Uh-huh, I think so, I think so.

18 Q And so she brought some numbers to you
19 and had she somehow accumulated the information for
20 those lists, for that list of numbers?

21 A From our discovery.

22 Q Okay. And she brought that to you and
23 said I'm considering publishing this and asked you if it
24 was accurate?

25 A She asked -- she said we feel like

1 they're asking for transparency, so we want to make sure
2 the community knows and I feel like this would be a good
3 way to let them know, because she's under the impression
4 that the community is not aware of the discovery that we
5 submitted, and that she was trying to find a way that
6 they would have the same information that the rest of
7 the community has.

8 Q All right. And when you looked at the
9 information that she provided you, were you satisfied
10 that in fact it was accurate?

11 A I really didn't take the time to
12 review it like I should have in depth. I just was aware
13 it looked to me like the numbers that we had compiled.

14 Q As you sit here today, do you believe
15 it was accurate?

16 A I couldn't say for sure.

17 Q And I'm not asking to the penny, but
18 do you believe it was generally reflective of what has
19 happened historically regarding collection of funds from
20 Deerfield property owners?

21 A Well, I believe that she did take it
22 from the discovery documents and that would have
23 reflected the deposits that were made, the funds that
24 were collected. It would have been from the bank
25 statements and from mom's records that we submitted. So

1 I think that it's the same information that I would have
2 reviewed before I submitted it.

3 Q Okay. And when you say submitted it,
4 information that was turned over to your attorney to
5 produce to us?

6 A Correct.

7 Q Okay. Has Kelly ever brought you
8 anything in advance and said I'm intending to publish
9 this, and you told her, and you don't have to go into
10 what it is, and you told her no, don't publish that?

11 A I don't remember directly. I do know
12 that there have been a couple of times that I've
13 referenced Preston and said is it okay to say this, and
14 he may say yes or no.

15 MR. HAWKINS: Let's not talk about the
16 things that you and I discuss.

17 THE WITNESS: Okay.

18 MR. HAWKINS: Try to answer the
19 question without talking about that.

20 THE WITNESS: Okay, all right.

21 Q I'm not entitled to and don't want to
22 ask you about any communications that you've had with
23 Preston.

24 A Okay.

25 Q I'm just asking about Kelly. Has she

1 brought you anything where you've ended up saying no,
2 don't publish that?

3 A It's possible. I can't remember
4 anything directly at this time, but it's possible that
5 has happened.

6 Q Has she in fact published anything
7 that has come to your attention after she published it
8 that you have admonished her, or called her in to say
9 you should not have done that?

10 A Not that I can recall. I don't think
11 I've ever had to have that conversation.

12 Q Does she typically make you aware of
13 anything that she publishes?

14 A Not always because I'm not on the
15 Facebook page and so -- I mean I have access to it, but
16 I don't stay on it. And so there's a lot of
17 conversations that I'm not aware have happened. She'll
18 usually just call it to my attention if there's
19 something in particular going on that she thinks I need
20 to read. So there's a lot of communication that's gone
21 on that I'm not aware of.

22 Q She last Thursday sent an e-mail to
23 the receiver in this case. His name is Scott Reams from
24 up in Morristown. Were you aware that she was going to
25 send that communication to him before she sent it?

1 A After she sent it, she sent me the
2 e-mail.

3 Q And have you admonished her for that?

4 A I have not because I don't -- I think
5 a lot of that is in her capacity as the homeowner.

6 Q In her capacity as a homeowner as
7 opposed to speaking on behalf of Deerfield Resort or any
8 of its companies?

9 A That's correct.

10 Q So you've not admonished her or
11 criticized her for that?

12 A No.

13 Q Have you ever had to in any way, have
14 any way of discipline toward her for any communications
15 she's made.

16 A I've had no reason to.

17 Q All right. And we'll come back to
18 communications just a little bit later on. Other than
19 your brother and you, would there be anyone else that
20 would -- well, let me rephrase that. Other than you,
21 your brother, and perhaps your uncle and his wife, would
22 there be any other person that would have anymore in
23 depth knowledge about the history of Deerfield than
24 those four people?

25 A I don't believe so.

1 Q All right. I want to give you a
2 document that has been provided to me by various people
3 in this case. It is a document that up at the top says
4 Deerfield Home and Property Owners. I'm going to
5 represent to you that this was given to me by some of my
6 clients with an indication that this letter was sent out
7 back in 1997, or thereabouts. It's a two page letter,
8 it was from Pat Martin. And on the third page there is
9 a document titled up at the top Deerfield Property
10 Owners Association Interest Survey. Have you seen this
11 document before?

12 A I have seen copies of this letter and
13 I knew there was a survey and I believe -- but I don't
14 think I've seen this one.

15 Q Well, I'm going to represent to you
16 that this is the one that was sent to Robert Hilty.

17 A Okay.

18 Q And when you see on the third page the
19 handwriting and the boxes checked yes and no, there's a
20 date down at the bottom where Robert Hilty has signed
21 and it looks likes 7/21/97; do you see that?

22 A I do.

23 Q So I'm going to represent to you, and
24 you had no reason to know that, I'm just telling you
25 that this is where it came from, okay?

1 A Okay.

2 Q So what you're telling me is you have
3 seen a copy of the letter before, not necessarily this
4 one, but you've seen a copy of the letter before?

5 A Yes.

6 Q And is it your understanding the
7 letter went out from Pat Martin to Deerfield Resort
8 community, basically property owners in Deerfield?

9 A To the current residents, whoever had
10 property ownership at the time.

11 Q At that time. And was this letter, to
12 your knowledge, sent out with the knowledge of your
13 father?

14 A Yes.

15 Q And was it sent out -- it says right
16 at the very top, Paul and Jim Fields asked me to
17 implement the Deerfield Resort Homeowners Association,
18 Inc. DRHA passing control to the residents; do you see
19 that?

20 A Yes.

21 Q And is that your understanding, that
22 your father, Paul, his brother, Jim, asked Pat to send
23 this letter out?

24 A Yes.

25 Q And as far as you know, it was sent

1 out for that purpose just to start a discussion, or as
2 the word says, implement the Deerfield Resort Homeowners
3 Association, Inc. being passed control wise to the
4 residents?

5 A Correct.

6 Q All right. Now, have you ever heard
7 your father or your mother or your Uncle Jim in any way
8 be critical of the information that Pat Martin put in
9 this letter?

10 A No. They were in cooperation with her
11 doing it.

12 Q Okay. And have you ever heard from
13 your father or your mother or from your uncle that any
14 of the information in this letter was in fact factually
15 inaccurate or wrong?

16 A I never heard them say that.

17 Q Are you aware of any factual
18 inaccuracy in this letter?

19 A I would have to read it through again
20 until I can say that for certain. Would you like for me
21 to read it now?

22 Q If you don't mind.

23 A Okay.

24 Q I tell you what, let's --

25 MR. HAWKINS: It would be a perfect

1 time for a break.

2 MR. HURLEY: It would be.

3 Q I don't want to consume your break
4 with reading the letter, okay. So if you want to go to
5 the restroom, you're absolutely free to do that,
6 whatever you want to do, but before we get back on the
7 record I do want to ask you to glimpse over or look at
8 that letter so that you can respond to that question,
9 okay?

10 A Okay.

11 Q All right, thank you.

12 VIDEOGRAPHER: We're going off the
13 record. The time on the camera is 10:31,
14 we're off.

15 (Short break.)

16 VIDEOGRAPHER: We're back on the
17 record. The time on the camera is 10:50.

18 Q All right, Rebecca, after a little
19 break have you had a chance to look at that letter?

20 A I have.

21 Q Let me ask you just to speak up a
22 little bit more than what you are.

23 A Okay.

24 Q Sometimes I'm having a little bit of
25 trouble hearing you. You're soft-spoken and that's a

1 wonderful trait to have, but in a deposition it makes it
2 difficult sometimes, and I'm getting old enough that I
3 don't hear quite as well as I used to.

4 So you've had a chance to look at the
5 letter. Up in the very top portion of the letter it
6 says, Paul and Jim Fields asked me to implement the
7 Deerfield Resort Homeowners Association, Inc. passing
8 control to the residents. I've read that sentence
9 before; is that your understanding --

10 A Yes.

11 Q -- as to what happened? Do you know
12 Pat?

13 A Yes, I do.

14 Q Has Pat passed?

15 A She hasn't passed, but she's moved.

16 Q Okay, all right. Great, okay. Have
17 you spoken to her recently?

18 A Not in the -- no, not since she moved.

19 Q Okay. Since it says Paul and Jim
20 Fields asked me to implement, back at this time, back in
21 the 1997 timeframe, do you know what interest, if any,
22 Jim held ownership wise in Fields Development?

23 A I believe he was 50 percent owner.

24 Q Do you know what interest, if any, he
25 holds now in Fields Development?

1 A There was an operating agreement where
2 they would divide ownership for operating
3 responsibilities. Jim would take the golf course and
4 mom and dad would keep the Fields Development, the
5 Deerfield part of it.

6 You've probably seen on the tax
7 returns that legally Jim is still a 50 percent owner in
8 Fields Development, but they function with the operating
9 agreement.

10 Q So when the tax returns -- I'm sorry,
11 I didn't --

12 A No, that's fine.

13 Q So when the tax returns are filed with
14 the Internal Revenue Service they would continue to
15 indicate, as best you know, that Jim Fields is still a
16 50 percent owner of Fields Development Company, Inc.?

17 A That's correct.

18 Q However, based on an operating
19 agreement that was entered into between your father,
20 Paul, and Jim?

21 A Right, Paul, Madeline, Jim, and Diane.

22 Q Between the four of them.
23 Effectively, at some point in time, Jim and his wife
24 took the golf course and operated it. Your father and
25 your mother took Deerfield Resort, as we know it, and

1 operated it and I would assume that based on that
2 operating agreement, Jim and his wife keep the income or
3 absorb the losses from the golf course. Your father and
4 your mother took the income or absorbed any losses
5 related to Deerfield Resort other than the golf course.

6 A Well, there were K-1s and so if anyone
7 gained, they all shared in the gain. If anyone lost,
8 they all shared in the loss.

9 Q Would that include the dividing up of
10 profits, if there were profits to divide up, from the
11 sale of lots within Deerfield even after Jim took the
12 golf course?

13 A That is my understanding.

14 Q Okay. Is that still the situation
15 today, that gains and losses as would occur from
16 Deerfield Resort property sales being through Fields
17 Development Company, Inc., that those gains and losses
18 would pass through to Jim and his wife on a 50/50 basis,
19 and to your father and mother, or to you all as
20 descendants now, on a 50/50 basis?

21 A In theory that's the way it should be.
22 I don't recall seeing any sort of K-1s from the golf
23 course. I'm not aware of that. So that's my
24 understanding of how it's supposed to work.

25 Q By no means am I trying to imply or

1 assume anything, but would I would be correct in
2 understanding what you're telling me, that gains and
3 losses through Fields Development for the sale and
4 operation of Deerfield Resort properties, if there are
5 gains and losses, Jim shares in those 50/50?

6 A That's my understanding, yes.

7 Q Even to today?

8 A Yes.

9 Q But on the converse, gains and losses
10 from the golf course don't make their way to the tax
11 returns of you and your brother?

12 A I don't believe so because it's a
13 separate entity now.

14 Q Okay. And you don't consider yourself
15 as owning any interest in the golf course?

16 A Not at all.

17 Q And to your knowledge, your brother,
18 and I can ask him tomorrow, but he doesn't consider
19 himself an owner of the golf course?

20 A No.

21 Q Have no role in it's management?

22 A None.

23 Q The second paragraph says, Deerfield
24 Resort consists of approximately 800 acres abutting the
25 greens at Deerfield golf course and Norris Lake. That

1 800 acres, is that generally accurate as best you know?

2 A That would have been before they added
3 the Deer Hill acreage.

4 Q So it would have been accurate back at
5 this time, 1997 --

6 A Yes.

7 Q -- but there's been the Deer Hill
8 acreage addition since then?

9 A That's correct.

10 Q It goes on to say that approximately
11 50 acres of this land, referring to the 800 acres,
12 including roads, rights of way, swimming pool, and
13 tennis courts are common areas deeded to Deerfield
14 Resort Homeowners Association, Inc.; is that accurate or
15 was that accurate at that time?

16 A I don't -- I don't think so. I don't
17 remember seeing any deeds for that because I don't think
18 the roads were ever in that name. You know, this was
19 written by Pat Martin. So maybe she didn't have a
20 complete understanding of the legalities of how the
21 properties were owned. They would have been recognized
22 as going to be common properties, but I don't think that
23 they were ever deeded into the homeowners name, to my
24 recollection or my awareness.

25 Q Let me make sure I understand what

1 you're telling me.

2 A Okay.

3 Q You're saying that as far as ultimate
4 intent, you believe that that 50 acres or whatever it
5 comes to be, when referring to the various things that
6 are in that sentence, you believe it was the intent that
7 those areas would be common areas --

8 A Correct.

9 Q -- owned by the Homeowners Association
10 at some point, but you do not believe that that was the
11 case in 1997?

12 A That's correct.

13 Q And to take that even a step further
14 and to run it for another 26 years, from 1997 to today,
15 as you and I sit here today in this deposition talking
16 with each other, can you tell me, is there any real
17 estate, any property, any dirt that's actually deeded in
18 the name of Deerfield Homeowners Association, Inc.?

19 A Not to my knowledge.

20 Q So when it comes to the ownership of
21 real estate, to the best of your knowledge, Deerfield
22 Homeowners Association, Inc. has no real estate today?

23 A Correct.

24 Q Would it be your belief and your
25 understanding that there still is an intent for the

1 Homeowners Association to have common areas?

2 A Yes.

3 Q And would the common areas that you
4 believe would still be the intent for the Homeowners
5 Association to have include these areas that have been
6 mentioned here in this sentence?

7 A Yes, the roads; yes, the right of
8 ways. I would assume that would have to be part of
9 that. The swimming pool, the tennis courts, and the
10 guard house.

11 Q Okay. Now, I want to ask you
12 specifically first about the roads. To your knowledge
13 has there ever been a survey or any type of depiction
14 of, description of the roads?

15 A There is the map that we submitted
16 just recently with the discussion of the bylaws and
17 Scott Reams was asking about what is Deerfield. The
18 digital maps that we submitted originated from a survey
19 that -- Crutchfield Surveys did of all of Deerfield.
20 That was something midstream that the tax assessor's
21 office asked to have completed.

22 At that time he would have had to
23 have identified some of the roadways, but I don't recall
24 ever seeing any actual plats or maps with the calls and
25 distances that would define the road, but he shot them

1 in and he would had to have had some information on that
2 based on defining where the lots are and where the road
3 is. So that part I don't know. Scott may know more of
4 that tomorrow, and we could also always contact
5 Crutchfield's office to look at those original surveys
6 that they did.

7 Q And when you say a moment ago, he shot
8 those in, you're referring to Mr. Crutchfield?

9 A Yes.

10 Q And/or his people?

11 A Correct.

12 Q And his company is called Crutchfield
13 Surveying?

14 A That's right. It would be Tony
15 Crutchfield.

16 Q Tony Crutchfield, and he's based in
17 Campbell County?

18 A Jacksboro.

19 Q Jacksboro.

20 A Uh-huh.

21 Q But as far as any depiction of the
22 roads within Deerfield that would show calls --

23 A Yes.

24 Q -- distances, surveyed description,
25 you're not aware of one?

1 A I'm not aware of any.

2 Q The closest to that would be the
3 digital maps that have been shot by or prepared by
4 Crutchfield Surveying?

5 A Yes.

6 Q And your indication is you believe
7 that those were transmitted to Mr. Reams?

8 A Yes.

9 Q Okay, all right. Are there any other
10 common areas other than the ones listed here that you
11 believe would be included as intended to be common areas
12 for Deerfield Resort?

13 A I'm not aware of any others that we
14 haven't covered or discussed, any other locations that
15 would be considered common.

16 Q Are you aware of any maps,
17 photographs, depictions, models, concept drawings, any
18 types of documents at all that would have been used for
19 any purpose, including sales, marketing, advertising of
20 Deerfield Resort in the past that would indicate other
21 areas besides those listed in this letter as being
22 common areas?

23 A Nothing that I can recall seeing.

24 Q All right. Now, as we move on, it
25 says currently there are 250 owners, 51 owners are

1 Deerfield residents. Of course, this would have been as
2 of 1997. It says approximately 70 of the 250 owners own
3 one or more lots. As of today, do you know how many
4 owners own more than one lot?

5 A I do not.

6 Q And it says down toward the end of
7 that paragraph, Deerfield Resort owns approximately 150
8 acres. As we sit here today, do you know approximately
9 how much acreage Deerfield Resort owns? And when it
10 says Deerfield Resort, I'm assuming we're talking about
11 Fields Development Company, Inc.

12 A I assume that that's what she means
13 here too, is we would be the developer property. We've
14 discussed maybe 40 acres, somewhere in that vicinity,
15 still left to be developed.

16 Q So, as we sit here on the 27th day of
17 June, 2023, you believe there would probably be
18 approximately 40 acres that would still be owned by
19 Fields Development, Inc.?

20 A That's my guess, yes.

21 Q And would Fields Real Estate, Inc. own
22 any acreage within Deerfield?

23 A That would be what I would consider
24 developer properties, anything still maintained by the
25 entities that are still, have left to build.

1 Q So you think the 40 acres would
2 include both Fields Development and Fields Real Estate,
3 Inc.?

4 A Yes.

5 Q Are you specifically aware of any
6 acreage that is owned by Fields Real Estate, Inc. now?

7 A I believe that the hangar lots are
8 owned by Fields Real Estate.

9 Q When you say hangar lots, these are
10 lots up near the airstrip --

11 A Yes.

12 Q -- but they are not currently occupied
13 by hangars?

14 A That's correct.

15 Q Capable of being developed for
16 potential hangars, but you think those lots would be in
17 the name of Fields Real Estate, Inc.?

18 A Yes.

19 Q All right. Any others?

20 A There's still various properties owned
21 in the name of Paul and Madeline Fields and some of
22 those might still be considered developer properties.
23 Some of those may be individual lots that they've bought
24 or sold for some reason, but it's possible that some of
25 the developer plan could be in Paul and Madeline's name

1 still.

2 Q Lots that would be in Paul and
3 Madeline's name, would that be included in your estimate
4 of 40 acres?

5 A Yes.

6 Q All right. There's mention here of a
7 golf course. You've told me that there's a discussion
8 that's been ongoing about whether or not the golf course
9 is really deemed to be a part of Deerfield, correct?

10 A Correct.

11 Q Now, was the golf course on the
12 property list that was submitted in August of 2022?

13 A Yes.

14 Q And at that time, for purposes of
15 coming up to that 992 or 93 lot number --

16 A Yes.

17 Q -- the golf course was included?

18 A There were just two, two parcels.

19 Q Right.

20 A Because they're such large acreage.

21 Q And how are those parcels titled?

22 A I believe it's in the Greens at
23 Deerfield.

24 Q The Greens at Deerfield. So you're
25 thinking there are two lots titled as the Greens at

1 Deerfield?

2 A Yes. There's a third property tax
3 card for them, but that's just the personal property for
4 the contents.

5 Q Okay. So two lots for the golf
6 course, as best you know now, and those two lots were
7 included in the 992 or three of August 2022 list and,
8 therefore, based on that list and based on the way that
9 we've all been discussing, voting being for the board
10 and otherwise the golf course would get two votes?

11 A Correct.

12 Q Now, there's a discussion about
13 whether that's proper or not and I understand, as I
14 understand a decision has not been made within Fields
15 Development Company, Inc. as to whether or not that's
16 the way that it will be ultimately?

17 A Right.

18 Q But right now they're included in that
19 number?

20 A Correct.

21 Q The next thing that's mentioned is a
22 restaurant. Is there still a restaurant at Deerfield?

23 A No, that is now what occupies the
24 Fields Real Estate office.

25 Q That's what I was thinking. So the

1 Fields Real Estate office is there now. Who owns that
2 lot?

3 A Paul and Madeline Fields.

4 Q And is that a single lot that that
5 office rests on?

6 A No -- yes. The office is on one and
7 then there's another, a second lot adjacent to it.

8 Q Is it developed in any way?

9 A No.

10 Q Is it parking?

11 A No, it's just a vacant lot.

12 Q A vacant lot.

13 A Uh-huh.

14 Q And you think both those lots would be
15 in Paul and Madeline's name?

16 A I believe so.

17 Q And so there would be two votes there
18 for those lots, correct?

19 A Yes.

20 Q Now, that office that occupies the
21 lot, what all functions or operates out of that office
22 other than Fields Development Company, Inc.?

23 A Fields Real Estate.

24 Q How big is the building square footage
25 wise approximately?

1 A 4,000 square feet maybe.

2 Q Out of the 4,000 square feet, how much
3 of it is utilized or occupied by Fields Development?

4 A It's just all one office. It would be
5 hard to decide what part is Fields Development and what
6 is Fields Real Estate.

7 Q Essentially there's not a segregation
8 of space between the two entities. You've got a single
9 4,000 square feet. Fields Real Estate operates out of
10 there, Fields Development operates out of there. Any
11 other entity, business or person that operates out of
12 there?

13 A A portion of that is used for package
14 room for the community. And then, I can't say for
15 Scott, I would think his water, Deerfield Water, could
16 operate out of there, although I don't know if that uses
17 his home address or there too.

18 Q Okay. Now, there is a provider of
19 water to residents in Deerfield and it's an entity; is
20 it not?

21 A Deerfield Water, LLC.

22 Q You think it's Deerfield Water, LLC?

23 A Yes.

24 Q Okay. And who owns it?

25 A Scott Fields.

1 Q And do you have any ownership in it?

2 A I do not.

3 Q Do you know of anybody else that has
4 ownership in it?

5 A Possibly his wife, Lisa.

6 Q Does it provide water to all of the
7 properties within Deerfield?

8 A In theory, yes. I mean someone could
9 have their own private well but there's no --

10 THE WITNESS: Did they bring city
11 water to Deerfield Village? Did that come
12 through the gate to Marina Ridge?

13 A So, you know, there's a part, that's
14 one of the problems we're having with the map, there's a
15 parcel of land that comes inside of Deerfield, inside
16 the gate, that's not technically Deerfield and that's
17 called Marina Ridge and they have city, what we call
18 city water that comes from LaFollette Utilities.

19 Q So technically Marina Ridge is not
20 part of Deerfield Resort?

21 A Correct.

22 Q And it has city water?

23 A Yes.

24 Q Now, for the water services that are
25 provided within Deerfield Resort by your brother's

1 company, tell me again what the name of that is.

2 A Deerfield Water System, LLC.

3 Q Does Deerfield Water System, LLC, to
4 the best of your memory, best of your knowledge, and
5 I'll ask him tomorrow, sell water?

6 A Well, there's monthly invoices or
7 quarterly invoices for water usage.

8 Q Okay. And the charge for that, when
9 the paperwork, I assume, bills go out for that to the
10 various residents in Deerfield Resort, do you get one of
11 those bills?

12 A I do not.

13 Q You do not. That's a great benefit of
14 having a brother, right?

15 A I think he would prefer I pay though.

16 Q So for those that do get such an
17 invoice in the mail, they would mail their check or
18 payment, if they're sending it that way, where?

19 A To the 1235 Deerfield Way.

20 Q Which is the office that we've been
21 talking about?

22 A The office address, correct.

23 Q Are there any employees separately
24 designated or segregated as being employees of the water
25 company?

1 A I don't believe there's any formal
2 employees of the water company.

3 Q So would it be fair to say then that
4 the people within the four walls of the office building,
5 and we're going to talk about positions and who and how
6 many shortly, but the people within there, are there
7 employees that are designated as Fields Development
8 Company, Inc. employees only?

9 A There are employees that would work in
10 multiple capacities and then their hours are charted
11 where they spend their time, whether it be for Deerfield
12 or -- we would call it just Deerfield is what we would
13 call Fields Development. Whether they be for the real
14 estate, for anything else that they may have done
15 outside of the water system, they all keep their time
16 separately.

17 Q So does that keeping of time
18 separately allow for the allocation of those costs in
19 different components to the different entities?

20 A Yes.

21 Q When I look at, for example, some of
22 the records that you have provided to us regarding
23 payroll and employees, and things of that nature, and I
24 see names and I see amounts, would it be fair to say
25 that, generally speaking within the four walls of that

1 office complex, an effort is made to bill out the time
2 and the salaries or the wages of the various people that
3 work in that building on an allocated basis to the
4 entities for whom they actually did the work?

5 A Yes, that is correct.

6 Q So that if there are employees doing
7 work for the water company, that's being allocated to
8 the water company. If there are employees that are
9 doing work for maintenance and security of the greater
10 Deerfield Resort, that's being billed to their account.
11 If there are employees that are doing administrative or
12 other work for Fields Real Estate, Inc., then there is
13 an allocation going to Fields Real Estate to help pay
14 that.

15 A Correct.

16 Q So that everybody is paying their fair
17 share?

18 A That's right.

19 Q That's the intent and the purpose,
20 correct?

21 A That's right.

22 Q All right. And that's the way, as far
23 as you're concerned, it should be?

24 A Yes.

25 Q I asked you before we started back

1 here shortly ago to look through the letter and let me
2 know if you were aware of anything that was inaccurate
3 in the letter or in error, and I noted as I came back
4 into the room you made a few underlines or markings on
5 the document. Did you find anything that was, first of
6 all, inaccurate or in error?

7 A Well, there's some things I just, you
8 know, wasn't completely aware of that may have been
9 mentioned in the letter. And, of course, it was
10 something I asked Preston about because I know this was
11 in the discussion of the bylaws that we all had input
12 that we didn't feel like non-owners, non-members should
13 be a board member, because I think they allowed in the
14 beginning for a bank director or an attorney, or someone
15 along those lines, to be in there.

16 Q Who didn't live at Deerfield?

17 A Exactly.

18 Q Okay.

19 A But I think our intent was for it to
20 be only Deerfield members. Is there something in
21 particular you're wanting me to address?

22 A No. And when it comes to discussion
23 of the bylaws or things of that nature, I really want
24 just from a factual standpoint of the information that's
25 in the letter whether you saw anything, and you said

1 gee, that just factually is inaccurate.

2 A Well, I would just say that sending
3 anything to the Deerfield Resort Homeowners Association
4 -- I mean clearly it wasn't functioning, it didn't
5 operate, it didn't really exist at that point. But this
6 was all in anticipation of getting it up and running and
7 having their resort, the Association, take over and
8 would have been the purpose of why she would have things
9 being mailed to the Homeowners Association.

10 Q There is in the paragraph in the
11 middle of the first page, the Deerfield Resort
12 Homeowners Association, Inc., DRHA; do you see that?

13 A Uh-huh.

14 Q It says Deerfield Resort Homeowners
15 Association was incorporated March 1, 1986; that's
16 accurate, is it not?

17 A I would assume. Yeah, I think that's
18 what I saw on the charter.

19 Q Do you believe that that's indicative
20 of the fact that from virtually the very beginning of
21 Deerfield, your father contemplated and in fact intended
22 that there would some day be a functioning homeowners
23 association?

24 A Yes.

25 Q It said in reference to your father

1 and Jim, your uncle, that they were current board
2 members of that HOA, correct?

3 A Correct.

4 Q And that it was their intention to
5 vacate their positions once the new board is elected?

6 A That's what it said.

7 Q All right. Now, there's been a lot go
8 on in the litigation that we have, but as I understand
9 the position that you as a defendant have individually,
10 and as far as Fields Development Company, Inc. and
11 Fields Real Estate Company, Inc. are concerned, it is
12 your intent and with your approval now that there is
13 going to be a homeowners association, correct?

14 A Correct.

15 Q And you have agreed to work towards
16 that process?

17 A Yes.

18 Q Now, the next paragraph says the
19 purpose of the Association, as stated in the Articles of
20 Incorporation, are to provide for the maintenance,
21 preservation, and private control of common areas and
22 roadways within the Deerfield Resort area and to promote
23 the health, safety, and welfare of the residents within
24 the property. Would you believe and state today for
25 your own purposes that that's true?

1 A Yes. And private control meaning that
2 they're not just public roads managed by the county so
3 that we could have the gate or the security guard.

4 Q And I'm going to come to a document
5 later that I have been provided where the county
6 basically says we have nothing to do with those roads.

7 A And we don't want them.

8 Q And you don't really want them to. It
9 is a private community and the intention has always been
10 for the community, as a private community, to have
11 control of the maintenance, the upkeep, and the security
12 of its own road system?

13 A Yes.

14 Q Should there be at some point in the
15 future a reason that the property owners collectively at
16 Deerfield wanted to put those arms back up at the
17 entrance, they could do so?

18 A Correct.

19 Q All right. What about the airstrip,
20 who owns the airstrip now?

21 A It is -- it's a separate association
22 that's called the Deerfield Flying Association.

23 Q Is that an entity or is it just a
24 name?

25 A It is an actual entity.

1 Q Do you know who controls or operates
2 that entity now?

3 A Currently now it would be Scott and
4 myself.

5 Q Is there an intention for that to be
6 turned over to the Deerfield Homeowners Association,
7 Inc.?

8 A No, it's a separate entity.

9 Q Any of the ground, dirt or parcels
10 surrounding that that are not currently privately owned
11 by others, for example, John Doe comes in and buys
12 property and puts a hangar on it, that person has the
13 right to use that airstrip, correct?

14 A Yes.

15 Q By what means, by what document or
16 means does that person have a right?

17 A Well, anyone in Deerfield could use it
18 whether they have a hangar or not. If they have an
19 airplane and they fly in, they could still use it. So
20 they don't have to own property surrounding it.

21 Q Do they have to pay?

22 A At this time, there are no
23 assessments.

24 Q Could there be assessments in the
25 future?

1 A There could, yes.

2 Q If there were to be assessments in the
3 future, who would make those assessments?

4 A It would be by a board.

5 Q Of that Association that you mentioned
6 to me --

7 A Correct.

8 Q -- just a moment ago?

9 A Yes.

10 Q And sometimes I'm thinking and not
11 writing. So tell me again what the name of that
12 Association is.

13 A Deerfield Flying Association.

14 Q And is that an Inc.?

15 A I'm not sure.

16 Q So if there were to be assessments in
17 the future, those assessments would be made by Deerfield
18 Flying Association, Inc.?

19 A Correct.

20 Q And if there came a time where
21 assessments were made and there was a charge for having
22 ongoing access or intermittent access, just maybe
23 somebody flies in one time, then that charge would be
24 payable to whom?

25 A Probably to the Deerfield Flying

1 Association I would assume.

2 Q And, to the best of your knowledge,
3 that Association is owned by you and your brother?

4 A Controlled or managed by it, yes.

5 Q Okay. Now, I used the word owned and
6 you came back and said controlled or managed. I want to
7 make sure we're on the same page.

8 A Okay.

9 Q I get the controlled and managed part,
10 but from the standpoint of sending out bills or an
11 assessment or a charge for the use of the airstrip, that
12 money would come to the Association?

13 A Correct.

14 Q And then what would happen to the
15 money?

16 A Well, we would have to have the
17 checking account for it and it would get deposited there
18 and then it would take care of the maintenance of that
19 area.

20 Q If there was overage, and that's
21 always your hope typically in most instances, is that an
22 entity will take in more than it pays out. If there was
23 a profit generated, where would that profit go as you
24 understand it?

25 A It would just stay in the Association

1 for future repairs or anything needed. It would just
2 roll over and stay there, it wouldn't come out.

3 Q It would not ultimately be subject to
4 being paid to you or your brother?

5 A No.

6 Q Do you or your brother, to your
7 knowledge, and I'll talk to him tomorrow, so I'm only
8 asking you, have you all ever contemplated making any
9 charges or assessments related to the airstrip?

10 A Well, right now the upkeep is on a
11 voluntary basis, but there's going to be the necessity
12 for probably repaving or, you know, refinishing it. So
13 if there's something like that, it would be necessary to
14 have some fees.

15 Q And again, those fees, if that
16 happened, would go to the Flying Association?

17 A Correct.

18 Q Does the Flying Association maintain
19 any type of liability insurance related to the airstrip?

20 A At this time it's our understanding
21 that private airstrips are not liable for accidents by
22 private pilots on their land.

23 Q What about slip and fall or some type
24 of unfortunate accident otherwise?

25 A Nothing that I'm aware of. That's not

1 to say there's not something included in one of the
2 other policies. It's very possible that the overall
3 Deerfield Resort policy does include the airport.

4 Q Okay. Regarding the airport then, the
5 lots there that have existing hangars and planes coming
6 in and going out, they're not paying anything for that?

7 A Not to be part of the airport, just
8 the Deerfield fees, just the --

9 Q Security and maintenance fees?

10 A Exactly.

11 Q Just like any other lot owner --

12 A Exactly.

13 Q -- that doesn't have an airplane
14 would, but there is no special assessment or segregated
15 assessment related to that at all?

16 A Not at all.

17 Q If there is a pothole in the runway,
18 or something that needs to be repaired, what source is
19 there to pay for that out of now?

20 A In general, if there's been any
21 repair, if bills have been submitted to Deerfield, and
22 there have been some things I've noticed in discovery
23 too, like there was -- I know Scott donated a mower. I
24 saw some propane bills that went through for that. And
25 as far as any other maintenance, I'm not sure if they

1 would submit it to Deerfield for reimbursement or if
2 they would take up any sort of collection amongst
3 themselves for those sorts of repairs.

4 Q Being the hangar owner?

5 A Yes.

6 Q Operators of the planes?

7 A Right. So I'm really not sure what
8 the complete answer would be for that.

9 Q To your knowledge has there been any
10 expense or cost that's been incurred related to the
11 airstrip that's been paid out of the Homeowners
12 Association security and maintenance funds?

13 A There have been some mowing fees. I
14 know I saw some receipts that Bob Lau turned in for gas
15 and so --

16 Q Bob --

17 A Bob Lau, L-a-u. I saw some receipts
18 there and I think there was some for propane that I
19 think was for a propane mower and that's the one I
20 thought was donated or given to the airstrip, to the
21 airport. That's all I found, that's all I saw as I was
22 looking through.

23 Q Okay. On page two there is a
24 paragraph, I think it's the third paragraph down, second
25 sentence, "Though some of us do not use the recreational

1 facilities, swimming pool, tennis courts, their
2 availability and maintenance adds to general property
3 values." Do you see that?

4 A You said page two?

5 Q Page two and third paragraph down,
6 last sentence.

7 A Okay.

8 Q Do you agree that in general the
9 recreational facilities, specifically mentioned here is
10 swimming pool and tennis courts, adds to the general
11 property values?

12 A Yes.

13 Q As do common areas in general; do they
14 not?

15 A Right, yeah. I think -- I mean I
16 don't know for sure, but I know there was some
17 discussion. I think what she was addressing was, you
18 know, several people were saying, well, we don't use
19 those, therefore we shouldn't have to pay for them. So
20 I think that was the point she was making.

21 Q For a person at Deerfield who owns a
22 lot, perhaps they've built a home on a lot, but it's not
23 a lake lot, do they have access to the lake in any way?

24 A There's really no common lake access
25 in Deerfield except for through the main Deerfield

1 Marina.

2 Q So no common lake access. So from the
3 standpoint of there being a common area, let's say I
4 just wanted to have a picnic along the water, but I own
5 a home that's in Deerfield Resort, not on the lake. So
6 I would have to go somewhere to get that lake front
7 experience. There's nowhere that is a common area where
8 I could go, take my picnic basket, and walk a common
9 area down close to the water and have a picnic?

10 A Not in Deerfield.

11 Q So, if I wanted to do that and stay
12 within Deerfield, I am relegated to hoping to have a
13 friend that has a lake lot or -- what about the marina,
14 tell me about it.

15 A That's just -- it's owned by Brian
16 Costello.

17 Q Brian?

18 A Brian Costello and it is I believe
19 just called the Deerfield Marina. I'm not sure what the
20 legal name is of it. He has a restaurant there, but no
21 gas, and multiple Deerfield owners rent slips there.
22 Some are lake view, some may be -- are lake front but
23 need extra slips, but that's primarily for the Deerfield
24 residents. However, it's the TVA marina, so residents
25 -- people that don't live in Deerfield could rent slips

1 there.

2 Q People who don't live in Deerfield
3 could rent slips there. it being a TVA marina?

4 A Correct.

5 Q It cannot be restricted or relegated
6 just to Deerfield residents?

7 A That's right.

8 Q Has Deerfield Resort ever been
9 marketed as a community that provides access to all of
10 its members to lake enjoyment?

11 A I think just being on the lake that
12 it's possible they might have said lake access. It's
13 possible that they said that. I can't possibly know
14 what all the advertising has said for 35 years.

15 Q Who handles the advertising now?

16 A Now I don't think we're doing any
17 advertising. We just have -- the boat shows that we do
18 and that would primarily be the majority of what's done
19 for Deerfield at this point.

20 Q Who has handled that the advertising
21 in the past when it was being done?

22 A Paul and Madeline.

23 Q Paul --

24 A Paul and Madeline.

25 Q Paul and Madeline, okay. Since your

1 mother passed has advertising ceased?

2 A That would probably be a question for
3 Scott. I really don't know what exactly is being done
4 in that respect.

5 Q And there's the decision to do
6 advertising and there is the creation of advertising
7 content, or the making of the decision where to spend
8 the advertising dollar, or which magazine or billboard
9 to pick, who makes those decisions?

10 A Primarily Scott.

11 Q All right. And is Scott the one that
12 goes to the boat shows?

13 A Yes.

14 Q Do you go to the boat shows?

15 A I have in the past. I haven't in the
16 last couple of years.

17 Q When you go, do you go in a capacity
18 of working the boat show or just enjoying the boat show?

19 A Primarily working it.

20 Q Working it. Anything else that you
21 see in the letter that you marked or noted or wanted to
22 talk to me about, during the time that you've had to
23 look at it, that we've not already spoken about?

24 A Nothing in particular. I mean there's
25 notes that I've made based on historical information and

1 historical discussions, but nothing I would bring up.

2 Q Can I see the notes that you've made?

3 So what you've done generally -- well, let me go back to
4 the first page and take it from there. On the first
5 page you've underlined some things, primarily have
6 underlined. There's one place that you put in a box
7 where it was the directors need not be members and we
8 talked about that.

9 A Right.

10 Q But otherwise you just underlined some
11 things, you've not made any actual notations yourself of
12 narrative, correct?

13 A Correct.

14 Q The second page is very similar,
15 you've underlined just a few things, and you circled the
16 return date for the survey as 1997.

17 A Just to reinforce when that was
18 actually done.

19 Q Yes. And then the third page you've
20 underlined a couple of things, but I don't see that you
21 have made any notations, correct?

22 A Correct.

23 Q All right. So your attorney and I
24 discussed during the break that we would detach the
25 survey page which you had never seen before today with

1 Mr. Hilty's comments on it, right?

2 A Correct.

3 Q Since you hadn't done that, we're
4 going to mark that for identification, but the two page
5 letter itself will be Exhibit No. 1 to your deposition,
6 okay?

7 A Okay.

8 (Exhibit No. 1, filed.)

9 (Exhibit No. 2, for I.D.)

10 Q Now next I want to hand to you a
11 letter that is dated December 31st, 2011 and it is from,
12 or at least a line at the bottom, Paul and Madeline
13 Fields, and it appears to bear their signatures, or at
14 least a signature of somebody signing for them; do you
15 see that?

16 A Yes.

17 Q Are you familiar with this letter?

18 A I am.

19 Q Did you have anything to do with
20 drafting this letter?

21 A I did. I would have drafted it and
22 that's my signature for them.

23 Q So you signed for them?

24 A I did.

25 Q Now, I've got a business where I've

1 got family members in my business and they sometimes
2 sign for me and that's just the way we do things. You
3 had, I take it, their authorization to sign their names
4 to documents from time to time?

5 A Yes.

6 Q And you have done so?

7 A Yes. They would have given me this
8 letter to draft for them and mail it out for them.

9 Q When you say they would have given it
10 to you to draft for them, would they write it out and
11 you would type it up or have it typed up, or would they
12 tell you generally what they wanted in it and you would
13 actually compose it?

14 A They would have it written up.

15 Q They would have it written up.

16 A I might try to correct some grammar or
17 something along the lines, but for the most part it
18 would be their words.

19 Q It would be their letter. To all
20 Deerfield Resort owners. After 27 years it has come
21 time to ask our owners to help maintain Deerfield
22 Resort. That's the way the letter starts, correct?

23 A Correct.

24 Q And I take it that this was the result
25 of some consideration and discussion on the part of your

1 parents?

2 A Yes.

3 Q To do this at this time, right?

4 A Correct.

5 Q And were you involved in those
6 discussions or just kind of a witness to them?

7 A I was not.

8 Q And they go on to say it's imperative
9 to keep Deerfield in a well groomed condition to keep
10 our property values escalating. And it goes on to
11 discuss in the next paragraph the only true, and that
12 was in quotation marks, resort on Norris Lake, and it
13 says with an 18 hole golf course, paved roads, paved
14 airstrip, marina, tennis courts, volleyball court, and
15 children's playground; do you see that?

16 A I do.

17 Q And it goes on then to reference a
18 maintenance fee, an estimated maintenance fee of \$250
19 per home or condominium, or \$125 per lot owner will be
20 sufficient at this time, correct?

21 A Correct.

22 Q It says we will continue to manage the
23 operation and disperse the monies and will furnish all
24 itemized accounts at the end of the year; do you see
25 that?

1 A I do.

2 Q Was that done?

3 A Yes.

4 Q And has it consistently been done
5 since -- this was December 31st, 2011. So I'm taking it
6 that the plan was to implement this in 2012 and forward?

7 A Yes. I believe in the two years where
8 she was ill, I don't think she sent them out for '19 or
9 '20, but I've seen at least in discovery where she had
10 every year -- done them through the '16, through the
11 '18, and then Kelly has sent them out for the last two
12 years.

13 Q All right.

14 MR. HURLEY: So let's make this the
15 next exhibit.

16 COURT REPORTER: Exhibit 3.

17 (Exhibit No. 3, filed.)

18 THE WITNESS: You failed to read the
19 last sentence though where it said Deerfield
20 owners will be welcome to take over the
21 operations at any time if this is not
22 satisfactory.

23 Q Yes. And to the extent that as I show
24 you these documents you want to read anything --

25 A Okay.

1 Q -- you're welcome to do that. I've
2 got things I've got questions about, but if you want to
3 read or speak of or bring to my attention anything in
4 those letters, you feel free to do that, as you just
5 did.

6 Generally speaking from that time,
7 December 31, 2011, did a process start -- we did mark
8 that, right, that's three. Did a process start by which
9 property owners at Deerfield received on an annual basis
10 an invoice or a statement, or some type of piece of
11 paper to remind them to send in money for the
12 maintenance and upkeep of Deerfield?

13 A Yes. There would be a yearly invoice
14 that would go out that would say for security and
15 maintenance.

16 Q And was the intent, to the best of
17 your knowledge, of your mother and father, and then
18 after they had passed, you and your brother in fact for
19 the money that came in from the various property owners,
20 whether it be the 250 that we see here, or some greater
21 amount later on, to be used for maintenance and
22 security?

23 A Yes.

24 Q Was there ever a communication made,
25 to the best of your knowledge as you sit here and

1 testify today, to the property owners at Deerfield
2 Resort that the money that they were sending in started
3 at \$250, from 2012 forward, would be used for something
4 other than maintenance and security at Deerfield Resort?

5 A Not that I'm aware of.

6 Q Do you know as you sit here today,
7 from January 1, 2012 to June the 27th, 2023, how much
8 money has been paid by property owners at Deerfield
9 Resort as a result of these maintenance and security
10 fees, or invoices, or dues, or whatever they were
11 referenced as from time to time?

12 A I've only looked back as far as 2016
13 and I saw the figures that Kelly put together from that
14 time forward that she put in her post, that it was from
15 2016 forward, it was around 1.7 million, somewhere in
16 that vicinity.

17 Q Now, I believe that was from 2016
18 through 2021, wasn't it?

19 A Okay, possibly.

20 Q We'll come to it in a minute. I'm not
21 trying to trap you and I'm not trying to get trapped
22 either.

23 A Okay.

24 Q We're both working together here just
25 to get the facts out, okay?

1 A Okay.

2 Q But for whatever period it was that
3 Kelly analyzed, it started in 2016, I think we can agree
4 on that.

5 A Yes.

6 Q We'll find out for sure the end date
7 in a moment, but it was about a million seven?

8 A I think she said a million seven.
9 Again, my memory is not very good for --

10 Q We'll come to it in a minute.

11 A Okay.

12 Q Would it be your understanding that
13 the entirety of that money represented by that time
14 period for which Kelly did the calculations should have
15 been used for maintenance and security?

16 A Yes.

17 Q Was it enough to do the maintenance
18 and security?

19 A My understanding is no, it was never
20 enough.

21 Q And when it wasn't enough, what
22 happened?

23 A Then we would in some form put funds
24 back into the account either from -- what I found,
25 Madeline did it either from Fields Real Estate, personal

1 accounts, personal savings accounts, or sometimes they
2 would sell property and leave the proceeds in the
3 account. So there was always money going into the
4 account to support it.

5 Q Now, when you say the account, I have
6 seen records that there came a time, but I don't think
7 it was 2012, when there was actually a Deerfield
8 Homeowners Association, Inc. account that was set up; is
9 that your understanding?

10 A For the condos, that was a condo
11 account.

12 Q It was a condo account?

13 A Yes. That was Exhibits 1 through 3 of
14 my original discovery to show that that was for the Deer
15 Lake condos.

16 Q All right. And what bank was that
17 account set up with?

18 A I think it was First Volunteer.

19 Q All right. So that account was
20 supposed to be a condo account?

21 A Yes.

22 Q Was it used as a condo account?

23 A Yes.

24 Q Was it used for general purposes of
25 paying for security and maintenance for non-condo

1 related things?

2 A For all of the bank statements that I
3 submitted, that was all condo expenses.

4 Q And I believe that account was
5 established around 2016 or so?

6 A I don't know the original date.

7 Q Were those -- was there a separate
8 account -- let's go back, let me -- I'm thinking and
9 talking at the same time, that's dangerous sometimes.
10 Was there -- the money that went into that account, the
11 First Volunteer account, was that dues or assessments
12 paid by property owners for the condos only or for all
13 the property owners at Deerfield?

14 A It was the Deer Lake condo owners. It
15 would be their condo dues and it would be their condo
16 insurance, and that would be just for the maintenance
17 and upkeep of that condo section of the lakefront
18 condos.

19 Q So if I was an owner of a piece of
20 property that was not a condo but was just a lot within
21 Deerfield, I was getting -- I would be getting from 2012
22 forward a dues or assessment invoice as well, correct?

23 A Correct.

24 Q And if I wrote my, for example, in
25 2012 or '13, my \$250 check for a single lot, what

1 account did that check go into?

2 A That would be the Deerfield Resort
3 account.

4 Q Which was maintained with which bank?

5 A That one is Home Federal. I believe
6 that's a Home Federal account. Well, it's Hearthside
7 now.

8 Q It was Home Federal originally,
9 correct, and then at a point in time it became
10 Hearthside Bank?

11 A Correct.

12 Q And would all of the checks that came
13 from property owners go into that account?

14 A There would just be one account for
15 security and maintenance.

16 Q So if I wrote the \$250 check for my
17 single lot, sent it in 2013, 2014, 2015, whatever year,
18 it would go into that account?

19 A Somewhere in the past I saw that she
20 had a Deerfield maintenance account that she called
21 that, so I don't know why she switched to Hearthside.
22 Maybe she just wanted to go to a different bank, but I
23 have seen a Deerfield maintenance account from the very
24 beginning. So back in 2011 it's possible that she had a
25 separate account.

1 Q With someone other than Home Federal?

2 A No. Well, it's possible. It could
3 have been Home Federal. It could have been Deerfield --
4 or First Volunteer.

5 Q Do you remember where you saw that at?

6 A No, I don't.

7 Q Do you have any records or bank
8 account statements or anything indicating the existence
9 of that account?

10 A I haven't found anything other than
11 just I saw one check somewhere along the line that said
12 Deerfield maintenance was the only thing I saw.

13 Q So the check that you saw was a check
14 written by Deerfield to pay for something?

15 A I think it was like a voided check or
16 something like that. It wasn't -- I haven't seen the
17 statements, but they were older. I know that was
18 probably the original account that she had. I don't
19 think that it was called Deerfield Resort from the
20 beginning. I think it was just Deerfield Maintenance.

21 Q So the owner of the account is
22 indicated on the check that you remember seeing. It may
23 have been a voided check, but you remember seeing a
24 check and the check owner or the person or the entity
25 that was writing the check you believe was Deerfield

1 Maintenance?

2 A Maintenance.

3 Q You don't recall for sure what bank
4 the check was written on?

5 A No.

6 Q And I'm going to make a couple of
7 assumptions here from what you've just told me, but if
8 I'm wrong you let me know.

9 A Okay.

10 Q You never found bank account
11 statements related to that account?

12 A I haven't looked because it was old,
13 you know, that was outside of what I was digging for and
14 I was on a timeframe, so --

15 Q All right. So do you know where you
16 would look if you were going to look?

17 A We had trouble finding anything back
18 as far as 2016, so I don't know. I still have not found
19 boxes or files for anything older than 2016.

20 Q From your dealings with your mother
21 and your father leading up to his passing, I believe you
22 said in 2016, and her passing in 2021 --

23 A Yes.

24 Q -- did they ever talk to you about
25 where they kept the security and maintenance monies that

1 were collected other than the Hearthside bank account?

2 A No.

3 Q Did you ever see --

4 A Are you asking if there were multiple
5 accounts?

6 Q Yes.

7 A No, there were never multiple
8 accounts. There was one account.

9 Q All right. So what we know is that
10 from 2016-ish on there was the Home Federal, then
11 Hearthside, account, right?

12 A Right.

13 Q And really that's just a change in the
14 name of the bank, right?

15 A Right.

16 Q The account didn't move from one bank
17 to another. It stayed at the same place, but the name
18 of the bank changed.

19 A Correct.

20 Q So that account is the account that
21 you're familiar with that you've been telling me that
22 from whatever time that account was set up, all the
23 deposits that came from property owners at Deerfield
24 went into that account?

25 A Correct.

1 Q And then things were paid out from
2 there, correct?

3 A Yes.

4 Q All right. You're not aware of any
5 other account that was ever set up to receive Deerfield
6 property owner payments?

7 A No multiple accounts, no, just that
8 one.

9 Q Are you aware of any instances where
10 payments would come from a Deerfield property owner or
11 owners and the check would actually be deposited into
12 some other account such as Fields Development Company,
13 Inc.?

14 A No.

15 Q Fields Real Estate Company, Inc.?

16 A No.

17 Q Into the personal accounts of anyone?

18 A No.

19 Q You believe that all the checks that
20 would come into Deerfield property owners would go into
21 that account that was originally Home Federal and later
22 Hearthside?

23 A Yes.

24 Q And you also believe that when it
25 comes to the -- what's the name of the other one? First

1 Volunteer --

2 A Yes.

3 Q -- that that was only the checks being
4 deposited into that account were only the fees or dues,
5 payments being made by the condo owners?

6 A For the Deer Lake condos, yes.

7 Q Can you tell me, just as a matter of
8 curiosity, why that account, the one you had at First
9 Volunteer, was titled Deerfield Homeowners Association,
10 Inc. as opposed to Deerfield Condo Owners Association,
11 Inc.?

12 A I don't know why they did that. I
13 really don't know how it got set up that way. It did
14 cause us a couple of problems along the line when we
15 were using checks for the condos and it said something
16 other than condos on it. But no, I don't know how it
17 got set up or why it got set up that way.

18 Q Is there a Deerfield Condo Association
19 Owners, Inc.?

20 A There is, but it was two different
21 budgets because they were lake view condos and lakefront
22 condos. So they had different expenses, so their
23 budgets were always separate and their checking accounts
24 were always separated.

25 Q So you kept two separate accounts for

1 them?

2 A Yes.

3 Q Now, I have from the documents that
4 were subpoenaed from First Volunteer some records and I
5 gave your counsel a copy of those. So that checking
6 account that I have the copies -- actually the subpoena
7 was answered before I ever got involved in the case. It
8 was something that was turned over to me and I looked at
9 it and I saw Deerfield Homeowners Association, Inc., but
10 what I have, as I understand it then, is an account,
11 it's a single account. All the records I've got are the
12 same account number and, as I understand it, that would
13 be an account that consists of the monies received from
14 the condo owners for one of the two classes of condo
15 owners that you just mentioned to me.

16 A Yes, yes.

17 Q But not both?

18 A That's right, correct.

19 Q Okay. Now, I've also got, and they
20 were originally provided, but there are these statements
21 and, of course, this is in hard copy for them. I don't
22 know if you've looked at them like this, but I printed
23 off what was provided to us either earlier in May or on
24 May the 31st. I think they came in two batches, and
25 something similar to this, but not like this, was

1 provided even earlier, but there was kind of, I'll call
2 it a software issue that made it hard to piece together
3 what they were.

4 But in any event, when I get these
5 statements from you all in May of 2023, these
6 statements, as I understand it, would depict only the
7 monies that have come from property owners at Deerfield,
8 not the condo owners. These would be the folks at
9 Deerfield that own properties, lots that are paying
10 security and maintenance fees based on invoices or due
11 statements that they're receiving.

12 A That is just expenses. There were
13 separate documents for deposits.

14 Q Right, correct. But these documents
15 that depict those expenses do not include any condo
16 association fees coming in?

17 A There were -- condo insurance would be
18 a flow in and a flow out. I've seen there were deposits
19 in and out of there that could have been condo
20 insurance.

21 Q Why would that be?

22 A I don't know. I do know that -- the
23 only thing I know for sure is that in the early days she
24 had treated the lake view condos as a trust account,
25 that she did not write checks out of it, so that if

1 someone needed to get paid for mowing the grass they had
2 to go to the bank to get a bank check for that. I don't
3 know what her reasons were for that, if she believed
4 that as a trust account she couldn't write checks on it.

5

6 But I did notice, because one of the
7 first things I looked for were the large insurance
8 payments, and I saw that there would be condo insurance
9 that was a flow through and I saw her notes to the
10 accountant where she was balancing that out to say this
11 much came in for condo insurance and this much went out
12 for condo insurance.

13 Q Are you telling me then -- when you
14 say it was kind of a pass through or flow through, that
15 when I see on here that payments have been made, and
16 there is one in fact on the very first page and it shows
17 as being a January 10, 2016 payment to Nationwide and
18 the entry on it says condo insurance, the amount is
19 \$4,259.45, what you're telling me is yes, that amount
20 did go out of this account but the condo association put
21 money in to cover that?

22 A Correct.

23 Q And there will be a corresponding
24 deposit to show that, correct?

25 A That's correct.

1 Q All right. And that's true every
2 single time?

3 A It should be. I just noticed when I
4 was looking at the working papers from the accountant
5 that she would give them a summary at the end and she
6 would show him that was the income and that was the
7 expenses for that and she would just show that as flow
8 through.

9 Q How was that handled on the tax
10 returns, if you know?

11 A I think it was just a net zero. It
12 would have been the net, I mean the gross receipts and
13 then the gross expenditures.

14 Q You also mentioned to me earlier that
15 there were times when the money that was getting paid
16 out of this account for the Homeowners Association was
17 not enough -- was too much, that there wasn't enough
18 money to cover it and that money would be put into the
19 account to cover those shortfalls?

20 A The expenses would be too much.

21 Q Yes. So in those instances would the
22 money to cover it always be put into this account and
23 then written out of this account?

24 A To the best of my knowledge, yes.

25 Q Sometimes things similar to that can

1 occur and Fields Development is going to cover the
2 shortfall, and instead of writing a check to Deerfield
3 Homeowners Association, Inc., Fields Development might
4 just write the check direct to whoever it's supposed to
5 go to and just make a paper entry; are you aware of that
6 occurring?

7 A It's possible, but I'm not aware of
8 it.

9 Q You can't point me to a specific
10 instance where that's occurred?

11 A Correct.

12 Q Your understanding of the way it was
13 normally done and the way that it was procedurally done
14 as a regular process was that the money would be
15 deposited into the Homeowners Association, Inc. account?

16 A No.

17 Q Into the Deerfield Resort account?

18 A Yes.

19 Q Okay. And then written out from
20 there?

21 A Correct.

22 Q When someone, whether it be Fields
23 Development Company, Inc. or Fields Real Estate Company,
24 Inc. or Paul Fields and Madeline Fields, would put money
25 into the Deerfield Resort account to help it cover its

1 shortfalls, what documentation would be made or prepared
2 to evidence that?

3 A That I'm not aware of.

4 Q Were promissory notes ever done?

5 A We did one recently for '21 and '22
6 for the overages that we put in from Fields Real Estate
7 to get us through, but I haven't come across any that
8 were written earlier than that.

9 Q So when it was done, other than what's
10 been done as you called it recently -- and that money
11 came from Fields Real Estate, Inc.?

12 A For the promissory note that we have
13 currently, yes, Fields Real Estate.

14 Q But other than that you're not aware
15 of promissory notes being done?

16 A Not that I've seen.

17 Q You've not found a promissory note
18 file, a note file, a loan file, or any IOU file, or
19 anything of that nature to document that?

20 A The tax -- just the working papers
21 with the accountant. He sent me, and I tried to find it
22 to bring for this morning, he sent me his ledger that
23 shows all of the funds that went to Deerfield from the
24 various entities. He just had it on a written ledger
25 note that showed his running totals through the years,

1 because I was asking him about on the tax returns the
2 number that showed Deerfield Resort was 1.7 million of
3 other entities that had loaned it money and I asked him
4 if that number was actually true and he said yes, and
5 then he sent me this form to show all of the monies that
6 they had put in from all of the accounts through the
7 years.

8 Q Let me make sure I understand that.

9 A Okay.

10 Q We had the 1.7 mentioned a while ago
11 as the number from 2016 until '21 or '22 that Kelly had
12 tabulated --

13 A Yeah, separate number.

14 Q -- as a separate number and that's
15 money coming from the property owners in payment of dues
16 or fees, whatever we call it, right?

17 A Yes, right.

18 Q And then you're saying to me that for
19 some period of time and what period are we talking
20 about, from the start?

21 A Yes, from -- at least from his running
22 totals from when he had been taking care of their
23 returns, at least that's what my understanding was.

24 Q He being the CPA?

25 A Jack, yes.

1 Q That either Paul, your father, and
2 your mother, Madeline, or Fields Development Company,
3 Inc. or Fields Real Estate, Inc., or any other entity
4 that they controlled, had put in a million seven?

5 A Yes.

6 Q Over the entire period of time had it
7 been paid back?

8 A No, it didn't look like it had been
9 paid back.

10 Q So essentially what you're telling me
11 then is that based on your understanding and your
12 knowledge, which in part comes from what Jack told you
13 --

14 A Yes.

15 Q -- once you asked him, is that the
16 money collected from the homeowners wasn't enough to
17 cover maintenance and security?

18 A Correct.

19 Q And that in fact it was only
20 approximately half because the property owners that paid
21 -- well, we don't know, do we? We don't know how much
22 they contributed before 2016, do we?

23 A I've not been able to find those. I'm
24 sure the records are somewhere, but I have not been able
25 to find them.

1 Q Based on your understanding, what we
2 can say is that over the entire period of time, 2012 to
3 the present, based on your understanding, partly coming
4 from Jack, is that the shortfall has come to a million
5 seven?

6 A Yes.

7 Q And that million seven shortfall has
8 been covered in one way or another by your father, your
9 mother, Fields Real Estate, Fields Development?

10 A Correct. And we know that prior to
11 2012 they paid everything. There was no fees or dues
12 paid in. So from '86 to 2011 they paid all of the
13 expenses.

14 Q Have you ever been involved in any
15 other development of a real estate project yourself?
16 And I know you've mentioned a couple of things here
17 about what you've done with your husband in particular,
18 the condos I think that you mentioned, but ever a real
19 estate development involving a large piece of property
20 like this?

21 A No. Just the small pieces inside of
22 Deerfield.

23 Q So as a general rule, is it your
24 understanding that when a developer takes a large piece
25 of property, maybe ultimately intending to turn it over

1 to a property owner, that in the early stages of that
2 project the developer owns most or all of the property
3 until they start selling it.

4 A Uh-huh.

5 Q And over the time that transpires from
6 the time that they start the project until they have
7 sold enough that they're ready to turn it over to the
8 Homeowners Association, they are paid for all those
9 costs related to maintenance and upkeep. Is that your
10 understanding as to the way it's normally done?

11 A It seems to me like it could be done
12 both ways, but there could be fees from the beginning
13 for ongoing upkeep.

14 Q And the developer is paying part of
15 those expenses or maybe all of those expenses out of the
16 proceeds from the sale of the property that's being sold
17 as lots?

18 A Yes.

19 Q In this case residential lots,
20 correct?

21 A Correct.

22 Q Do you know how much the shortfall is,
23 or did Jack give you any information as to the amount of
24 the shortfall for the period of time between the time
25 that the Homeowners Association account with Home

1 Federal was set up and the present?

2 A He hasn't given me that information.
3 He probably has it.

4 Q Okay. One of the documents that we've
5 either been provided or that we've seen being published,
6 and I'm going to hand you and your counsel a copy of it,
7 is a document called Fields Loaned to Deerfield by year
8 2015 to 2022; have you ever seen this document?

9 A Yes, I have.

10 Q Do you know who or where it was
11 generated?

12 A I generated it.

13 Q And does it set forth the amounts
14 that, to your understanding, have been loaned to
15 Deerfield for the benefit of what we will call the
16 Deerfield Homeowners Association, Inc. maintenance and
17 security purposes?

18 A Yes, but Kelly told me I was -- I
19 under reported the 2022. When she finalized all of the
20 records for '22, she told me that number was close to
21 \$111,000 instead of \$95,000.

22 Q So the \$95,000 dollar number more
23 accurately would be set forth, according to Kelly, as a
24 \$111,000?

25 A And just a little more. I'm not sure

1 why there was an odd amount, but there was something
2 else in there.

3 Q So we'll just call it a \$111,000 plus?

4 A Yeah.

5 Q Did she tell you what the specific
6 reason was for the understatement of the loans to
7 Deerfield for 2022 was, and the understatement there
8 would be, eleven and five would be \$16,000; do you know
9 what that \$16,000 represented?

10 A She didn't tell me exactly what it
11 was. She just told me that was all accounts. So it's
12 possible, if I was only looking from Fields Real Estate,
13 that we may have contributed something from a different
14 company. It's also possible, if I was just looking
15 through cancelled checks, that I may not have looked far
16 enough into something that was deposited that hadn't
17 cleared maybe for the end of the year or the beginning
18 of the year. She didn't tell me. I could ask her why
19 there was more.

20 Q Would it be fair to say that based on
21 the way Kelly presented it to you, Kelly knows what that
22 \$16,000 represents?

23 A Yes.

24 Q And should have some paperwork or
25 documentation to show it?

1 A Yes.

2 Q Because she's pretty certain that you
3 were understated, right?

4 A That's right.

5 Q So that would then take our number up
6 from the \$285,844.07 up another \$16,000 which would get
7 us to about \$301,000 and some change; does that sound
8 right?

9 A Yes.

10 Q Now, I'm assuming that there are some
11 kinds of records that would indicate personal loans, for
12 example, 2015 and '16, \$30,000 each year. What does
13 personal other mean; do you know?

14 A I'm assuming, and I don't know this
15 for sure, I haven't researched it, I think one would be
16 a checking account and one would be a savings account
17 because I saw several notes that they took it out of
18 savings account to put it in.

19 Q And then there's Fields Real Estate,
20 correct?

21 A Yes.

22 Q And then there's Fields Development
23 and then there is other; do you know what other would
24 be?

25 A I do not. I have not been able to

1 find all of the 2015 records. This was just her
2 summaries when I was finding all the other summaries for
3 discovery.

4 Q Kelly's summary?

5 A No, 2015 would have been Madeline's.

6 Q Madeline's summary?

7 A Uh-huh.

8 Q Okay, all right. But the numbers come
9 from sources that you believe to be accurate?

10 A Yes. These are her records and these
11 are the records that she gave the accountant.

12 Q Have those records been turned over to
13 us?

14 A Yes. He said he gave you all of his
15 working papers, all of the documents that he used to
16 produce the tax returns.

17 Q Being the accountant, Jack?

18 A The accountant, yes.

19 Q So you believe that in the records
20 that Jack turned over to us there will be documentation
21 that evidences the calculation of these numbers?

22 A Yes.

23 Q Will that include a copy, for example,
24 if there was a check from a checking account, a personal
25 checking account, Paul and Madeline, or whoever the case

1 may be, that a copy of that check would be included?

2 A I don't know. I don't know that --

3 Q Or just a notation of some type that
4 that's what it was?

5 A Right, and he would have been able to
6 confirm that because he was doing our other returns. So
7 he would have had it entered twice.

8 Q So let me go back then to this
9 document and the source of this document. You prepared
10 this document?

11 A I prepared it off of her summaries
12 that I submitted for discovery.

13 Q Madeline's summaries?

14 A Yes, except for 2021 and '22 and then
15 I just went from the bank statements that I could find,
16 you know. So I didn't even go through her personal bank
17 statements. I only went through the Fields Real Estate,
18 but I did find that in 2020 the \$4,844.07, that was a
19 check to her that she just endorsed and put back in the
20 account.

21 Q Who was the check from?

22 A It was Department of Treasury. It was
23 like a tax refund, but it was written to her.

24 Q I think I've got that.

25 A Yeah.

1 Q I'll talk to you about that a little
2 bit later. So that was a check that came to her, that
3 U.S. Treasury?

4 A Yes.

5 Q She endorsed it and your indication is
6 she deposited it into the Deerfield Homeowners account,
7 Deerfield Resort account?

8 A Deerfield Resort, yes. But I did not
9 go back and research for 2021, '22, if she had put in
10 anything personally. I only looked at the bank
11 statements for Fields Real Estate, but Kelly would know
12 from '21 and '22 if there was anything else so 2020 is
13 probably the gray area.

14 Q Well, she passed in '21, right?

15 A Right.

16 Q So there wouldn't be anything in 2022
17 where she personally put money into the account?

18 A That's true, yeah. She would not have
19 done anything in '21, after a certain point in '21 or
20 '22.

21 Q She passed in early '21?

22 A Yes.

23 Q February?

24 A February.

25 Q Okay. And the only part of this as

1 depicted on this sheet that would be represented by any
2 kind of promissory note or written instrument would be
3 the money that was put in through Fields Real Estate,
4 Inc. recently, and I would take it that's one of the two
5 -- that's the 2022 entry?

6 A Yes. We had included the 2021, that
7 \$5,000 was included on that promissory note.

8 Q So the \$5,000 from '21 and \$95,000
9 from '22?

10 A Yes.

11 Q \$100,000 total?

12 A I think it was 105, so maybe we did
13 pick up the extra five by the time we did the promissory
14 from Kelly, I'm sorry. I think that maybe I knew that
15 at the end of December, but when I prepared this that we
16 had made one more payment and I think Kelly said maybe
17 we made two more payments possibly.

18 Q All right. So to be accurate, this
19 sheet needs to be adjusted. It needs to be adjusted,
20 first of all, for the additional \$16,000 that needs to
21 be depicted for 2022?

22 A Yes.

23 Q It needs to be adjusted for an
24 additional \$5,000 on the Fields Real Estate monies
25 loaned, correct?

1 A Well, for the purposes of the
2 promissory note, I believe that was 105 which would have
3 picked up an additional \$5,000, but then -- so if
4 Kelly's saying she found a hundred and eleven, that
5 means she found, instead of \$16,000 more than I knew,
6 \$11,000 more than I knew.

7 Q So then maybe that number doesn't need
8 to go up? Maybe we need to make an adjustment in the
9 columns; is that what you're telling me?

10 A Possibly, yes. It definitely needs to
11 be revised.

12 Q Okay. Do you intend to revise it?

13 A Yes.

14 Q Can you and I agree, subject to your
15 attorney in part of this, that when you revise it you'll
16 provide it to us?

17 A Yes.

18 Q All right. And can we also agree --
19 I've not seen, but there's a lot of stuff -- I don't
20 recall having seen the actual promissory note; do I have
21 the note?

22 A I sent it to you, you have it.

23 MR. HAWKINS: If I haven't given it to
24 you, it's an oversight on my part.

25 MR. HURLEY: I understand. I'm not --

1 MR. HAWKINS: If she's given it to me,
2 then I will make sure to get it to you.

3 MR. HURLEY: Okay, all right.

4 Q You believe that the note is correct?

5 A Yes. Well, for the information we had
6 at the time --

7 Q Right.

8 A -- we believed it was correct and it
9 was only when we were working on the final details in
10 May that Kelly said you know that was not enough. It
11 was more like 111. So we didn't get into the details
12 because we were so busy trying to get everything
13 submitted in time.

14 Q That sounds to me, in talking with you
15 here, that the folks that have been involved in this
16 process of trying to figure out how much money Fields
17 Development, Fields Real Estate, Paul and Madeline,
18 anyone else has had to put in to help the Homeowners
19 Association, that the folks involved in figuring that
20 out have been you, correct?

21 A Yes.

22 Q Kelly?

23 A Yes.

24 Q And Jack?

25 A Correct.

1 Q Was Scott involved in that?

2 A No.

3 Q Has your husband been involved in
4 that?

5 A No.

6 Q Anyone else involved in that that
7 we've not talked about?

8 A No.

9 Q So if I wanted to assure myself that
10 I'm getting enough information from all the people I
11 need to get it from to figure out how much money has
12 been put into Deerfield Homeowners Resort -- Deerfield
13 Resort Homeowners Association, Inc. benefit, not the
14 account, but for the benefit of the Homeowners
15 Association, that's an account that's called Deerfield
16 Resort?

17 A Yes.

18 Q And to get that information the three
19 of you would be the three people that would know and
20 maybe somebody under Jack that does his stuff, but that
21 would be the three places I would need to go?

22 MR. HAWKINS: Object to the form.

23 A Yes.

24 MR. HAWKINS: You can answer.

25 THE WITNESS: For any fees that came in

1 that were deposited into the Deerfield Resort
2 account, not for the Homeowners Association or
3 the Deerfield Resort account.

4 Q Okay. Because, when it comes to the
5 Deerfield Resort Homeowners Association, Inc. account,
6 while that is the name of the account, that's not the
7 purpose of that account?

8 A That's correct.

9 MR. HURLEY: Let's make -- let's do
10 this. Let's make a clean copy of that
11 document -- and even the copy that I've got --

12 MR. HAWKINS: It's got circles on it.

13 MR. HURLEY: -- has two circles on it
14 and I don't know how those got there, to tell
15 you the truth. It could have been me, could
16 have been Brian, I don't know.

17 MR. HAWKINS: That's the one she
18 testified about. Why don't we just make that
19 one -- I haven't marked on it. Do you want to
20 just use that one?

21 MR. HURLEY: Right, but I'd like to
22 have her markings as well. Let's make a clean
23 copy the next exhibit and the marked copy the
24 one after that.

25 COURT REPORTER: Exhibits 4 and 5.

1 (Exhibit Nos. 4 and 5, filed.)

2 Q Okay. I want to hand you next a
3 document called Deerfield Resort maintenance paid out
4 and there are actually several documents here, several
5 pages. So let's kind of take them one by one, okay?

6 A Okay.

7 Q The first one here says Deerfield
8 Resort maintenance paid out 2012; do you see that?

9 A Yes.

10 Q Is that familiar to you?

11 A No.

12 Q You don't think you've seen this
13 before?

14 A It doesn't look like my spreadsheet.
15 This looks more like one that mom would have done.

16 Q And I'll represent to you that this
17 document has come to me from multiple sources --

18 A Okay.

19 Q -- that indicate that they got it in
20 2012.

21 A Okay.

22 Q The December 31, 2011 letter that we
23 looked at essentially said we will be doing annual
24 statements.

25 A Right.

1 Q And I've had multiple people give this
2 to me as being a statement that they got back in 2012.

3 A Okay.

4 Q Down at the bottom you'll note it says
5 spreadsheets are at the office for breakdowns.

6 A Okay.

7 Q And that's consistent with what the
8 2011 letter said --

9 A Okay.

10 Q -- as well. Now, with all that said,
11 does this look like the way that your mom, your mother,
12 would have kept a breakdown of Deerfield Resort
13 maintenance payment of expenses for 2012?

14 A Yes.

15 Q She's got various categories depicted
16 in this table as expense type categories with a total of
17 paid out of \$109,219.85; do you see that?

18 A I do.

19 Q And it shows total deposits of
20 \$110,206.00, correct?

21 A Correct.

22 Q Now, do you see anything on this one
23 for 2012 indicating that anyone had to put money in
24 other than the monies paid by the property owners
25 themselves?

1 A I don't see anything in 2012 that
2 would have required the need based on the figures that
3 she's put together.

4 Q All right. Now, let's turn to the
5 next page. The next page is Deerfield maintenance 2013.
6 There is an indication of expense amounts. Again
7 there's a table there that's got very similar types of
8 line items on it. The one in '13 appears to be a little
9 more detailed because it actually breaks some of the
10 payroll out; do you see that?

11 A Yes.

12 Q For example, there is Bodie, there's
13 Kasey, there's payroll tax, payroll tax state, whereas
14 it appears on the 2012, all of that was kind of lumped
15 into one thing. So this one's got a little more
16 detailed, did it not?

17 A It did.

18 Q Does this again look like something
19 that your mother would have put together?

20 A It does.

21 Q We show here that there was a bunch of
22 paving that year; do you see that?

23 A I do.

24 Q \$53,389.07, but it says total paving
25 \$113,960.86, 2013 paid by maintenance and donations

1 \$55,000, 2013 paid by Fields Development Company
2 \$20,000; do you see that?

3 A Yes, I do.

4 Q Now, that shows a balance due on
5 paving of \$38,427.71, correct?

6 A Correct.

7 Q Do you know whether or not in your
8 numbers of the 1.7 million that was put in, do you know
9 whether or not that 1.7 million included, for example,
10 the \$20,000 that it says was paid by Fields Development
11 Company in 2013?

12 A I would assume that it would.

13 Q Would you agree with me that in 2013,
14 if Fields Development Company still had a large number
15 of lots, a lot of acreage that it could still sell for
16 profit to purchasers of lots at Deerfield Resort, that
17 it would be appropriate for Fields Development Company
18 to bear part of the expense in the paving?

19 A I can't say as late as 2013 how much
20 they would have had in actual lots versus the acreage
21 that they still have now that's primarily tucked in the
22 golf course. So I would think by 2013 that the majority
23 of the roads and the lots were already by owners not
24 left to development land, because I haven't found much
25 in the way of lot sales since then. So I would think

1 that there was not that much development land left at
2 2013 anymore than there was today.

3 Q When you have looked at the issue of
4 lot sales since, let's say, 2012 or 2013, where have you
5 looked?

6 A Primarily the courthouse when I've
7 been trying to determine mainly for the purposes of the
8 list what was owned and just looking at the history. I
9 haven't seen hardly anything that much come through,
10 although again there's still the gray areas of lot sales
11 and other additional Fields Development contributions
12 between going back after 2015.

13 Q Well, let me ask kind of a practical
14 but somewhat logistical question here regarding lot
15 sales. To determine lot sales you could go to the
16 courthouse and look for deed conveyances by the Fields
17 Development Company, Inc. to John Doe and Mary Doe,
18 right? That would be one place you could look and
19 typically on the deeds there's an indication as to what
20 the consideration for the transfer is. That would be
21 one way to do it, right?

22 A Uh-huh.

23 Q Correct?

24 A Correct.

25 Q A second way would be typically that

1 Fields Development Company, Inc. being a for profit
2 corporation, which it is, right?

3 A Right.

4 Q Would have its own records, its
5 financial statements, its own tax returns that would
6 show total revenues for any given year?

7 A Yes.

8 Q So that would be a source to help us
9 figure out how much lot sales occurred, right?

10 A Correct.

11 Q Now, when Fields Development Company
12 owned a lot and wanted that lot to be on the market to
13 be sold so that if someone comes in they can be made
14 aware that there's the possibility of lot there, would
15 that be marketed through Fields Real Estate?

16 A Most likely it would be on a sales
17 sheet that they would have at the office that would be
18 by Fields Real Estate that should say what's available
19 for sale in the community.

20 Q Would Fields Real Estate, Inc. get a
21 commission for any lots that it sold on behalf of Fields
22 Development Company, Inc.?

23 A I don't know. I don't know if she
24 paid a commission on her own lots or not because they're
25 a separate company. I'm not sure how she did that.

1 Q How about now?

2 A Now if it's not listed, I think that's
3 when the commissions come into Fields Real Estate, if
4 it's an actual listing, like an MLS listing that would
5 go out. So I don't think she ever listed her own lots
6 in that way or the Fields Development lots in that way.

7 Q Does Fields Development Company, Inc.
8 now have any lots listed for sale with Fields Real
9 Estate Company, Inc.?

10 A No.

11 Q When is the last time, if you know,
12 that Fields Development Company, Inc. has sold a lot at
13 Deerfield?

14 A I believe there was one in '21 -- '22.
15 There was one in '22.

16 Q One lot in 2022 was sold?

17 A Yes.

18 Q Now, your mother passed I believe in
19 February of '21.

20 A Yes.

21 Q Would that be the only lot that has
22 been sold by Fields Development Company, Inc. since she
23 passed or that was just the one in 2022?

24 A To the best of my recollection that's
25 the only one that we've sold.

1 Q Was that one -- I may have asked this.
2 Was that one listed with Fields Real Estate, Inc.?

3 A No.

4 Q It was just a direct sale by Fields
5 Development to a purchaser and nobody got a commission
6 out of it?

7 A Exactly.

8 Q By the way, with Fields Real Estate,
9 Inc. are you a real estate broker?

10 A I am not. I'm not even an agent.

11 Q Okay. So you're not an affiliate,
12 you're not a broker; have you ever been?

13 A In 1990, '91, I had a license for one
14 year.

15 Q Now was that an affiliate broker's
16 license?

17 A Yes.

18 Q All right. And then you've let that
19 go for some reason?

20 A Right.

21 Q You're just busy with other things?

22 A Yes.

23 Q Sales wasn't for you?

24 A Right.

25 Q Your brother, is he a licensed real

1 estate agent?

2 A Yes, he is.

3 Q Now, there are licensed brokers and
4 there are licensed affiliate brokers; is he a licensed
5 broker?

6 A He is a licensed broker.

7 Q If you're an affiliate you have to
8 kind of hang your shingle under a broker. He doesn't
9 have to do that?

10 A Correct.

11 Q All right. And is there anyone else
12 in the family that is a licensed real estate broker or
13 affiliate broker?

14 A No. That was incorrect in the filing
15 that said that Marc was an agent; he is not.

16 Q Okay. Marc is not a real estate --

17 A He's not an agent.

18 Q -- agent of any kind, right?

19 A Right.

20 Q He does not have a real estate agent's
21 license of any kind?

22 A He does not.

23 Q In the Fields Real Estate Company,
24 Inc., are there other brokers other than your brother,
25 either affiliate or brokers?

1 A No other broker, there's affiliate
2 agents.

3 Q Who is that?

4 A Matthew Stogsdill, and Tyler does not
5 have his license.

6 Q So there's one affiliate under your
7 brother's license that's working there with Fields Real
8 Estate?

9 A Yes.

10 Q And Fields Real Estate -- I think I
11 asked you this, but let me make sure, okay. Does Fields
12 Real Estate, Inc. sell any property or list any property
13 other than in Deerfield Resort?

14 A Occasionally. We've tended not to in
15 the past just for the distance, but we have had listings
16 outside of Deerfield.

17 Q Any listings active now outside of
18 Deerfield?

19 A No.

20 Q And Fields Real Estate, and refresh my
21 memory, Fields Real Estate, Inc. is owned by you and
22 your brother?

23 A Yes.

24 Q Any other owners?

25 A No.

1 Q 50/50?

2 A Yes.

3 Q The next page in this --

4 A Well, I am sure if we research, I did
5 find in a spiral notebook paper written where she had
6 referenced the paving and the list of people who had not
7 contributed or had not paid. Again, it was a voluntary
8 request. So I'm assuming that this \$38,000 had to be
9 made up also by Paul and Madeline in some way.

10 Q I think it was. I think, don't hold
11 me to this --

12 A Okay.

13 Q -- because we'll keep looking, but I
14 think we see something referencing that later. It may
15 not be in this document --

16 A Okay.

17 Q -- but it may, but I think we see
18 something referencing that later.

19 A Okay.

20 Q Now, if you go to the next page in
21 this one, okay?

22 A Okay.

23 Q It goes to 2018. Now, in a separate
24 document, I think I've got a '16, maybe a '17, I've got
25 another year or two. I don't have them all which is

1 part of where I'm heading to ask you about.

2 A Okay.

3 Q But the next page of this one has
4 final expense 2018, Deerfield Resort, all paid through
5 Deerfield. Now, when we say that, we're talking about
6 all paid through Deerfield Resort which would be the --
7 not the condos, but just the Deerfield Resort account?

8 A The Deerfield Resort checking account.

9 Q Would that be your understanding?

10 A That's my understanding, yes.

11 Q Have you seen this document before?

12 A I think I saw this as part of the
13 exhibit in the filing.

14 Q Okay. Our filing?

15 A Yes.

16 Q Okay. Do you believe that this looks
17 like, and it's -- this one for 2018 is two pages or a
18 page and a quarter, does this look like something your
19 mother would have kept?

20 A This looks similar to all of her work.

21 Q All right. Now this has an even more
22 detailed breakdown of the expenditures, does it not?

23 A It does.

24 Q And provides all kinds of various
25 expenditures that have been made and on this one I'll

1 walk you through just a couple of them. There's the
2 payroll item which is certainly the largest by far at
3 the very top. Then there's dues, Better Business Bureau
4 or BBB; do you see that?

5 A I do.

6 Q Do you know why it was that the
7 Deerfield Homeowners -- Deerfield Resort Homeowners
8 Association, Inc. was -- well, let me rephrase that.
9 Who was the member of the Better Business Bureau?

10 A I don't know. It probably was
11 Deerfield Resort, I would think, just saying Deerfield
12 Resort, but I don't know that for sure. There's a
13 plaque.

14 Q There usually is a plaque or a
15 little --

16 A Do you want to just wait and ask him
17 tomorrow?

18 Q I can.

19 A Okay.

20 Q But I do want to ask you this.

21 A Okay.

22 Q Do you know of any reason that
23 Deerfield Resort Homeowners Association, Inc. would have
24 a need, or just the Deerfield Homeowners Association,
25 would have a need to be a member of the Better Business

1 Bureau?

2 MR. HAWKINS: Object to the form.

3 A I'm sure it wasn't in the name of the
4 Homeowners Association.

5 Q Okay. You think it would have just
6 been in the name of Deerfield Resort, right?

7 A I don't know for sure that that's it
8 either, but I would think so.

9 Q All right. And then there is a
10 membership indicated in the Knox Chamber. I assume that
11 that's Knox Chamber of Commerce; do you know?

12 A I would assume that's the Knoxville
13 Chamber.

14 Q Any reason to know why membership in
15 the Knox Chamber of Commerce would be paid out of the
16 monies contributed by the property owners at Deerfield?

17 A I don't -- I'm not saying that this
18 was all paid out of the property -- there's so much of
19 our own money in the account. I'm not saying that this
20 was paid out of the property fees.

21 Q The money that she put in the account,
22 do you know whether she expected to be paid back?

23 A I know that there was money that she
24 put in to keep the community going, but I think there
25 was also money that she may have put in for Fields

1 Development. But I don't think that, if it was money
2 she put in for Fields Development expenses, she would
3 have called it money due back from Deerfield on the tax
4 returns.

5 So I believe that anything that she
6 said was, that Jack had on the returns, and that 1.7,
7 that would not be for anything that was not a Deerfield
8 expense because that would have already been money that
9 she would have expensed out of just normal business
10 operations. So that would not have been tagged as money
11 due back to her from Deerfield.

12 Q Was money that was contributed by
13 Deerfield Resort property owners --

14 A Yes.

15 Q -- as the result of them receiving
16 their annual statements for dues or fees come on an
17 invoice.

18 A Uh-huh.

19 Q And has a specific amount on it and
20 they write a check for that. Was that money kept
21 segregated?

22 A It does not appear that it was in a
23 separate account. It looks as if it was one operating
24 account.

25 Q And in that operating account that

1 received the funds that were being sent by property
2 owners at Deerfield, there could be other money of
3 Fields Development which was doing business as Deerfield
4 Resort, was it not?

5 A Yes.

6 Q There could be money put into that
7 account by Fields Real Estate Company, Inc., correct?

8 A Yes, correct.

9 Q So there was, in essence, in the
10 account that kept the funds, that received the funds
11 that came from property owners at Deerfield, there was a
12 commingling of that money with the money from Deerfield
13 -- from Fields Development and Fields Real Estate?

14 MR. HAWKINS: Object to the form. You
15 can answer.

16 A In her original letter that you have a
17 copy of, she asked for the community to help her to keep
18 Deerfield going. So she was still intending I believe
19 to bear the brunt of the expenses with their help. And
20 so my impression of how she did it and why she did it
21 the way she did it was because they were wanting the
22 community to help keep it up, but they knew that there
23 wouldn't be enough even from what they were charging,
24 and they knew that they were going to be bearing the
25 brunt of the expenses.

1 And so there was so much money that
2 she had had to put in through the years that the money
3 that was in the account already before the fees started
4 coming in and kept rolling over was their business money
5 or money that they had loaned so that I cannot say that
6 any expense that she paid that might not have been
7 purely from maintenance and security used the homeowners
8 fees, because so much of her own money was already in
9 the account. There was always extra money in the
10 account. They were always putting money in because they
11 had always paid for the expenses.

12 Q Would the answer to my question then
13 be yes, the funds that were received from the homeowners
14 was commingled with monies that came from or combined
15 with in various amounts at various times money that came
16 from Fields Development Company, Inc.?

17 A I would say yes, they were in the same
18 checking account.

19 Q And monies that came from Fields Real
20 Estate Company, Inc.?

21 A That were funding Deerfield would have
22 gone into the same account. It would have gone into the
23 same account.

24 Q And monies that came from Paul and/or
25 Madeline Fields --

1 A Yes.

2 Q -- during their lifetimes, correct?

3 A Correct.

4 Q Did you ever ask her why she did it
5 that way?

6 A No, I really wasn't aware that -- no,
7 I never asked her that question.

8 Q Did you ever ask Paul Fields why he
9 did it that way?

10 A No.

11 Q Did she ever tell you why she did it
12 that way?

13 A No.

14 Q Did he ever tell you why he did it
15 that way?

16 A No.

17 Q Did you ever see them, Paul Fields or
18 Madeline Fields, during their lifetimes, communicate to
19 the homeowners at Deerfield Resort that the monies that
20 they sent in would be put in an account that would at
21 times have money from Fields Development Company, Inc.
22 in it and Fields Real Estate Company, Inc. in it, and
23 monies from Paul and Madeline Fields in it?

24 A No.

25 Q To your knowledge, did Paul Fields or

1 Madeline Fields, or the two of them, ever borrow money
2 from the Deerfield Resort account that included funds
3 that were received from the homeowners at Deerfield
4 Resort?

5 A No, they only put money in.

6 Q And I understand what you've just
7 said, but let me get more specific with that question.
8 Are you ever aware of an instance where there was a loan
9 of \$10,000 noted coming out of the account to Paul
10 Fields or Madeline Fields?

11 A Not that I'm aware of.

12 Q There are a number of donation type
13 entries here. Shepherd Home, is that a charitable type
14 thing?

15 A Yes.

16 Q Rotary Club, Fire Department, Shrine
17 Circus, Camp Galilee, Christmas parade that are all
18 listed there, and from what you've told me before I
19 would assume that what you would say about that is that
20 since they were putting money with these funds, that it
21 was not inappropriate to make those donations out of
22 this account?

23 A That's the way she did it.

24 Q You would not necessarily say to me
25 that there was an appropriate business purpose for

1 Deerfield Homeowners dues or fees to be used for these
2 purposes because these are not maintenance and security
3 expenditures, are they?

4 A I do know, the only thing I can say to
5 that is there were some things that she would do to try
6 to help Deerfield's profile in the community, because
7 there was a lot of negative feedback from the community,
8 in the local town, for the way sometimes Deerfield
9 residents were treating the people locally. And so I
10 know that sometimes she would try to help improve the
11 profile of Deerfield a little bit by being present in
12 the community for charitable things.

13 So whether she thought that was
14 something appropriate to do from the homeowners
15 themselves -- I know the Fire Department was one thing
16 that she felt it was important, but not every homeowner
17 gave to the Fire Department, and so she thought that
18 would be good if Deerfield itself gave to try to cover
19 some of the people who didn't.

20 Q Did you ever hear your mother or your
21 father say to homeowners at Deerfield Resort, while
22 we're sending you an invoice that says that it is for
23 homeowners fees or dues, we're telling you now there may
24 be a number of things that we will use that money for
25 that would not be maintenance or security related?

1 A I'm sorry, could you repeat the
2 question?

3 Q Yes. Did you ever hear your mother or
4 your father tell Deerfield homeowners, or see them tell
5 them in a written communication of any kind, while we're
6 sending you invoices for fees or dues for maintenance
7 and security, there will be times when we will use the
8 monies that you pay as a result of those invoices for
9 things that are not maintenance and security?

10 A I did not hear them say that.

11 Q Did you ever see them say that?

12 A No.

13 Q Anything in writing where they
14 informed people that were writing these checks to the
15 Homeowners Association, writing these checks for
16 security and maintenance fees, that in writing we're
17 advising you that while we're sending you these invoices
18 for maintenance and security, we reserve the right to
19 use these monies that you send to us for things other
20 than maintenance and security?

21 A Well, if she gave them this summary,
22 then they're seeing that it was potentially, and I'm
23 still not saying that that was fees that was used to pay
24 this, but she did put it in writing and give it to them.
25 So she did put in writing that she was using -- she put

1 it on the report, so I would say the answer to that is
2 yes, she did put it in writing.

3 Q All right. Now, there's also on this
4 report advertising, \$3,446.65; do you see that? It's
5 about 40 percent of the way down the page.

6 A Yes.

7 Q Was advertising an appropriate expense
8 for maintenance and security funds?

9 A Some of that would have been for the
10 billboard where you turn in town. So that was sort of
11 like a directional sign for Deerfield. The other
12 advertising, I would have to look at the details to see
13 what all that was for. Some of it may have been the
14 boat show, but I've seen a lot of invoices paid to the
15 boat show out of the real estate. So I would just have
16 to look at the details to see what that was for.

17 Q I've seen a lot of entries in the
18 records that we got, these compilations or lists that
19 you've given us of payments for the boat show or
20 payments to Lamar Advertising --

21 A Yes.

22 Q -- which is large billboard company,
23 correct?

24 A Yes.

25 Q And to advertise would certainly be an

1 appropriate thing for Fields Development, correct?

2 A Well, the billboard is necessary for
3 people, for Deerfield, not just for Fields Development.
4 That's something that helps the community because it's a
5 directional sign so that people know, deliveries know,
6 renters know. It serves a lot of purposes other than
7 just pure advertising. We're not selling to people who
8 are in LaFollette. People are coming from out of state.
9 So it's not for the purposes of sales.

10 Q Does it serve a maintenance and
11 security purpose?

12 A It benefits the community.

13 Q Does it benefit Fields Development
14 Company?

15 A I'm not sure how it would. I really
16 don't see the benefit to the Development Company
17 personally directly.

18 Q Directing people to where the resort
19 is in case they want to look and possibly purchase some
20 of that unsold property.

21 A Again, it's more for community
22 services, renters, or people just needing to find
23 Deerfield for various reasons.

24 Q Did Fields Real Estate get any benefit
25 out of the billboards?

1 A Fields Real Estate has paid for some
2 of the billboards. I think, from what I've seen from
3 the discovery I did, Fields Real Estate paid for about
4 half of them.

5 Q Other than the directional billboard
6 that you mentioned, what would the billboards typically
7 say?

8 A That's the only one.

9 Q That's the only billboard that there's
10 been, just one billboard?

11 A Yes, for Deerfield.

12 Q So, to your knowledge, there has only
13 been one billboard, Lamar billboard specifically, and
14 any payments that we see depicted in these lists, annual
15 lists that we got from you to Lamar would be for that
16 one billboard?

17 A It's my understanding that that's what
18 they're for. I've seen some notes where she'll say one-
19 half of billboard.

20 Q Okay. There were a couple of entries,
21 and I'm just going to ask you out of curiosity, R-o-w
22 Nadine Byrge.

23 A That's what they call the median, Row,
24 that's just that main Deerfield Way section. Different
25 mowers did different sections, so Row is median mowing.

1 Q So for -- it says Nadine Byrge,
2 B-y-r-g-e, am I pronouncing that right?

3 A Yes.

4 Q \$6450, and then Una Kitts, those are
5 the persons doing the mowing; is that what we're saying
6 there?

7 A That's their company and that's how
8 the checks were made to their company. And Una Kitts
9 would do some regular mowing, some bush hog mowing. It
10 was just various -- he had the large equipment. So if
11 trees needed to be cut back from the roadway, branches
12 were hanging over, the sort of things you see that the
13 highway department has.

14 Q There is an entry for trucks and
15 equipment repair, \$14,000, for the year of 2018. Did
16 Deerfield Resort Homeowners, Inc. own any trucks?

17 MR. HAWKINS: Object to the form, you
18 can answer.

19 A Okay. The homeowners didn't own
20 anything.

21 Q Right.

22 A There would -- it's both. There's
23 some equipment that Deerfield owns, Deerfield Resort.
24 There's some equipment that Scott owns or other entities
25 may own that Deerfield uses. And I know it's particular

1 in this year, sometimes it would be equipment repair.
2 There was a tractor that they tried to keep going and it
3 was just too expensive to keep it going. There was
4 another truck they tried to keep going and that just
5 became too expensive. So eventually they just gave up.

6 Q In 2018, did Deerfield Resort
7 Homeowners, Inc. own anything?

8 A No.

9 Q No equipment?

10 A No.

11 Q No office equipment?

12 A No.

13 Q No office supplies?

14 A Not the Homeowners Association, no.

15 Q I note on this particular month for
16 2018 the net payroll is shown as being \$110,022.91,
17 okay?

18 A Okay.

19 Q And then when I look down here at the
20 bottom of the page I see 941 payroll taxes of \$26,588,
21 and I see 940 payroll taxes of \$351, and I see state
22 payroll taxes, \$5,152.94, total payroll taxes of
23 \$32,092.32.

24 If I said to you, I need to be able
25 just myself to work my way through these numbers to make

1 sure that those numbers are an appropriate allocation to
2 make out of the monies that the homeowners have paid for
3 maintenance and security -- and with that let me say,
4 maintenance and security required some people. There
5 has to be somebody at that guard shack, right?

6 A Correct.

7 Q There may be times when there has to
8 be someone going through the community and tending to
9 things. There is a need to pay people to do work,
10 maintain, repair things within Deerfield, that's
11 understood and it requires people.

12 But if I said I need to satisfy myself
13 that the amount that's coming out of these funds of
14 homeowners who have paid dues or fees as the result of
15 an invoice for maintenance and security, I want to make
16 sure that those wages, the payroll, the payroll taxes,
17 are fairly being allocated between what's being done for
18 maintenance and security and what's being done for
19 Fields Development Company, Inc., and what's being done
20 for Fields Real Estate, Inc., and what's being done for
21 the Water Company, Inc. I just need to sit down and
22 look at those documents to make sure with my eyes.

23 A We've already submitted those through
24 discovery.

25 Q All those documents have been

1 provided?

2 A Yes.

3 Q So what I've got, what I've got, is
4 what you would have to offer to show that there's a fair
5 allocation of wages and salaries and payroll expenses
6 between those various parties, the homeowners, security
7 and maintenance, Fields Development, Fields Real Estate,
8 and the water company?

9 A Well, anything that was paid by those
10 other companies wouldn't even be in this payroll or in
11 these taxes because it wouldn't have been generated
12 through the payroll. The only thing that went through
13 payroll would be the Deerfield hours.

14 Q Now, when I look at these summaries
15 that you've provided to me, I see, for example, a lot of
16 entries. For example, Scott Fields, admin, 1785, and
17 it's \$1,785, right?

18 A Correct.

19 Q And then I see Paula Lejeune, 824.47,
20 that's \$824.47, right?

21 A Right.

22 Q Did you all receive money over and
23 above that from Deerfield Resort -- I'm sorry, from
24 Fields Development Company, Inc.?

25 A You're saying apart from what's on

1 there did we have any other remuneration?

2 Q From Fields Development Company, Inc.

3 A No. That was our payroll for what we
4 do for Deerfield.

5 Q And did you receive any money from
6 Fields Real Estate Company, Inc.?

7 A Well, Scott would have as an agent.
8 He would have had commissions.

9 Q But you would not have?

10 A I don't think so.

11 Q All right.

12 A Yes, they paid my insurance. My
13 health insurance was paid through Fields Real Estate.

14 Q Okay. Kind of a fringe benefit of
15 being an owner?

16 A Well, no, for what I did do for them.
17 I mean I didn't do as much for them.

18 Q All right. So would Scott have
19 received separate compensation from the water company?

20 A Well, it's his company. So there
21 would be no payroll for that. He would just -- it's his
22 company.

23 Q Does he make money on it?

24 A Doubtful.

25 Q I will need to ask him tomorrow?

1 A Yeah.

2 Q And then there are employees on here,
3 Chad Crawford, Bob Finch, Leonard, is it Wishon?

4 A Yes.

5 Q Walt Henegar. Those names, those are
6 employees of the security, correct?

7 A Yes, and I believe we did a separate
8 discovery sheet showing who did what, which names were
9 security, which names were maintenance, or out in the
10 field, the grounds.

11 Q Or administrative in the office?

12 A Yes.

13 Q Does the money that comes in from the
14 property owners help pay Kelly?

15 A At this point, yes, it does.

16 Q How much?

17 A I would think -- she allocates her
18 time as well and so she allocates part of her time to
19 Deerfield, part of her time to Deerfield Village, part
20 of her time to Deerfield Condos, and a small amount of
21 time to the water system.

22 Q All right. Did she get paid from all
23 those?

24 A She is paid through Deerfield, but she
25 is paid back -- these entities pay Deerfield back for

1 that, anything else that she does for them.

2 Q For these entities that you mentioned
3 that she does work for --

4 A Yes.

5 Q -- pay money back into this account?

6 A Yes.

7 Q And how do they do that?

8 A Those entities just write a check to
9 Deerfield and it's redeposited into the account. She
10 submits either an estimated amount or a set amount,
11 whatever that amount is, and we let her determine how
12 much that is. Based on her hours she submits it to
13 those associations and then they put it back in -- they
14 write the check back to Deerfield.

15 Q Is it done monthly?

16 A More like quarterly.

17 Q Does anyone review her calculations as
18 to accuracy?

19 A I do. I mean I see what she's getting
20 reimbursed for and Scott, of course, would know better
21 with the water system.

22 MR. HURLEY: Let's take a break. Do
23 you want to have 30 minutes to take a break
24 and grab a sandwich or something; what do you
25 want to do?

1 MR. HAWKINS: Is that enough time for
2 you all for lunch?

3 MR. HURLEY: I've got 12:50; what about
4 1:30?

5 MR. HAWKINS: 1:30, sure.

6 MR. HURLEY: There's plenty of stuff
7 close by.

8 VIDEOGRAPHER: We're going off. The
9 time on the camera is 12:53.

10 (Lunch break.)

11 VIDEOGRAPHER: The time on the camera
12 is 1:46.

13 Q So Ms. Lejeune, sticking to that same
14 document that I've had in front of you, if you will go
15 to the next page from where we were, that was the page
16 that has up at the top F and E Homeowners.

17 A Okay.

18 Q And then down below that it's F and E.
19 Is that franchise and excise, is that what that
20 represents?

21 A Yes, that would be -- not the annual
22 filing, but just the actual return, what's filed with
23 the return.

24 Q All right. So we have entries there
25 of \$100 for homeowners and \$1411 for Deerfield, correct?

1 A Correct.

2 Q As we go down there is a property tax
3 entry, \$9,338.

4 A Yes.

5 Q Now, we've talked about the fact that
6 Deerfield Resort Homeowners Association, Inc. does not
7 have any real estate, correct?

8 A Correct.

9 Q So the property tax that is depicted
10 here as \$9,338 would not be an expense of the Homeowners
11 Association, would it?

12 A The only thing I think that would have
13 been anything to do with the homeowners, at that point
14 in time, I think the tennis courts would have been in
15 there, but otherwise the rest of that would have been
16 Fields Development.

17 Q Well, the tennis courts at that time,
18 were they in the name -- were the tennis courts in the
19 name of the Homeowners Association?

20 A I believe they were at that time.

21 Q But they're not now, correct?

22 A Correct.

23 Q And then below that is tax prep, Ham &
24 Price, it's Hamilton and Price, right?

25 A Right.

1 Q And it shows it's \$5,200, and
2 certainly the Homeowners Association would not have had
3 \$5,200 of tax preparation costs, would it?

4 A Not the Homeowners Association, but
5 the Deerfield account.

6 Q All right.

7 A And part of that would have been the
8 --he does charge for preparing the Homeowners return as
9 well. I mean it's nominal, but, you know, you've seen
10 the returns.

11 Q Yes. Okay, and then if we go over to
12 the next page we have a page that lists -- for this
13 particular year, 2018, gives us a breakdown of deposits;
14 does it not?

15 A Yes.

16 Q It shows security deposits and road
17 maintenance deposits both of \$118,000 and some change, a
18 little bit of difference there, but basically the same,
19 and that's just basically -- is that splitting the total
20 amount received from the homeowners into those two
21 categories?

22 A I believe at this point she may have
23 been calling it 250 for maintenance and 250 for
24 security.

25 Q Right.

1 A And I think she just still designated
2 it that way on the deposits.

3 Q And that's what I assumed. We have
4 restaurant refunded Deerfield labor \$4,000.

5 A That is probably where the regular
6 crew may have gone up to the mountains, to McCloud
7 Mountain, and then they would have been refunded for
8 whatever labor they had spent up there.

9 Q For the time that they had spent on
10 that --

11 A Exactly.

12 Q -- location as opposed to at
13 Deerfield?

14 A Exactly.

15 Q And then refunded Deerfield for dues,
16 et cetera, \$1,272; who is doing that refund there?

17 A This could be -- I don't know without
18 looking at it. I would think that sometimes -- I know a
19 lot of times either, if there was condo dues paid, they
20 might have paid everything in one check. So that would
21 be sometimes where things would get paid from one
22 account to another.

23 Sometimes at a real estate closing, if
24 they paid everything at closing, then it might have gone
25 in one check and been refunded the same amount the same

1 way. But I'm not sure without seeing the details what
2 exactly that was for. It looks to me like some other
3 entity has refunded Deerfield for fees that were paid
4 into, maybe a combined check or something.

5 Q Then there's money paid Deerfield for
6 fireworks; who refunded that?

7 A That could have even been cash, I
8 don't know. It could have been a check. A lot of times
9 we ask that the checks be written directly to Pyro Shows
10 and a lot of times people still write it to Deerfield,
11 and so sometimes it would have to be sorted out in that
12 manner.

13 Q We see on that one, sale of golf
14 course lot, \$45,000, and is that where a golf course lot
15 was sold and the proceeds from that sale were just put
16 into this account?

17 A That would have been Fields
18 Development. Yes, the Fields Development lot and the
19 money just stayed in the account.

20 Q And was that because it was needed?

21 A That would be because that was her
22 account that she used for operating for Fields
23 Development.

24 Q So it being the account that she used
25 for operating for Fields Development, Inc. is what we're

1 talking about, right?

2 A Yes.

3 Q Would there have been -- would this be
4 the summary of all the deposits made into that account?

5 A I don't know. I don't know.

6 Q Would Fields Development, Inc. have a
7 separate account of its own?

8 A It did not.

9 Q Would Fields Real Estate, Inc. have a
10 separate account of its own?

11 A Yes.

12 Q Now, I noted when I look at that
13 deposit total on that page is \$298,201; do you see that?

14 A I do.

15 Q So, in a very simplistic way of
16 looking at it, which is the way I would look at it,
17 there was \$298,000 of available funds that came in by
18 deposit. If I go back to the previous page and I look
19 at the all totals number on the expenses, I see
20 \$254,932; do you see that?

21 A I do.

22 Q So it looks like that the total cash
23 flow in for 2018 of \$298,201 compared to the total
24 expenses number of \$254,000, looks like we had a surplus
25 of cash flow, that doesn't mean profit, but cash flow,

1 cash in versus cash out, of about \$44,000 for that year.

2 A Which is the golf course lot of
3 \$45,000.

4 Q So if the golf course lot had not been
5 part of the equation, it would have roughly been cash
6 flow out, the same as cash flow in, correct?

7 A It looks like that.

8 MR. HURLEY: All right. Let's make
9 that document the next exhibit, please. I
10 think that gets us to six.

11 COURT REPORTER: It does.

12 (Exhibit No. 6, filed.)

13 Q Next I want to hand you a document or
14 some papers and I'll represent to you that I think this
15 came off of like a Facebook page or some type of social
16 media posting. It's got up there at the top Kelly
17 Sjogren.

18 A Yes.

19 Q And it shows some breakdowns and I
20 think this is the number that we were talking about
21 earlier --

22 A Okay.

23 Q -- because it shows that it started in
24 2016, at least that's the way I read it here, and it
25 looks like it includes 2022.

1 A Okay.

2 Q So I think we've got totals for 2016,
3 '17, '18, '19, '20, '21, and '22. Now, we do not have,
4 at least as depicted here, any numbers for '23, correct?

5 A Correct.

6 Q So we have depicted here a total of
7 seven years, the seven that I just mentioned, and it
8 shows total fees collected as \$1,725,092; do you see
9 that?

10 A I do.

11 Q And it says right out from that a
12 seven year period, correct?

13 A Okay.

14 Q Now, the numbers that are depicted
15 here, as I understand it -- first of all, as I view
16 this, it appears to me that Kelly has done this
17 compilation of numbers, correct?

18 A Yes.

19 Q And is this, as best you can tell in
20 looking at this right now, the same type of calculations
21 that we talked about earlier that Kelly had done for a
22 few years?

23 A Well --

24 Q And it came to a \$1,700,000 number?

25 A The '21 and '22 would be her numbers

1 for books that she kept, and then anything before that
2 she would have taken out of the discovery documents that
3 we submitted.

4 Q All right. And those would be
5 documents primarily that your mother had compiled and
6 totals and tabulations that she had, right?

7 A Correct.

8 Q So, if I take -- I know the numbers
9 vary, the lowest, and they tend, except for '19, was a
10 little lower than '18, but otherwise the numbers seem to
11 increase a little bit annually; do they not?

12 A Yes.

13 Q And then for 2023, which is not
14 depicted here, what we know for 2023 is that the annual
15 fee or charge for a homeowner with a lot and a home on
16 it went from 500 to 750; did it not?

17 A It did.

18 Q Do you know, roughly speaking, how
19 much has been collected in 2023 from homeowners?

20 A I do not know. I know that Kelly had
21 posted something about how much was uncollected, but I
22 don't know what that number was.

23 Q All right. I may have that or may
24 not, but we're going to come to some other numbers here
25 in a few minutes. Would it be fair to say then, just

1 roughly speaking, since we are at \$1,725,000 as of the
2 end of 2022, and in light of the fact that the 2022
3 number was \$275,000, and in light of the fact that the
4 fee for a homeowner with a lot increased from 500 to 750
5 per homeowner or lot, that we're probably something
6 north of \$2,000,000 at this point?

7 A I think that would be safe, and if
8 you'd like for me to on a break I could text her and get
9 those exact numbers.

10 Q That would be fantastic.

11 A Okay.

12 Q We'll take a break here in just a bit
13 and if you would do that, I would really appreciate that
14 because that would help us have some certainty.

15 A Okay.

16 Q But just for our purposes of talking
17 right now, we're looking somewhere around the \$2,000,000
18 number since 2016, correct?

19 A Yes.

20 Q And that \$2,000,000 number in all of
21 these individual years, the numbers beside each of those
22 years or under each of those years, is the number that
23 has been collected from Deerfield Resort property
24 homeowners?

25 A That's according to her figures. I

1 mean I haven't reconciled that back to mom's for myself,
2 but that's what she's found from mom's records.

3 Q So as we look at this that's what we
4 think this is, correct?

5 A Yes, correct.

6 Q This would not, this would not be
7 other monies received from other sources. This would be
8 the money received, as that says, annual fee summary?

9 A I would have to look at it again to be
10 sure. Can I look at that document again? So like for
11 -- I would think so. That seems to me, like I don't
12 think that would include that \$45,000 that we were
13 talking about just a minute ago. Right. No, that looks
14 like that would be fees only.

15 Q Fees only, okay. Now, where did she
16 post this, is this a Facebook posting?

17 A This looks like Facebook.

18 Q All right. But --

19 A I think she also sent out an e-mail
20 though too.

21 Q Okay. So Deerfield has a Facebook
22 page or site, correct?

23 A Correct.

24 Q And it communicates by means of
25 Facebook postings that are made there?

1 A Yes.

2 Q And it says up at the top admin beside
3 her name. Is she the administrator of that Facebook
4 page?

5 A She's one of them, Scott is one.

6 Q And then as I understand, I think,
7 what you were just telling me, one other way that
8 Deerfield communicates with its community at Deerfield
9 Resort is by means of kind of like a mass e-mail?

10 A It's rare, but we do it on occasion.

11 Q So you think that sometimes she posts
12 on Facebook, occasionally she may also e-mail things to
13 people?

14 A Correct.

15 Q And she would have the capability, I
16 assume, that if she wanted to send an e-mail
17 communication to the entire greater Deerfield Resort
18 community to the extent that you've got the correct and
19 full e-mail addresses, you could do that?

20 A Yes.

21 Q Now, she has some discussion here and
22 we'll see some other postings where she has made some
23 Facebook postings in other instances. She says we have
24 four -- this is on the first page. We have four lawsuit
25 plaintiffs who have never paid zero Deerfield Resort

1 security and maintenance fees since they purchased their
2 property in Deerfield. Do you know who those four are?

3 A I know that one of them is Mark
4 Thompson. I know that -- I've seen the spreadsheet that
5 had it on there, but I can't recall the other names.

6 Q Okay. So the only one you can recall
7 now that's never paid any is Mark Thompson?

8 A That's the only one that I can recall.
9 I'm not aware that Dan Valle has ever paid. I don't
10 remember seeing a check for that. And those are the
11 only names that's coming to me.

12 Q If Dan Valle indicates that he has
13 paid in previous years, back in the 2012, '13, '14
14 timeframe, would you have any reason to disagree with
15 that?

16 A No. If he had cancelled checks, I
17 would not say that he hasn't. I just know in the
18 timeframe that we were looking at for the purposes of
19 discovery lawsuit, we did not find any payments during
20 that timeframe.

21 Q And would that be in the 2016 forward
22 timeframe?

23 A Yes.

24 Q Okay. And regarding Facebook, just
25 out of curiosity, who all has the ability from within

1 Deerfield Resort's headquarters or office, the building,
2 who all there has the capability of initiating Facebook
3 communications? Kelly obviously does.

4 A Right.

5 Q Do you?

6 A I can. I usually do not. Scott can,
7 Tyler can. I don't think there's anybody else that can
8 access Facebook because they need to be usually an
9 owner, but Tyler helps with all the technical parts of
10 it.

11 Q All right. And when communications
12 are posted on Facebook, they can be made by any of those
13 people from within the office?

14 A It would just be their personal
15 Facebook page communicating as part of the Deerfield
16 group or -- I mean Scott or Kelly, or I assume I could,
17 if we wanted to do an admin post we could, but typically
18 we tend to just post as ourselves if we post.

19 Q I don't do Facebook myself. I've
20 never had a Facebook account, never made a Facebook
21 posting, and shall continue in that way, but I want to
22 ask you this. We noted that any time any of the
23 plaintiffs post anything on this Facebook page,
24 regardless of what it is, even if it is something that
25 is relatively positive or non-lawsuit oriented, that it

1 gets deleted; is there a reason for that?

2 A Well, first of all that's not true at
3 all.

4 Q That's not true?

5 A There's a lot of posts that they do
6 not delete, as I'm sure that Bob Hilty can attest right
7 now, there's quite a long chain going between what says
8 Mary Ann Hilty and himself, those aren't deleted. There
9 are quite a few posts that are on there currently that
10 are from plaintiffs. So no, that is not true at all.

11 They only get deleted if they're particularly
12 inflammatory or if they're trying to promote what we
13 would say are untruths and misguided attempt to sway the
14 community. But other than that, we tend to leave most
15 posts up. There's quite a few that we do not delete.

16 Q Is there anybody that, for lack of a
17 better term, just on the blackball category that
18 anything they put up is going to be deleted regardless
19 of what it says?

20 A Well, I think that Mark Thompson might
21 have been deleted from the site because he was too
22 inflammatory at all times. I think that's the only one
23 I can think of that's been completely blacklisted.

24 Q What about Dan Valle? Of course, I
25 don't think Dan posts anyway, but what about Mary Anne

1 Rykulski?

2 A At this point we prefer to let the
3 community have their say because it's not going in their
4 favor. So it's really kind of interesting to watch how
5 it's playing out.

6 Q It's not going in their favor
7 referring to what?

8 A The majority of the community do not
9 agree with what they're posting and they're speaking out
10 and telling them that -- we're not having to defend
11 ourselves, because the community is confronting them on
12 the things that they're saying that are not true.

13 Q The community is taking the charge of
14 defending you?

15 A Yes or not necessarily even defending
16 us, just if something they're saying is not true, then
17 they're calling them out on it.

18 Q What are the untruths that they have
19 published?

20 A Oh, I couldn't really come up with any
21 -- well, for example, the recent posts that's going on
22 that I just happened to have read before we came. Mary
23 Anne Hilty was saying that we were not, as we already
24 discussed earlier this morning, they're saying that the
25 Deerfield Village was in violation of the restrictions,

1 which it's not. It specifically says more than two
2 acres you can subdivide and the minimum square footage
3 does not apply. If it did, there wouldn't be any condos
4 in Deerfield because the majority of the condos are
5 under the thousand square foot minimum.

6 She also said that we as the
7 developers did not have the right to amend the
8 restrictions, which we do. It specifically states that
9 on all restrictions the developer can amend. And --
10 well, it's just their perspective of the lawsuit which
11 is accusations and untruths that we deny and say are not
12 true, but the community prefers to answer that rather
13 than us. We've been advised not to. So we do not
14 answer it directly ourselves.

15 Q So your statement here today would be
16 that if any member of the plaintiffs wishes to and, in
17 fact, does make a posting on the Deerfield Resort
18 Facebook page, that as long as that posting is non-
19 inflammatory, non -- doesn't use poor language and
20 doesn't contain misrepresentations, that it would be
21 allowed to stand?

22 A We would not delete the post if that
23 were the case, although we're not allowed on their site.
24 So I don't know why, you know, this is even an issue
25 when they have their own site that they communicate on

1 and we're not allowed in it.

2 Q Have you tried to get on it?

3 A I have.

4 Q And has Kelly tried to get on it?

5 A I don't know. I need to ask her if
6 she has.

7 Q Okay. On the second page is a
8 reference by Travis Foreman, "yes, we have an unpaid
9 fees list dating back to 2019 and I have access to
10 Madeline's spreadsheets to check prior years." Now, who
11 is Travis?

12 A He is an owner in the community and
13 we've just always told everybody if anyone wanted to
14 come to the office and see, they can. So he must have
15 come to the office and looked.

16 Q And I know at one point in this
17 litigation there was an indication made that her
18 spreadsheets, her ledgers, could not be located, but
19 it's my understanding they were located and that they
20 have been provided to us, correct?

21 A That's the ones that we provided for
22 discovery.

23 Q All right. And have all of them been
24 provided?

25 A Everything that we had found from 2016

1 forward.

2 Q Have you found other years that are
3 prior to that?

4 A I found a few things for 2015, but
5 it's just summaries. It's not really the detail, the
6 folders, you know, that have any additional information,
7 and I still to this day have not found the bank
8 statements. I'm still working off the ones that you had
9 from discovery.

10 Q So you've still not found the bank
11 statements themselves?

12 A No.

13 Q While I'm on that, that just jogs my
14 memory, if you go back for a second. If we can go back
15 to Exhibit No. 6, I believe it was. As I went down that
16 expense list this type of, I call it kind of a summary,
17 and the difference to me between a check ledger and a
18 summary, and I'm looking specifically right now at the
19 2018 expenditures.

20 A Okay.

21 Q You have some entries on here, if you
22 will go down and look, Crutchfield survey, \$500, that's
23 about a third of the way down the page.

24 A Uh-huh.

25 Q Well, I know that there's a

1 Crutchfield survey company, it looks like 500 bucks, so
2 I can figure that one out pretty good. But then we go
3 down into entries like, for example, tractor repair,
4 don't know who that was paid to. Is there any type of
5 record that you all have that indicates who that
6 \$5,893.55 was actually paid to?

7 A Yes. That's in the discovery that you
8 have. So this would be just a summary to get it onto
9 one line, but then the individual checks would have been
10 written out. Some of it could have been parts. Some of
11 it could have been Mine Supply or any of the auto
12 repair. Some of it could have been to an individual.
13 It would just depend, but there is -- the detail would
14 be in the spreadsheets that you --

15 Q Okay. Would that also be true for the
16 entry line right above that where it says trucks and
17 equipment repair, \$14,373.63?

18 A It should be, yes.

19 Q And then if I go down, there's an
20 entry right below those two that says tennis courts,
21 \$855, and I know you don't write a check to tennis
22 courts. So there should be another corresponding record
23 within what you've produced, correct?

24 A Yes. And there would also be a column
25 probably for that, but it might just be under

1 maintenance. But that was what I tried to do in the May
2 -- things that I submitted was to try to define those
3 columns a little better. So if I could see it, she
4 might have it just as maintenance, but then if I could
5 see, well yes, this was a truck repair, or okay, this
6 was parts for the tractor then I would try to detail
7 that out a little further. As long as I could find that
8 detail I would try to list it.

9 Q Okay. So we can agree then that what
10 we've got here in Exhibit No. 6 -- Exhibit No. 6 is
11 basically a summary of all the expense type categories?

12 A Yes.

13 Q It is not a check ledger, it's not
14 even a check list. It's basically a categorization, a
15 summary of the types of expenditures that had been made,
16 correct?

17 A She probably -- I'm just guessing what
18 she did was, on what I call the check ledger, the
19 spreadsheets that you have, at the bottom she would
20 tally each column and I'm just assuming that's where
21 she's got each of these totals, would be from those
22 columns.

23 Q Okay. Right here it is. It's on the
24 next page that we come into her calculations for 2023.
25 I thought we had them. I just didn't know it was the

1 very next page. If you look down toward the bottom of
2 that next page, she has a line there that says for 2023
3 transparency purposes; do you see that?

4 A I do.

5 Q And right below that she says we have
6 collected \$376,506.13 in security and maintenance
7 operation fees as of today. \$72,555.38 remains unpaid.

8 A Okay. So that would be from -- when
9 did she post this?

10 Q I don't know.

11 A It's been within the last week or two,
12 I think. So that should be a fairly recent number then.

13 Q Okay. So if I then add the
14 \$376,506.13 to the two million -- excuse me, to the
15 \$1,725,092, then that would tell us pretty close to
16 present what's been collected since 2016?

17 A It should be, yes.

18 Q And if that \$376,000 number is
19 correct, then we have exceeded \$2,000,000 for that
20 timeframe, correct?

21 A Correct.

22 Q She indicates that we've got about
23 \$72,555 that remains unpaid that's uncollected dues or
24 fees from the property owners, right?

25 A Yes.

1 Q Roughly how much money is in this
2 account now?

3 A I would have to ask Kelly. I do not
4 know and I can -- again, I can text her to know that.

5 Q Since we don't know, I need to ask her
6 this question. Could you ask her that question?

7 A Sure.

8 Q When we get a break, just ask her
9 about how much money we've got in that account now and
10 that would be helpful.

11 A Okay. Can I -- Scott could probably
12 do that.

13 MR. HAWKINS: I was just going to say
14 we did get an update on this number and it is
15 a little higher. He texted her.

16 MR. HURLEY: The number that he got is
17 a little higher than this number?

18 MR. HAWKINS: Yes, it is.

19 MR. HURLEY: Probably because a few
20 more payments have straggled in or something?

21 MR. HAWKINS: I would imagine. Is it
22 okay for her to look at this?

23 MR. HURLEY: Absolutely, yeah.

24 THE WITNESS: Okay. She said currently
25 collected is \$384,918.81.

1 Q So if you all don't mind, and it
2 doesn't matter to me who does it, if you all don't mind,
3 just asking her, and it does not have to be to the
4 penny, but just roughly approximately how much money is
5 in that account now, that would be really helpful.

6 A Okay. She said she's looking it up.

7 Q Okay, great. Thank you, I appreciate
8 that.

9 When the vehicles, the equipment, are
10 used for Deerfield Resort purposes, that would be
11 something that any reasonable person would say, hey,
12 that's a maintenance expense that the Homeowners
13 Association should bear, or that's a security expense
14 that the Homeowners Association should bear, and let's
15 say it's a piece of equipment that Scott owns or that
16 Fields Real Estate or Fields Development owns, is there
17 ever any type of paperwork that is done to denote how
18 much is being paid by the homeowners' funds for repair
19 and maintenance of equipment, vehicles?

20 A You mean for the Deerfield vehicles?

21 Q Yes.

22 A Well, it would just be all of that
23 expense would be from the fees. Anything that's being
24 paid to repair the Deerfield vehicles would be paid from
25 the fees.

1 Q Are any of those vehicles used for any
2 purposes other than Deerfield Resort maintenance and
3 security?

4 A No. They're barely able to make it in
5 Deerfield.

6 Q Because of their condition?

7 A (No audible response.)

8 Q And that is yes?

9 A Yes.

10 MR. HAWKINS: I think that there's an
11 answer on how much money is in the account; is
12 that right?

13 MR. HURLEY: That's what I assume she's
14 looking for.

15 MR. HAWKINS: Okay.

16 THE WITNESS: \$194,181.96.

17 Q \$194,181.96?

18 A Yes.

19 Q Okay. Thank you very much for doing
20 that.

21 MR. HURLEY: Let's make that document
22 that is in front of you the next exhibit and
23 that will be number seven.

24 (Exhibit No. 7, filed.)

25 Q Has this account, the Deerfield Resort

1 account that we've been talking about, when we see that
2 property taxes are being paid out of that account from
3 the records that we've got, from the bank statements and
4 copies of checks that we've got, the summaries that
5 we've got, have property taxes been paid for real estate
6 that is owned by any of the individual Fields family
7 members?

8 A One of the discovery items I submitted
9 would have been for the property tax list and, to the
10 best of my recollection, when I reviewed it before I
11 attached it, it looked to be all the things that were
12 owned by Fields Development. I didn't notice anything
13 owned by any other entities in there, but I did not
14 cross-reference them with the tax records, but it looked
15 to me to be all Fields Development properties.

16 Q I may have asked this earlier and if I
17 did, I apologize, I'm not trying to repeat myself, but
18 has Fields Development Company, Inc. owned any property
19 at any time outside Deerfield Resort to your knowledge?

20 A It's possible. I think that before
21 they started Deerfield that they had owned, that Fields
22 Development existed earlier than Deerfield. But, to the
23 best of my knowledge, I don't think after they started
24 Deerfield they owned anything else other than Deerfield
25 properties within the Fields Development name.

1 Q So, to your knowledge, funds from this
2 account has never been used to pay property taxes owed
3 by Paul and Madeline Fields?

4 A Correct.

5 Q It's never been used to pay property
6 taxes owed by Scott Fields?

7 A Correct.

8 Q Or by Paula or Marc Lejeune?

9 A Correct.

10 Q Or by Fields Real Estate, Inc.?

11 A That's right.

12 Q It would have been used to pay
13 property taxes for property owned by Fields Development
14 Company, Inc.?

15 A That's my understanding and, again, I
16 didn't take that list and reconcile it back to the tax
17 records, but that amount seems to be in line with what I
18 have paid for the last couple of years for Fields
19 Development.

20 Q Is Fields Development Company, Inc.
21 now administratively dissolved?

22 A It is, but we had that reconciled. It
23 was just a matter of a particular filing. So it should
24 be reinstated probably within a week or two. That's all
25 been --

1 Q Actions have been taken to reinstate
2 it?

3 A Yes, they have.

4 Q And your understanding is it will be
5 reinstated?

6 A Yes.

7 Q Your belief, as you sit here today, is
8 that you've done what you need to do to get it
9 reinstated and it's just in that period of time in
10 processing the State of Tennessee requires to get things
11 done?

12 A Exactly, yes, that's true.

13 Q We spoke earlier today about the money
14 that goes to Nationwide for the condo insurance and
15 there are a number of months that I've seen \$4,000 and
16 \$5,000, maybe it was for a quarter, but fairly sizable,
17 several thousand dollars going to Nationwide for
18 insurance purposes. Who does the bill come to, who is
19 the bill made out to, the premium bill?

20 A That particular policy for the condos
21 would be the Deerfield Condo Owners Association.

22 Q So the policy, as you understand it,
23 that is a written policy by Nationwide Insurance, is a
24 policy that is written to an owner being Deerfield Condo
25 Owners Association, Inc.?

1 A Yes.

2 Q And we may have discussed this, but it
3 slipped my mind. The reason -- does Deerfield Condo
4 Association, do those owners have, have they had a bank
5 account?

6 A They do now. I don't know at what
7 point she started it, but for a while she did not. She
8 only had a trust account that she could not write checks
9 on.

10 Q She being your mother?

11 A My mother, yes.

12 Q And that's the reason that those
13 checks are being routed through the Deerfield Resort
14 account?

15 A That was my understanding of why she
16 did it that way.

17 Q And then when the money would go out,
18 there would be either a simultaneous or very close in
19 time deposit back in?

20 A Yes.

21 Q So that the resort account was not
22 bearing that expense?

23 A That's correct.

24 Q Next is a document that I believe
25 appears to be another Facebook type posting. This one

1 made by Kelly Sjogren for -- it says again admin. It
2 does not appear to be dated, but it's talking about
3 Deerfield financial summary for 2021; do you see that?

4 A Is this on the second page?

5 Q Well, in the middle of the first page
6 it's got --

7 A Okay.

8 Q -- reference to a financial summary
9 for 2021; do you see that?

10 A I do.

11 Q And here she talks about the
12 implementation of a new software system for future
13 invoicing of security and maintenance fees, gives a
14 summary of 2021 invoicing, gives a number for the amount
15 that's been collected and the amount that remains
16 outstanding and unpaid, and says a 2021 expense summary
17 will be shared with all after year end. Then the next
18 page appears to be an actual listing of who it is that
19 owes the \$27,439 of unpaid fees; is that correct?

20 A That's what it looks like, yes.

21 Q Before the lawsuit was filed, was
22 there ever a practice to post the names of those who had
23 not paid fees?

24 A Madeline did not have that practice.

25 Q Who was it that decided to institute

1 that practice?

2 A I think Kelly thought it was
3 necessary. I think there was so much demand for
4 transparency that she felt like that was transparency
5 and that she was trying to provide it in all levels and
6 all ways.

7 Q As you look down this list there are a
8 lot of names there. I'm not counting the number of
9 names, but it's a fair number and I don't see any way --
10 I don't see any listing here that lists the number of
11 names, but I want to ask you this. Has Fields
12 Development Company, Inc. typically paid maintenance and
13 security fees for the lots and the properties that it
14 owns?

15 A No. The developer's not required to
16 pay that, plus they're doing all the work and then some.
17 So I don't think they felt like that was -- typically
18 the developer does not pay fees in a community that's
19 under development.

20 Q When you say typically, are you
21 talking about just based on your knowledge of what
22 developers do?

23 A Yes, and from other guidelines that
24 I've read from other communities.

25 Q Can you give me examples of those?

1 A Not in particular. I can just tell
2 you that I know that that's sent to us by other
3 attorneys and they're saying that that's typically the
4 standard, and I believe in our current bylaws it's
5 listed that way too.

6 Q In our current bylaws, is that a draft
7 of the bylaws that's going --

8 A That Scott Reams has, yes.

9 Q That the developer would not pay fees
10 on the developer's owned lots?

11 A Yes.

12 Q Okay. And what about properties that
13 the developer owns, but that is not, for example, an
14 undeveloped lot?

15 A I don't think we own anything that's
16 not undeveloped as a developer.

17 Q Does Fields -- who owns the property
18 that the administrative office -- that used to be the
19 restaurant, who owns that lot?

20 A Okay. That's the one that we said was
21 owned by Paul and Madeline Fields and we have paid for
22 that. Since the homeowners was ruled by the Judge to
23 begin, we have paid that for '21 and '22 and '23, I
24 believe.

25 Q So it's been paid for '21, '22, and

1 '23?

2 A Yes.

3 Q On that parcel. What about the lot
4 that the tennis court is on?

5 A No, because that's a community
6 project. So that would not be.

7 Q Who owns that lot now?

8 A It's in the name of Fields Development
9 at this moment in time, but it would be part of the
10 common lands that go back to the community, to the
11 Homeowners Association when it's established.

12 Q And then, let me ask this question,
13 who owns the roads now?

14 A Fields Development at this time.

15 Q Fields Development Company, Inc. owns
16 the roads?

17 A Yes.

18 Q And if someone said that Scott Fields
19 owns the roads, would you agree or disagree with that?

20 A Only in his capacity as an officer of
21 Fields Development Company.

22 Q So if somebody said that, they were
23 actually meaning Scott Fields who is the president or
24 officer of Fields Development Company, Inc., you could
25 see it being said in that way, but by no stretch of any

1 imagination does he personally own those roads, correct?

2 A That's correct.

3 Q And anyone that said that he did own
4 those roads would be incorrect?

5 A That's correct.

6 Q What lots within Deerfield Resort are
7 not currently being billed for homeowners fees or dues?

8 A Anyone who owns multiple properties,
9 if they are -- they will be billed for one property, but
10 they are not billed for additional properties that they
11 own. The exception to that I believe is the hangar. It
12 seems to me that there's still an additional hangar fee
13 of maybe \$100. It might have increased after that. So
14 if they had a home and a hangar, I think they would be
15 billed for both of those. But typically, let's just say
16 they owned one home and then two investment lots, then
17 they would only be billed for the one home and not the
18 other two lots.

19 Q Can I come to Deerfield and buy a home
20 and a couple of undeveloped lots and build homes on
21 those lots that I own and I rent them out long-term?

22 A Yes. There's no restrictions against
23 that.

24 Q How many of those do I get?

25 A One per lot. Well, the way we're

1 discussing it as far as everything that we've laid in
2 place so far, it would be one per lot that's a
3 residential lot.

4 Q So if I bought my residential lot, I
5 bought two additional lots, I built spec homes on them
6 and I'm renting them out long-term, a year, five years,
7 whatever the case may be, I'm going to get one vote for
8 each of those lots?

9 A But only one bill.

10 Q But only one bill for one lot?

11 A Under the current billing structure.

12 Q Okay.

13 A I assume the new board will change
14 that.

15 Q If I'm a developer and I am developing
16 a condo project at Deerfield and I have submitted plans
17 and specs and got approved to build a 20 unit condo
18 project, but I've not started construction yet, how many
19 bills am I going to get?

20 A If you're the developer?

21 Q Yes.

22 A At this point you would not get any.

23 Q Would not get any bills. What if I
24 have started construction, do I get a bill now?

25 A Typically they have started that when

1 the new owner has the closing. So when they take
2 occupancy or the closing date happens, then that's when
3 the invoicing would start.

4 Q What if I have built the condos,
5 finished them, I've got 20 brand spanking new shiny
6 condos sitting there, they're all unoccupied, I've not
7 leased any of them out or sold any of them yet, nobody's
8 occupied any of them, how many bills am I getting?

9 A So this is a hypothetical?

10 Q Yes.

11 A If it's the developer property, then
12 it would begin when it was conveyed, when a new owner
13 took over and possessed that property.

14 Q So if an owner bought condo number one
15 in my 20, that new owner of that condo would get a bill
16 for that condo?

17 A Correct.

18 Q And would get a vote as a property
19 owner, right?

20 A That's correct.

21 Q What about the other 19 unoccupied
22 units, I'm the developer, still own them, haven't sold
23 them, do I get billed for them?

24 A Well, the guidelines said that the
25 developer does get a vote for every undeveloped property

1 as far as the condos go.

2 Q So I would get 19 votes, but I'm
3 paying nothing in the way of security and maintenance
4 fees, correct?

5 A That's correct.

6 Q That's a good deal. How many small
7 homes or tiny homes are there up there now?

8 A I would have to count, but there are
9 none under construction that haven't already been
10 conveyed.

11 Q So all that have been started have
12 been finished and conveyed?

13 A Correct.

14 Q There are none that are under any
15 stage of construction right now?

16 A They're conveyed at the moment we
17 begin construction, so they actually own it before
18 construction begins.

19 Q So what's being done there is what's
20 called -- you pre-sale them?

21 A Right.

22 Q You don't build them unless they're
23 already sold?

24 A We are not currently doing that.

25 Q Okay. Are there plans to build

1 others?

2 A Everything we have plans to build is
3 pre-sold. So we would not at this point build anything
4 that is not pre-sold.

5 Q So if you've got a building with ten
6 units in it, you're going to sell all ten before you
7 build any of them?

8 A Well, they're duplexes, single or
9 duplexes.

10 Q So before you would build a single or
11 a duplex, you would have to sell either the single or
12 both of the duplex, correct?

13 A That's right. At least one of them,
14 yes.

15 Q So you might sell one and not have the
16 other one sold?

17 A Correct.

18 Q But in that event the purchaser of the
19 one unit would get a vote and would get a bill?

20 A Yes.

21 Q The developer owning the other unit
22 that is still unoccupied and unsold would get a vote but
23 no bill?

24 A I'm sorry, could you repeat that
25 again?

1 Q The developer that would own the
2 remaining unit that has not been sold, it's still
3 sitting there unsold, one unit has been sold, the
4 developer would get a vote, but no bill?

5 A Correct. But back to your original
6 question about the 20 units and there's one sold and
7 there's 19 left, the developer or the owner would still
8 only get one bill for 19 of the units under the current
9 billing structure.

10 MR. HURLEY: Okay. Let's make that
11 document the next exhibit. That's number
12 eight?

13 COURT REPORTER: It is.

14 (Exhibit No. 8, filed.)

15 Q This next document is a 2021
16 Disclosures for Deerfield Resort Financial Summary it
17 says at the top and it has -- this one is a little
18 different than what we've looked at before. This is
19 just certain specific snippets or points of financial
20 information, correct?

21 A Yes.

22 Q It says that there is a total of 2021
23 dues not received or revenue not received of \$23,000
24 from 22 owners. It shows HOA election expense of
25 \$25,000 and that \$25,000 was paid into the escrow

1 account I believe of Attorney Scott Reams or his firm,
2 correct?

3 A Correct.

4 Q That money came from Homeowners
5 Association dues and fees; did it not?

6 MR. HAWKINS: Object to the form.

7 A It came from the fees that were
8 collected, I think.

9 MR. HAWKINS: You can answer.

10 THE WITNESS: Okay. The \$25,000 came
11 out of the operating account which is the
12 Deerfield Resort account which would be some
13 Fields Development money and some Deerfield
14 money.

15 Q All right. The fourth line item is
16 that there's an office printer for which there's a lease
17 of \$450 per month. Who all contributes to that lease?

18 A It has been partially Fields Real
19 Estate, partially Deerfield, and now I believe the water
20 system is going to pay a third. So instead of being
21 50/50, it's going to be thirds.

22 Q Has that actually gone into effect yet
23 or is it soon to go into effect?

24 A The best we can tell, Fields Real
25 Estate paid a lot of this, but I haven't analyzed Fields

1 Real Estate as much as I have Deerfield. But I know
2 that it has been in effect, at least the 50/50, for the
3 last year or two.

4 I know there was some confusion I
5 think on one of the original reports. Kelly had
6 recorded the tractor payment as the copier payment. So
7 she was just learning all of the financial obligations
8 and she was just given misinformation. It was
9 misunderstood what she was asking for. So she's
10 corrected that now, but I don't know this year if we
11 started the third yet or not. That was just discussed.

12 Q And then down there in number ten is
13 kind of a combination of entries. It says liability
14 payable, Deerfield Resort, year end 2021, expenses paid
15 on behalf of Deerfield Resort by another entity or
16 personally and liability for unpaid payroll. First of
17 all, what is unpaid payroll?

18 A There was a time period where I guess
19 the password had changed and every week when they said
20 they were paying the payroll taxes in at payroll time,
21 it was accepting it and saying it had been accepted, but
22 it wasn't actually deducting from the account. So there
23 was some paying forward that was paid at a future date
24 once that was all sorted out. Was that your question?

25 Q Yes. I was trying to figure out what

1 unpaid payroll was.

2 A Okay.

3 Q I didn't know if we had people working
4 and not getting paid or what the situation was.

5 A Those were the taxes.

6 MR. FIELDS: Do you want me --

7 THE WITNESS: Can you?

8 MR. FIELDS: Do you want my
9 interpretation?

10 Q He's saying that you and he had not
11 been paid for some period of time.

12 A Yeah. This could be part of that too.
13 This could be our payroll.

14 Q You don't know as you sit here now?

15 A I don't -- I really -- expenses paid
16 on behalf of Deerfield by another entity or personally
17 and liability for unpaid payroll.

18 Q I'll ask him tomorrow.

19 A Okay.

20 Q Advance for operating expense from
21 Fields Real Estate, \$5,750, is there a document or
22 documents that would substantiate that?

23 A This could be part of the promissory
24 note, but this is '21 and it was -- I think there was a
25 total of ten paid out that year and five was paid back.

1 So I'm not sure what the \$750 is. I don't know why it's
2 \$5,750. I'm only aware of the 5,000.

3 Q And then there's an entry of payroll,
4 Scott Fields, terminated salary mid '21, paid gross
5 salary of \$10,000 in '21, annual salary \$24,000, unpaid
6 gross salary due \$14,000.

7 A Okay. So that's what Scott was
8 referring to. That he stopped taking his salary because
9 there wasn't enough funds, but Kelly had recorded that
10 as if he would be able to recoup that once the rest of
11 the fees came in.

12 Q Has he recouped it?

13 A No, he has not.

14 Q Okay. The next one, legal expenses,
15 Deerfield Resort as named plaintiff, 2021 legal fees,
16 \$66,875, and I guess that's divided by seven equals
17 \$9,553. So when we say divided by seven, is that
18 divided by seven defendants?

19 A Yes.

20 Q So what we're doing there is
21 attributing that to seven shares of the total legal
22 expense?

23 A Correct.

24 Q And the legal expense being attributed
25 to Deerfield Resort is 9,553; am I reading that right?

1 A That's correct.

2 Q Okay. And then it says inception to
3 date legal fees, now this is in 2021, \$105,343, correct?

4 A Correct.

5 Q And then I do see here is the seven --
6 it says seven plaintiffs named in the suit. That should
7 be seven defendants, shouldn't it?

8 A It should be.

9 Q Okay. And then it lists your mother
10 which would now be her estate, Scott, yourself, Marc,
11 Fields Development, Inc., Fields Real Estate, Inc., and
12 Deerfield Resort itself?

13 A Correct.

14 Q Have the legal fees been shared on
15 that basis by the seven defendants?

16 A Yes, but we have not -- we did not
17 take anything out in '22 or '23. This is the only
18 disbursement that was taken out of Deerfield to date.

19 Q Is a running tally being kept of that
20 so that it can be taken out or claimed at a later time?

21 A Yes.

22 Q Do you know what that tally is now?
23 I'm going to ask you for the amount that Deerfield
24 Resort would be deemed to be responsible to pay.

25 A I could have that quickly. I have the

1 list on my computer. So I could let you know exactly,
2 less this, what the remaining amount would be.

3 Q Okay. Could you do that during a
4 break?

5 A I don't know if I could do it on a
6 break or not.

7 Q Are you going to come tomorrow for his
8 deposition?

9 A Yes. I could bring it tomorrow.

10 Q Could you bring it tomorrow, that
11 would be great. That would help us. The reason I'm
12 asking these things, and your counsel is able and
13 willing to speak up and object if he wants, but we've
14 got a mediation set on Thursday. So if I can get a lot
15 of this information, it helps me at least to work with
16 my folks, okay?

17 A Okay.

18 Q So I appreciate the cooperation of you
19 doing that.

20 MR. HURLEY: So let's make this
21 document the next exhibit. Are we at nine?

22 COURT REPORTER: We are.

23 (Exhibit No. 9, filed.)

24 Q The next document is called 2022
25 Disclosures. Again, as compared to some of the

1 statements we had awhile ago, this is not really a
2 summary or a breakdown of all the financial
3 transactions. This appears to be kind of a snapshot or
4 snippet of certain financial related information. It
5 indicates that in 2022 a Deerfield Resort maintenance
6 shop location will be procured; has that occurred?

7 A It has not. It's still in Scott's
8 garage.

9 Q Still the plan? Better question for
10 Scott?

11 A Better question for Scott.

12 Q I'll ask him tomorrow. As of March
13 17, 2022, Deerfield Resort security and maintenance
14 revenue bill 278, collected 204, outstanding 73. And
15 then we have a breakdown showing the amount that's
16 collected for the various categories of property
17 ownership, correct?

18 A I'm sorry, could you repeat that,
19 please?

20 Q We have a breakdown as to the amount
21 that's typically charged and collected from the various
22 types of properties.

23 A Yes, that's correct.

24 Q And we know now that from what we see
25 on this page, those amounts have increased?

1 A Yes.

2 Q In 2023?

3 A In '23.

4 Q And it says there right below the box,
5 Ms. Lejeune, it says fees have not been allowed to be
6 modified from the inception of the HOA lawsuit in
7 October of 2019. Can you tell me what that means?

8 A I don't know what that means. I think
9 that there was discussion in '22 that it needed to be
10 raised and I think that -- I don't think it was anything
11 that we were advised from counsel not to raise it. I
12 think that at that point they thought we would have a
13 board that year. We all thought we were going to have a
14 board last year and so I believe -- my understanding was
15 that we were just going, if it needed to be raised, let
16 the board handle it because we knew that it would have
17 to go up. But we were just going to let the board
18 determine that. So I believe that everyone just assumed
19 it would be done by the board which didn't happen last
20 year.

21 Q Well then, for this statement to be a
22 little bit more accurate, wouldn't you agree with me is
23 it would just say fees have not been modified. There
24 was nobody keeping you from modifying the fees, right?

25 A Right. I think that we probably were

1 reluctant to do it, but we also knew that it was
2 necessary. We obviously ended up having to put in over
3 \$100,000 to keep it afloat.

4 Q As I came in and got involved in the
5 case, actually I got involved quite a bit after it
6 started. I've only been in it a little over a year at
7 this point. I've not seen any order from the court or
8 any letter or direction from the receiver saying that
9 these can't be modified.

10 A That's correct. I don't think there
11 was any legal restriction on doing it.

12 Q Okay, all right. Now, as you go down
13 it makes reference, a final homeowner list was provided
14 to Taylor, Reams, Harrison, Scott Reams, court appointed
15 receiver. It talks about the number of property owners
16 or lot owners that have been validated and there was a
17 count of 644 at one point. There's a count of 866 it
18 says here at one point. And that included homes,
19 villas, condos, developed and undeveloped lots, airport
20 hangars, and then I think we came to that number of 992
21 or 993 as the most recent count.

22 A Yes.

23 Q Do you have any more recent counts
24 than that?

25 A At this time we do not. One of the

1 moving targets that's difficult to pin down, you will
2 have owners who own two lots that will choose to
3 consolidate them for tax purposes. You will have owners
4 who have one lot who will split it and divide it and the
5 tax records are not accurate about that. The maps will
6 show one thing, but the tax bills would show a different
7 thing. So there's a lot of those that we just cannot
8 determine what they are.

9 I have called several people as we
10 were trying to put the list together and asked them what
11 is your intent here? What are you? Are you two lots,
12 are you one lot? You understand if you're claiming two
13 and you want two votes, you're maybe paying twice once
14 the board is established, just to make sure they
15 understood, but there were just too many of them to call
16 everyone individually, so I didn't. I wasn't able to
17 contact every single one of them, but there's quite a
18 few of those.

19 But as far as any additional, there's
20 been no further subdivision of property except for the

21 -- THE WITNESS: is it Josh Fisher who
22 subdivided the ten lots.

23 MR. FIELDS: Jolly.

24 Q Jolly.

25 A Jolly, okay. So the Jolly lots

1 probably wouldn't have been -- I think they were on --
2 I'm sorry, I think they were on there.

3 Q It's okay.

4 A I think we knew that they were
5 dividing them. So it should be somewhere in that
6 neighborhood.

7 Q So still roughly in the thousand lot -
8 -

9 A Under a thousand.

10 Q A little under a thousand lot
11 category. Out of those thousand, how many of those lots
12 are owned or in some manner controlled by Fields
13 Development, Fields Real Estate, Paula, Marc, Scott, or
14 any entities in which they have an interest?

15 A I would have to go back to the list we
16 submitted to the receiver, but it would all be on that
17 list.

18 Q The last paragraph makes reference to
19 the billing, is to the unique owners in Deerfield, using
20 the historical fee schedule showed above. By unique
21 owners you're referring to the owners that have a
22 parcel. They may have more than one parcel, but you're
23 referring to that one owner that would get one bill for
24 the parcel that they owned. If they owned more than one
25 parcel, if they've got a home and other undeveloped

1 parcels, they only get one bill.

2 A Correct.

3 Q For one lot?

4 A That's right.

5 MR. HURLEY: Okay. Let's mark that as
6 the next exhibit.

7 (Exhibit No. 10, filed.)

8 Q Next I want to have you look at a
9 document called Deerfield Resort Profit and Loss,
10 January to December 2022. Have you seen this before?

11 A Yes.

12 Q And was this provided to us as a part
13 of the so-called accounting that was due on or before
14 May 31st, 2023?

15 A This looks like what Kelly submitted,
16 yes.

17 Q All right. Who compiled this?

18 A Kelly Sjogren.

19 Q Did she have the assistance of anyone
20 else?

21 A No. She sent it to us to review to
22 see if there was anything that we didn't think was
23 accurate, but we didn't. I don't think we had any
24 corrections to make.

25 Q Was it sent to any CPAs or accounting

1 firms for review before it was released?

2 A No.

3 Q What is Kelly's educational
4 background?

5 A I do not know. I know she has a
6 bookkeeping background and that's why we hired her, but
7 I do not know the extent of her education.

8 Q Do you know if she has a degree in
9 accounting?

10 A I don't know.

11 Q Do you know, is she a college
12 graduate?

13 A Yes.

14 Q Did she have -- while she was in
15 school did she take accounting as a major or a minor in
16 her educational pursuits?

17 A I wouldn't know.

18 Q I'd have to ask her, right?

19 A Yes.

20 Q Okay. So this document, this profit
21 and loss summary, would be something that she has put
22 together, sent to you and I take it to your brother?

23 A Yes.

24 Q For review and comment to the extent
25 that you had any and then has been produced?

1 A That's correct.

2 Q All right. But it has not been
3 reviewed for accuracy or any other reasons by any CPA?

4 A That's correct --

5 Q It shows --

6 A -- to the best of my knowledge. I
7 mean I think that she may have had someone who was
8 specialty in financial planning help her review this
9 that was also a Deerfield owner. So I don't know the
10 level of her education or specific to that, but I
11 believe that she did have someone else review it with a
12 higher level of competency.

13 Q In order to put a P and L together,
14 one of the things that you have to have is the source
15 documents or background documents that support all of
16 these entries. Again, these entries are general in
17 nature, office expenses, pool expenses, office supplies,
18 payroll administrative, payroll office staff. So these
19 categories are all broken down just as general
20 categories. Did she have access to what I will call
21 source documents, being invoices, bills, tax records,
22 things of that nature, in order to compile this?

23 A Yes, and this would also be the result
24 of each individual transaction being recorded within her
25 QuickBooks system.

1 Q Would those documents have been
2 produced to us in this case, the source documents?

3 A I don't think we have submitted
4 receipts. We have just submitted the spreadsheet, the
5 check ledger.

6 Q Right. So when it comes to invoices,
7 those have not been submitted to us, correct?

8 A That's correct.

9 Q When it comes to receipts for payments
10 that have been made, those have not been submitted to
11 us?

12 A Correct.

13 Q And in many instances, maybe some, but
14 in many instances bills for things that have been sold
15 to Deerfield Resort or purchased by Deerfield Resort
16 have not been submitted to us?

17 A That's correct.

18 Q This for 2022 shows a net operating
19 loss of \$44,129.27, correct?

20 A Yes.

21 Q Has that operating loss from a cash
22 flow standpoint been funded?

23 A Everything that was in a deficit was
24 funded by the 105 to 111,000 that was put in by Fields
25 Real Estate. Some of that is reflected in expenses that

1 were paid. Apart from that, I think everything was
2 funded, all of the loss was funded by Fields Real
3 Estate.

4 Q On page one there's just a short
5 category there at the top for income, then we come down
6 to total income, and we come to gross profit, then we've
7 got expenses listed; do you see that?

8 A Gross profit and expenses, yes.

9 Q And under expenses, one of the items,
10 it's about one, two, three, four, five down is the HOA
11 election expense; do you see that?

12 A Yes.

13 Q \$12,500?

14 A Yes.

15 Q So is that half of the 25 that was
16 sent to Scott Reams?

17 A Yes. That's because half of it we
18 submitted in two checks and so half of it cleared in '21
19 and the other half cleared in '22. So that's why it's
20 only the \$12,500.

21 Q Right. And actually, as I understand
22 it from Mr. Reams, I believe he got \$12,500 in '21 and
23 he got \$12,500 in '22; did he not?

24 A Correct, yes.

25 Q All right. The checks were not

1 submitted at the same time?

2 A No.

3 Q Now secondly, I wanted to ask you out
4 of that \$12,500, this is \$12,500 that's coming out of
5 the Deerfield Resort account, correct?

6 A Correct.

7 Q And so that's one-half of the amount
8 as opposed to one-seventh of the amount, but I'm
9 assuming that the answer to that is going to be, well,
10 multiple defendants operated out of this account.

11 A You mean for the \$12,500?

12 Q Yes.

13 A Well, no, because that's for the
14 election expense for the new HOA. So that would be only
15 for Deerfield Resort Homeowners.

16 Q So that's coming out of the homeowners
17 funds only?

18 A Yes. I mean in theory, if there had
19 been a board, they would have had a special assessment
20 before that and that would have still come from all of
21 the homeowners.

22 Q Was there a time when the defendants
23 resisted the formation of a board?

24 A In the very beginning we were not in
25 favor of turning it over because of all the acreage that

1 we still had left. We would have preferred to have --
2 we thought we were still under the 25 percent threshold
3 and so we were not prepared to fully do that because of
4 the land we had left to develop.

5 Q The 40 acres?

6 A Well --

7 Q It may have been a little more than
8 that.

9 A Yes, exactly. However, once the Judge
10 ruled in favor of it, we opted not to appeal that. And
11 actually my brother and I started seeing it as a
12 blessing actually, something we would welcome.

13 Q This shows for 2022 payroll expenses,
14 total payroll expenses of \$223,013. Is that the payroll
15 of an entity that provides maintenance and security for
16 Deerfield Resort?

17 A That would be a collection of assets
18 listed out that would be the grounds crew, that would be
19 the security crew, that would be most of the office
20 staff and administrative. At that point I had stopped
21 taking a salary, so that does not really include much of
22 mine. I think I had some for possibly -- I can't
23 remember if I started stop taking in '21 or '22. So
24 that would be Kelly, Scott, administrative, and I'm not
25 sure where Tyler falls in, if he's under administrative

1 or office staff.

2 Q How many employees does Fields Real
3 Estate, Inc. have?

4 A None.

5 Q How many employees does Scott's Water
6 Company have?

7 A He doesn't have any official
8 employees. Just whenever he does have anyone come -- he
9 has in the past had his own employees, but at this point
10 he's just paying labor as it's used.

11 Q How much now does Scott's Water
12 Company as of now pay monthly for its use of
13 administrative staff?

14 A He just pays them as their hours
15 accrue. So that --

16 Q And they keep up with those hours?

17 A They keep up with their hours.

18 Q So he pays Deerfield Resort for that,
19 then Deerfield Resort pays them?

20 A No, he pays them directly. They turn
21 in their hours separately to him.

22 Q Are they independent contractors or
23 are they employees?

24 A They're employees of Deerfield, but
25 they would be independent contractors when Scott pays

1 them.

2 Q Does Fields Real Estate, Inc. have
3 anybody that it pays in that manner?

4 A They will pay Tyler some. He will
5 submit any hours that he has. He has an app and he
6 tracks it every day for what he does each day, how much
7 is spent for Deerfield, how much is spent for Fields
8 Real Estate if he goes off and does anything else.

9 Q Does Fields Development Company, Inc.
10 have any administrative workers that bill it direct, as
11 you've depicted here?

12 A I don't believe there's any on
13 payroll. So if they did pay anyone directly, it would
14 be a 1099 situation as well.

15 Q So if I were to ask and we were to be
16 at the offices and you had access to information and I
17 asked and I said out of that \$223,013.33, how much of
18 that was actually payroll expense incurred related to
19 Fields Real Estate, Inc.?

20 A On Kelly's salary, some of that would
21 have been reimbursed from other entities, but on all of
22 that other stuff, none of that would have been paid
23 through Deerfield. That would have all been paid
24 directly by whatever entity that they were working for.

25 Q So then to that extent, this \$223,013

1 number is a number that Deerfield has actually incurred
2 for labor that was provided to it?

3 A Yes.

4 MR. HAWKINS: And taxes.

5 MR. HURLEY: And taxes.

6 MR. HAWKINS: A big part of it was
7 taxes.

8 MR. HURLEY: Let's make this the next
9 exhibit, is that 11?

10 COURT REPORTER: Yes.

11 (Exhibit No. 11, filed.)

12 Q Next is a balance sheet for Deerfield
13 Resort as of December 31, 2022; have you seen this
14 before?

15 A Yes.

16 Q So that entity that had total sales in
17 2022 -- or income, I should say. Let's go back to
18 Exhibit 11 just a second real quickly so we can kind of
19 put this in context.

20 The entity, Deerfield Resort, as it's
21 titled here that had security and maintenance fees of
22 \$272,000 and unapplied cash payment revenue of \$3,512,
23 for a total income of \$275,000 and change, actually
24 experienced a loss of \$44,000 on that statement on page
25 two.

1 A Okay.

2 Q And by year end had total equity of
3 minus \$110,907, correct?

4 A Are you drawing that from this total
5 equity?

6 Q Yes.

7 A Okay. \$110,907, okay.

8 Q So the entity is in the hole on its
9 balance sheet.

10 A Okay.

11 Q H-o-l-e on its balance sheet as of the
12 year end 2022, correct?

13 A Correct.

14 Q And here in this statement, December
15 31, 2022, I want to take you -- first of all, by year
16 end the total bank account was actually showing in the
17 red, \$5,389, correct?

18 A Correct.

19 Q Was that an overdraft or what was
20 that?

21 A Yeah, that was probably just at the
22 end of the year. It tends to be depleted to nothing at
23 the end of the year or negative until the current year's
24 fees.

25 Q And as I look down that list, total

1 other assets, \$8,199.14. What are those generally; do
2 you know?

3 A She has that listed as equipment, so
4 that would probably be, there's a tractor. There's two
5 pickups, one is not serviceable at all. So there's
6 definitely one pickup. That's probably all that we
7 have. There's -- I kept some weed eaters maybe and a
8 mower.

9 Q Is the tractor a titled piece of
10 equipment, does it have a title?

11 A Yes.

12 Q And whose name is on the title?

13 A Deerfield Resort.

14 Q And the truck that you mentioned, of
15 course, would be titled and whose name is on that title?

16 MR. FIELDS: One to Deerfield and one
17 is to --

18 A Okay.

19 MR. HAWKINS: Let her -- let's try and
20 let her answer the question. You are being
21 very helpful, Scott.

22 THE WITNESS: If I don't know, can I
23 just say Scott can answer tomorrow if I don't
24 know it?

25 MR. HURLEY: Sure. If you don't know,

1 just tell me you don't know, okay?

2 THE WITNESS: Okay, I do not know the
3 answer to that.

4 Q Do you know who paid for the trucks?

5 A I haven't seen the purchase agreement
6 for the truck that we're using currently, but I have
7 been curious about that. I wanted to track it back
8 because more likely what happens in Deerfield is it's
9 equipment that we own personally that's being used by
10 Deerfield. So I know that there's multiple pieces of
11 equipment now. There's the truck and a tractor belonged
12 to Scott personally that's being used by Deerfield right
13 now.

14 Q Well, and one reason I ask is I look
15 at the profit and loss statement, what we often call an
16 income statement, and I'm not seeing, at least I don't
17 think I am, let me double check here. I'm not seeing
18 any entries for depreciation expense and maybe -- who
19 got the depreciation expense; do you know, on the
20 trucks?

21 A I'm sure it just went back into the
22 tax return as it was filed. So that would have been
23 part of what was filed on the returns that you have.

24 Q For the Homeowners Association or for
25 Fields Development?

1 A No, for the Fields Development
2 returns.

3 Q And I'm not trying to characterize
4 this in anyway. I'm just trying to make sure that I
5 understand from what I've looked at what's going on,
6 okay?

7 A Sure.

8 Q So there are at least a couple of
9 trucks that we believe are probably, and I'll ask him
10 tomorrow, that are probably part of what's showing up of
11 this balance sheet as \$8,199.14 of assets, so
12 equipment --

13 A I would guess, I don't know for sure,
14 but my assumption is it's one truck and one tractor.

15 Q And the truck and the tractor, one we
16 believe is in the name of Deerfield Resort.

17 A Yes.

18 Q The other one we're totally not sure.

19 A The tractor is in the name of
20 Deerfield, one of the tractors. The second tractor is
21 Scott's. And then of the trucks, I believe, and we can
22 find out tomorrow, but I believe that one truck is in
23 Deerfield's name and the other truck is -- there's one
24 truck owned by Scott that I know for sure that is used,
25 and then there's a second truck that I believe is owned

1 by McCloud Mountain.

2 Q By McCloud Mountain?

3 A Yes.

4 Q Is that an entity?

5 A Yes -- well, yes. And I don't know if
6 it's owned by McCloud Mountain, the entity, or if it's
7 owned by McCloud Mountain, the restaurant, but I believe
8 it's owned by McCloud Mountain, the entity.

9 Q Inc. or LLC?

10 A Inc.

11 Q Who owns that entity?

12 A Scott and I do and then we have a
13 partner.

14 Q Who is the partner?

15 A Joe Coker.

16 Q Joe Coker?

17 A Yes.

18 Q So these vehicles you believe at some
19 point, the truck and the tractor, had been owned
20 personally?

21 A Well, we're talking about two
22 different trucks and two different tractors.

23 Q Okay.

24 A So one tractor is owned by Scott
25 personally, one tractor is owned by Deerfield.

1 Q The tractor that's owned by Deerfield,
2 who has gotten the depreciation?

3 A I would have to look at the income tax
4 return. I'm sure it's all in the income tax return.

5 Q Now, there's an entry on here due to
6 Fields Real Estate \$113,592.47 and this says as of
7 December 31, 2022. Now, when I saw that I tried to
8 reconcile that in my mind with what I had seen on
9 Exhibit No. 4, which showed Fields loans to Deerfield,
10 and I know that there's various categories, personal,
11 other personal, Fields Real Estate, Fields Development,
12 other there, but the number there you and I were talking
13 was in the \$300,000 range.

14 A Yes. So she is only referencing
15 definitely the '22 and I believe she's included the '21
16 in that. I'm not sure if she only did this for the
17 purposes of '22 or not. I would have to ask her about
18 that, but I think that's when I said 111 and she told me
19 that she found it was higher than that, it's possible
20 that it was 113 that she told me. I made a note of it.
21 I'm assuming that this is only 2022 and not including
22 that \$5,000 for '21.

23 Q I also note that on this balance sheet
24 it shows it's on a cash basis down at the very bottom;
25 do you see that?

1 A Yes.

2 Q So as of today -- well, let's back up.
3 As of December 31, 2022, is the \$113,592.47 correct?

4 A Possibly. There's a chance that it
5 could be \$118,717.

6 Q One or the other?

7 A Yes.

8 Q What about the other amounts depicted
9 as being owed here on Exhibit 4?

10 A We -- Kelly just did this for the
11 purposes of what she was working with and the accounts
12 that she had the bank statements for. So she did not go
13 back and add any of that to this statement because she
14 had not dealt with that yet. So she didn't have
15 accurate information in front of her. So she just said
16 she was going to go with what she knew to be true for
17 the years she had the bank statements and what she was
18 working with.

19 Q So then is this balance sheet as of
20 December 31, 2022 incorrect?

21 A If you take into consideration the
22 other funds that are on this sheet, then I would say yes
23 as far as amount owed.

24 Q And in no way am I trying to be smart
25 alecky or anything.

1 A Sure, sure.

2 Q It's not really what I take into
3 consideration. It's what the facts bear out. So I
4 guess the question that I've got is, as of December 31,
5 2022, how much money does Deerfield Resort owe, if any,
6 in addition to this 113 or 118? I understand you
7 mentioned that possible \$5,000 difference. In addition
8 to that, how much money does it owe and to whom?

9 A I would say the reference point then
10 would be this Exhibit 18, which I call it Exhibit 18
11 because that's what we sent in discovery. And then the
12 95, the difference -- and again, I don't know what we're
13 dealing with here, if this includes the \$5,000 from '21
14 or not. So it would be the difference between this
15 100,000 here and the 113. So somewhere between 13 to
16 16,000 difference on this 285. So somewhere in the
17 neighborhood then we would say of \$300,000 is what I
18 would say.

19 Q So not quite three times more than
20 what she shows on this balance sheet as of December 31,
21 2022?

22 A Correct.

23 Q Is interest accruing on that date?

24 A I believe for the tax purposes that he
25 was accruing interest in the tax returns.

1 Q He being Jack?

2 A Jack, yes.

3 Q Do you know how much?

4 A I do not. I know it's listed there.
5 I just don't recall the figure.

6 Q Was there ever an agreement by anyone
7 on behalf of Deerfield Resort Homeowners Association,
8 Inc. to pay an interest rate?

9 MR. HAWKINS: Object to the form.

10 A This money wasn't loaned to the
11 association. It was just loaned to the operating
12 account, the homeowners account.

13 Q Is the Homeowners Association going to
14 be expected to pay this \$300,000?

15 A I think that's what Scott Reams is
16 trying to decide, what the amount is.

17 Q Is it Scott's decision to make whether
18 to pay it or not?

19 A I think he's just trying to get a full
20 accounting of how much it is.

21 Q Right. I think so too, but I'm not
22 the only one that has communication with him. So are
23 you in possession of any information or knowledge that
24 he does think that it's going to have to be paid or that
25 he does not?

1 A I do not know.

2 Q Is there anybody on behalf of Fields
3 Development, Fields Real Estate, the estate of your
4 parents that's going to make the decision of whether or
5 not to call that \$300,000 balance as being due and
6 owing?

7 A I think that would be a decision Scott
8 and I would have to make together.

9 Q Your brother Scott?

10 A Yes.

11 Q We've got three Scotts in this thing.

12 A That's true, a lot of Scotts in this.

13 MR. HAWKINS: So many Scotts.

14 THE WITNESS: I wouldn't call Mr. Reams
15 Scott.

16 MR. HURLEY: Okay. Let's mark that as
17 the next exhibit, please.

18 COURT REPORTER: Exhibit 12.

19 (Exhibit No. 12, filed.)

20 Q Next is a profit and loss for March
21 31, 2023. So that would be the most current one that
22 we've got, right, that's the end of the first quarter
23 2023?

24 A Yes.

25 Q And it shows total income \$349,435.36.

1 So our income from 2022 has jumped. That's right at 350
2 off of 275, so it's about a \$75,000 jump in income for
3 the first quarter as compared to the whole year
4 previously.

5 A More people also paid earlier. Most
6 of these, except for the amount she listed, it was just
7 paid earlier. So she had more information to offer in
8 the first quarter of this year.

9 Q Right. But the 2022 profit and loss
10 was for an entire calendar year, correct?

11 A Yes.

12 Q And this is for the first quarter?

13 A Correct.

14 Q So we get right at \$350,000 of total
15 income almost all coming from security and maintenance
16 fees?

17 A Correct.

18 Q Paid by the folks that owned
19 properties in Deerfield Resort?

20 A That's correct.

21 Q And then we've got these various
22 expenses on here and we come down to the bottom and as
23 of -- and it's because of our calendar, we're looking at
24 only three months, as of March 31 we show a net
25 operating of \$273,353.86; do you see that?

1 A I do.

2 Q Now, the function of that is that we
3 get the full annual year's fee in January or February or
4 March, but that has to last us the whole year, doesn't
5 it?

6 A Correct.

7 Q So that income number will diminish as
8 the year goes on, won't it?

9 A Yes.

10 Q Because money will have to be spent to
11 do things.

12 A Correct.

13 Q Payroll expenses here and that
14 includes payroll tax liability for the first quarter,
15 \$53,249; do you see that?

16 A Yes.

17 Q So it looks like for the first quarter
18 payroll is running a little inside of what it had been
19 running on an annual basis for 2022. Have you cut back
20 staff any for '22 and '23?

21 A We have fewer grounds crew this year.
22 I think we only have two currently. We just added a
23 third. And of course I'm not taking a salary, so that
24 wouldn't be in there. The security staff has stayed the
25 same. And so everything else seems like it should be --

1 Q Again, this was prepared by Kelly?

2 A That's correct.

3 Q And through the same approach as you
4 described a while ago?

5 A Exactly.

6 MR. HURLEY: Let's make that Exhibit
7 13.

8 (Exhibit No. 13, filed.)

9 Q Next is a balance sheet for March 31,
10 2023 and here we end up showing a Home Federal operating
11 account balance of \$253,760.10 as of March 31, right?

12 A Yes.

13 Q And we have spent that down some more
14 now based on the number you got me a few minutes ago?

15 A Right.

16 Q We show here total equity of \$162,000
17 as of March 31.

18 A Okay.

19 Q But that number is going to get
20 depleted as the year goes on, correct?

21 A Correct.

22 Q Are there any projections that exist
23 right now of cash flow for Deerfield Resort that would
24 indicate any need or plan on the part of any of you or
25 your entities to inject money into Deerfield Resort this

1 year?

2 A It looks like it might be necessary,
3 but I don't think we have any plans to do that.

4 Q Which means what?

5 A There may have to be an additional
6 assessment. We had hoped again that we would have a
7 board already to have a budget and to deal with that
8 necessity. Again, Kelly had the figure, what was it,
9 \$74,000 that still is unpaid.

10 Q Okay. So your thought would be that
11 if that need exists that it would just be, it would need
12 to be met by a special assessment to the property
13 owners?

14 A We just don't think that's fair
15 because of all of the people who are refusing to pay,
16 that the people who are paying be required to pay more.
17 So that's our reluctance at this point.

18 MR. HURLEY: All right. Let's make
19 this balance sheet the next exhibit.

20 (Exhibit No. 14, filed.)

21 Q Next is a document, I'm going to call
22 it a letter because I think essentially that's what it
23 is. It may have gone out by e-mail, but I'm going to
24 ask you. It's to Deerfield Resort property owners and
25 friends; are you familiar with this letter?

1 A Yes.

2 Q It appears to bear your signature at
3 the bottom.

4 A It does.

5 Q Along with your brother?

6 A Yes.

7 Q And it was a communication that was
8 sent to property owners at Deerfield?

9 A Yes.

10 Q To inform them of an increase in fees
11 from the numbers that have been used for 2016 to 2022
12 timeframe to the 2023 timeframe.

13 A Could you repeat that one more time,
14 please?

15 Q It indicates an increase in fees --

16 A Yes.

17 Q -- from the amount that had been
18 charged in the 2016 to '22 timeframe and a new fee
19 structure for 2023?

20 A Correct.

21 Q This document makes reference in the
22 second full paragraph to a loan of \$105,000 from Fields
23 Real Estate; do you see that?

24 A Yes.

25 Q I don't see anything in this

1 communication indicating the \$300,000 type number that
2 we've talked about in Exhibit 4.

3 A Right.

4 Q That document, Exhibit 4, or anything
5 similar to it, has it been sent to the folks at
6 Deerfield Resort?

7 A No, we have not.

8 Q Has it been published in any way,
9 Facebook, by e-mail, made a part of the papers that
10 folks can look at if they come and say, Paula, we'd
11 like to see some of the financial documentation, has
12 that been ever revealed to anybody?

13 A It would be available. The only thing
14 I'm aware of is Preston filed it with one of the filings
15 with the court. I think that that was in one of the
16 things we brought for the Judge. So they could
17 obviously see that on any of the filings, but it would
18 be available if anyone wanted to see it.

19 Q So if they came and said, hey, I need
20 to take a look at any total or summary of what you and
21 your family or your entities have loaned to Deerfield
22 Resort, that would be available and would be produced?

23 A Only to the extent that it goes back
24 to 2015.

25 Q Okay. You think it may be more if

1 it's before that?

2 A I know it's more. It increases every
3 year that we go back further.

4 Q And you also believe that it may have
5 been produced in the litigation with a filing with the
6 court?

7 A Yes.

8 Q If it has, then it's been published in
9 that way, but if it has not, then you're not aware of
10 any way that it's been published?

11 A Correct.

12 Q Did you get any feedback?

13 A I didn't personally, Scott may have.
14 You can ask him tomorrow.

15 Q Okay. Nobody called crying or
16 screaming?

17 A Well, there's always someone that's
18 going to say they don't like it, but we actually had
19 several people say it's about time. So there's, you
20 know, feedback from both directions.

21 Q Okay. You indicate down there at the
22 very end, it's right above the sentence that starts the
23 support of our community, using the method above; do you
24 see that?

25 A Yes.

1 Q Using the method above, the invoicing
2 to 520 unique homes, condos, villas, and cottages, 81
3 unique lots and 37 unique hangers will commence this
4 week. Math was not my strong suit and still is not, but
5 if I add the 520 and the 81, that gets me to 601 and the
6 37 gets me to 638, and that's a long way from 992. What
7 would be the difference there between the 600 number and
8 the 992?

9 A That is what I answered in a previous
10 question. When she says unique, she means if you own a
11 home and any additional properties or multiple lots and
12 no home, you're only billed for the first property, but
13 I believe the exception is the hangars. I think they
14 still would have gotten at least the \$100 bill for the
15 hangar, but I'm not sure. I would just have to go back
16 and ask Kelly if she was invoicing if you had a home and
17 a hangar, if you were billed the \$750 and the \$375.
18 That I'm not sure of.

19 MR. HURLEY: Okay. Let's make that 15.

20 (Exhibit No. 15, filed.)

21 Q So as we sit here today, based on
22 everything that we've looked at, a couple of things that
23 we can come to a conclusion on, number one, you would
24 tell me, based on your time at Deerfield Resort, your
25 knowledge and your information that you gained in having

1 worked there for quite a while, your involvement with
2 Fields Development, your involvement with Fields Real
3 Estate, first of all, the Deerfield Resort account is an
4 account that by the end of any given year is going to be
5 depleted?

6 A Correct.

7 Q The second thing we can gather from
8 what we've talked about is as far as real estate assets
9 are concerned today, as you and I sit here and talk with
10 each other, there are no real estate assets of Deerfield
11 Resort Homeowners Association, Inc., none?

12 A Currently.

13 Q Currently. The third thing that we
14 can take from what we've talked about today is
15 essentially there are no assets of any kind. There's
16 seven or \$8,000 and some change I believe depicted on
17 that last balance sheet that we looked at, but your
18 indication is you believe that's a couple of very old
19 pieces of vehicles or equipment?

20 A The truck is old, the tractor is new.

21 Q The tractor is new?

22 A The tractor is the shiniest thing we
23 own.

24 Q Okay. But other than that, that's it?

25 A Yes.

1 Q From the time that your father and
2 your mother started Deerfield until now, has there been
3 any kind of reserve account set up or established to
4 build a cushion or a reserve, if you will, for future
5 maintenance fees?

6 A No.

7 Q So the folks that live at Deerfield
8 Resort now, unless they raise money, there are no monies
9 to deal with wearing and tearing of the roads?

10 A Correct.

11 Q There are no funds to deal with the
12 wearing or tearing of anything at Deerfield that might
13 need to be maintained?

14 A That's correct.

15 Q If the sign falls down, there's no
16 money to replace the sign?

17 A Apart from just things like that are
18 usually covered under the current fees.

19 Q As they come in?

20 A Yes.

21 Q When is the last time that the roads
22 have been paved?

23 A Well, I believe as far as actual
24 paving, was what we saw in 2013, but there's ongoing
25 patching. I've seen invoices for sections of road that

1 have been repaired and Scott probably at this moment has
2 patch in the back of his truck. So it's just a
3 continual patch.

4 Q But your belief is that the last time
5 that we actually had a repaving, a resurfacing of the
6 roads would have been in '13, ten years ago?

7 A I believe that's correct.

8 Q Are you aware of any assessment that
9 exists, and let's just take the roads, first of all, an
10 assessment of when there will need to be a resurfacing
11 of the roads?

12 A I'm not aware of that.

13 Q Are you aware of any assessment or
14 program or plan in place to attempt to analyze the needs
15 going forward for the roads?

16 A I'm not aware of that.

17 Q You drive those roads?

18 A I do.

19 Q I've seen different numbers. I mean
20 there are, from what I could tell, about 46 different
21 streets or roads within Deerfield; does that sound about
22 right?

23 A I'm surprised, but I would say that's
24 accurate.

25 Q I've got a list here. I'll be glad to

1 give it to you, and I may be partly wrong, but it looks
2 to be that way and it appears to encompass somewhere in
3 the 17 to 19 miles of roadway within that -- that's a
4 large development, agree?

5 A Agree.

6 Q You drive it?

7 A I do.

8 Q What's the condition of the roads now?

9 A There are areas that need to be
10 patched.

11 Q Does the road system in general need
12 to be resurfaced?

13 A I'm not familiar with what the
14 conditions would be considered for when it actually
15 needs to be repaved versus what could be repaired. I
16 wouldn't know that.

17 Q Okay. But I guess to summarize then,
18 there is no rainy day fund?

19 A That's correct.

20 Q No contingency fund, no reserve?

21 A That's correct.

22 Q I've handed you a document. It's a
23 single page, correct?

24 A Yes.

25 Q That lists, what I have here is 46

1 different street names. It starts with Airstrip Lane,
2 Antlers Way, Bambi Circle. I love deer, so I'm loving
3 this theme so far. All the way down to Whitetail Lane.
4 And there is a depiction on all of those as to whether
5 they are asphalt or asphalt and gravel or just gravel,
6 and there is an indication, there's a column there for
7 the approximate street length. Now that's kind of an
8 estimate but one that we believed probably would be
9 generally in the ballpark of accurate. And there is an
10 indication of the width only from the standpoint that we
11 indicate whether it's one lane or two.

12 Do you see anything, and I'm not
13 asking you to do an intensive study nor am I asking you
14 to be specific or really overly accurate, but as you
15 look down that list are most of those street names
16 familiar to you?

17 A Yes, these are looking accurate. I
18 had noticed the one and then I saw that you said that it
19 was a paper street, that Deer Harbor, that's not an
20 actual road yet. These do look accurate, yes.

21 MR. HURLEY: Okay. Let's make that the
22 next exhibit, please.

23 COURT REPORTER: Exhibit 16.

24 (Exhibit No. 16, filed.)

25 Q I'm going to show you next -- let me

1 see here a second. I've actually got something attached
2 and this one doesn't go with it.

3 MR. HAWKINS: I think we need a break,
4 Scott.

5 MR. HURLEY: You can take one.

6 MR. HAWKINS: All right.

7 VIDEOGRAPHER: We're off the record.
8 The time on the camera is 3:34.

9 (Short break.)

10 VIDEOGRAPHER: We're back on the
11 record. The time on the camera is 3:47.

12 Q I've placed another document in front
13 of you. It was forwarded to me by one of my clients
14 who, without comment, it's just an e-mail from Kelly
15 Sjogren, and I take it that the way that it's done, it
16 was basically an e-mail list, but it shows Scott Fields
17 as being a recipient and it shows Deerfield Resort at
18 Protonmail.com as being a recipient. I'm assuming that
19 it goes to a greater e-mail list; is that --

20 A Yes. I think she uses that, but then
21 she blind copies everyone else.

22 Q Okay.

23 A She wants that so that if anyone does
24 want to respond to us that they can.

25 Q They can?

1 A Yes.

2 Q If they hit reply all, you guys get to
3 see it?

4 A Only us, yes.

5 Q Yes, okay. Other people would not get
6 to see it?

7 A That's right.

8 Q All right, understood. And that's
9 kind of what I assumed to be the case. She says first
10 and foremost I am not a CPA. She goes on to talk about
11 having some business experience of more than 20 years
12 that gives her insight on how Deerfield needs to be
13 operating, proper record keeping, the importance of good
14 communication, and improving our daily operations and
15 efficiency. Would you say that those stated purposes
16 there are reasons that she was brought on board?

17 A Yes. She was working in a bookkeeping
18 capacity for another company when she came to work for
19 us.

20 Q Do you know who that was?

21 A I do not. She told me at the time,
22 but I don't recall the name.

23 Q And based on your view, and I know
24 it's not been a huge amount of time, but a year or two
25 to get to know someone and get to watch them in the

1 workplace and observe their efficiency and they're
2 effectiveness, has she been what you hoped she would be?

3 A Yes.

4 Q Is she doing a good job?

5 A Yes.

6 Q And, to the best of your knowledge, is
7 she accomplishing these things that she says effectively
8 here that she was brought on board to do?

9 A Yes.

10 Q Is she accurate?

11 A As far as I've seen. I haven't really
12 -- I mean there's always things that we're refining, or
13 she'll ask us to review something, we may correct
14 something, but in general I feel like her numbers have
15 been accurate based on her QuickBooks entries.

16 Q Is she thorough?

17 A As far as I can see, yes.

18 Q Based on your observation, has she
19 been knowledgeable?

20 A I would say so, yes.

21 Q Does she have the opportunity to
22 interact direct with Jack and his staff at the CPA firm?

23 A I mean she could if she wanted to, but
24 she hasn't needed to or she has not at this point.

25 Q If Jack's got a question now that

1 comes down to the handling of numbers or a transaction
2 or transactions and he decides he needs to reach out,
3 who does he typically call or talk to?

4 A I would be the first point of contact
5 and then I would connect him with Kelly then.

6 Q All right. Does he ever call Scott?

7 A Rarely.

8 Q Okay. She speaks here of having
9 initiated QuickBooks software for Deerfield Resort, the
10 Deerfield Water System, the Deerfield Condo Owners
11 Association, and Deer Hill Village. As things exist
12 right now, Deerfield Water System has its own bank
13 account, to your knowledge?

14 A Yes.

15 Q Does the Deerfield Condo Owners
16 Association have its own bank account?

17 A Yes, it does.

18 Q And does Deer Hill Village have its
19 own bank account?

20 A Yes, it does.

21 Q So those are all separately
22 functioning entities?

23 A Correct.

24 Q And they are at least set up to be
25 able to, if they have funds to be able to, to pay their

1 bills?

2 A Yes.

3 Q She indicates that she does invoicing
4 for Deerfield Resort, the DFCOA, and I take it that's
5 the Deerfield Condo Owners Association.

6 A Yes.

7 Q And Deer Hill Village and the
8 Deerfield Water System, so she invoices for all of those
9 entities?

10 A Yes, she does currently, but it's
11 recent that she's done the Deerfield Water System.
12 Scott did that himself until the last couple of years.

13 Q Until the last couple of years?

14 A That may be just last year.

15 Q Last year or so. What is Kelly's
16 total salary?

17 A It's either 75 or 80.

18 Q Okay. Somewhere in that range?

19 A Yes.

20 Q Do you know how much of that 75 or 80
21 the Deerfield Resort account is handling?

22 A The last I checked, the amount from
23 the Condo Owners Association and the Deer Hill Village
24 was somewhere in the neighborhood of \$4,800 to \$5,000 a
25 year.

1 Q Each or a total?

2 A Each.

3 Q Okay.

4 A And I'm not sure what Scott's paying
5 her.

6 Q That's fine.

7 A Or paying back to the Deerfield.

8 Q So effectively somewhere around
9 \$10,000 of her 75 or 80 is being paid by the Condo
10 Association and Deer Hill, add to that whatever Scott is
11 paying through the Water System, and then the rest is
12 being absorbed by Deerfield Homeowners Association?

13 A That's correct.

14 Q Essentially the Deerfield Resort
15 account?

16 A Yes.

17 Q Are there records, documents, copies
18 of checks, journals, ledgers, or other documents that
19 show the dates that monies were loaned to or made
20 available for the benefit of the Deerfield Resort
21 account by these parties depicted on Exhibit 4?

22 A Yes, there would be the deposit copies
23 of what went in to Deerfield.

24 Q And would those deposit copies
25 typically -- I used to work at a bank long ago, would

1 show the date of the deposit?

2 A Yes.

3 Q Would show the amount of the deposit?

4 A Yes.

5 Q And depending on whether or not the
6 person making out the deposit ticket went to this
7 detail, might show the source of the deposit?

8 A Yes.

9 Q For example, if you gave me a check
10 and I deposited it into my account I might write Paula,
11 \$5,000 deposited into my account, and we would have all
12 that information?

13 A Yes.

14 Q Does the deposit ticket show the
15 source of the money that came for the deposit?

16 A I believe that they do.

17 Q Are those deposit tickets accumulated,
18 or pulled together, or put in a file, or generally
19 available somewhere?

20 A Yes. I believe Kelly has all of those
21 at this time. So we could get copies of them.

22 Q All right. So I'm not trying to get
23 you to do something you've already done.

24 A Okay.

25 Q There is a bunch of information that

1 Preston has sent to me for which I'm appreciative, but
2 in going through a lot of it I still have holes. I've
3 not found those documents; have they been provided?

4 A On the check ledgers from QuickBooks
5 that she would have produced for '21 and then '22, that
6 detail is in there. The thing that was different about
7 the two years that she submitted where it was my
8 mother's information, she had a separate check ledger
9 and a separate deposit page, but the QuickBooks ledger
10 shows it all in order of whatever the transaction was.
11 So it would be in there. But she could also run reports
12 through QuickBooks that would show the summary.

13 Q Does she have, does Kelly actually
14 have access to the copy of the deposit tickets that we
15 were just talking about that would show the date, the
16 amount, and who it was?

17 A Yes.

18 Q All right.

19 A As far as I understand, yes. There's
20 deposit tickets, copies, and I believe a copy of the
21 check.

22 Q And would that then, because that sure
23 would make it easier to analyze and be able to talk with
24 my folks about if I had that, would that be inclusive of
25 all of the transactions that come to that roughly

1 \$300,000 amount or just the transactions that come to
2 the hundred plus amount?

3 A I'm sorry, I don't understand the
4 question.

5 Q Okay. Exhibit 4 that we looked at
6 awhile ago --

7 A Okay.

8 Q -- suggested to us that there were a
9 number of parties, Fields Development, Fields Real
10 Estate, your mother and father individually, that had
11 loaned money into Deerfield Resort.

12 A Okay.

13 Q And that total came to \$300,000 and
14 change.

15 A Okay.

16 Q Okay. We also have seen on Kelly's
17 compilations, her summaries and her numbers an
18 indication that there is \$100,000 plus that's owed --

19 A Okay.

20 Q -- on those financial statements we
21 looked at just a few minutes ago.

22 A Yes.

23 Q So my question is, would those deposit
24 tickets show the total of that \$300,000 or are they just
25 showing the part that Kelly has depicted to us?

1 A Well, there would be copies of all of
2 that, if that's what you're asking, back to 2016, but I
3 believe that's already in the summary of what we've
4 already submitted. But I know that Kelly would have
5 easier access to lay her hands on whatever was '21 and
6 '22, but maybe I'm misunderstanding your question. The
7 part that was repaid to Deerfield from the condo owners
8 or the Deer Hill Village is not part of any of the loans
9 to Deerfield.

10 Q I understand.

11 A Okay. I'm sorry, I thought that's
12 what you were asking.

13 Q No, I'm just looking at the \$300,000
14 that is on Exhibit No. 4.

15 A Okay.

16 Q And I'm comparing that with what Kelly
17 shows on that balance sheet for the year ending 2022.

18 A Okay.

19 Q When she says that a hundred and
20 something thousand is now owed to -- I believe it is
21 Fields Real Estate?

22 A Yes.

23 Q So I'm just asking, could you get for
24 me just in one little package the deposit tickets, or
25 whatever documents you've got, that evidence the

1 \$300,000 and change?

2 A Fairly easily and quickly I could
3 produce the '21 and '22. I know I could produce the
4 older ones. It would take a little longer to go back
5 through the files. There's a good chance in everything
6 that Jack sent you, it may already be in there.

7 Q Okay, I'll go back and look again.

8 A Okay.

9 Q Because, like I say, there is a huge
10 amount of stuff that we've got to look through, but if
11 you can, pull that together and get that, it would be
12 extremely helpful.

13 A Okay.

14 MR. HAWKINS: Can we go off the record
15 for just a second?

16 MR. HURLEY: Sure.

17 (Off the record discussion.)

18 THE WITNESS: And I'll look too. This
19 won't just be on you. I'll look again also,
20 okay?

21 THE WITNESS: Okay.

22 MR. HURLEY: Let's make that document
23 the next exhibit, please.

24 COURT REPORTER: Exhibit 17.

25 (Exhibit No. 17, filed.)

1 Q Next I want to show you an example of
2 an invoice that I have seen in this case. This is a
3 document up at the top titled Deerfield Resort and below
4 that in large letters it says invoice; do you see that?

5 A Yes.

6 Q And then there is an indication as to
7 an invoice number 2791 to Dan and Mary Anne Rykulski
8 Valle at 244 Championship Way. The date is January 25,
9 2023, the due date is indicated as February 24, 2023,
10 and there are three entries that are made there for
11 Resort security maintenance and operational fee for
12 home, condo villa, and cottage, and then the same thing
13 for hangar and then the same thing for another hangar.
14 The three amounts are \$750 for the home and \$375 for
15 each of the hangars, for a total of \$1,500; do you see
16 that?

17 A Yes.

18 Q Would this be an invoice that has been
19 sent out by Deerfield Resort to Dan and Mary Anne?

20 A Yes.

21 Q And similar invoices have been sent to
22 other property owners?

23 A Correct.

24 Q Now, it may not be that everybody owns
25 a lot or a home and two hangars, but regardless of what

1 they own they would have received invoices as well?

2 A Yes.

3 Q Are there people at Deerfield that
4 don't get billed?

5 A At this point I'm not aware of anyone
6 who is not receiving a bill. Kelly has worked with the
7 lists that we produced for the court to make sure that
8 her master billing list is up to date and keeping up
9 with everything that we had on the list. And I believe
10 that at this point I'm not aware of anyone who may have
11 slipped through the cracks or someone who may not have
12 been billed for a lot. My understanding is she has
13 billed everyone who owns property.

14 Q In the past have there been times when
15 everyone did not get billed?

16 A There's a time when Dr. John Held was
17 not billed.

18 Q Dr. John --

19 A John Held.

20 Q H-e-l-d?

21 A H-e-l-d.

22 Q Okay.

23 A Georgia wasn't billed for a long time
24 when she had the rental program. I'm trying to think if
25 there was anyone else who just intentionally would not

1 have received a bill. My Uncle Jim has paid for the
2 last many years, but there was a time when he was still,
3 you know, recently part of Fields Development that he
4 wasn't paying, but he has paid for as long as I can
5 remember now. If there's anyone else who was not billed
6 intentionally, I can't think of anyone. There's a lot
7 of people who don't pay, but there's not a lot of people
8 who were not billed.

9 MR. HURLEY: Let's make that the next
10 exhibit.

11 COURT REPORTER: Exhibit 18.
12 (Exhibit No. 18, filed.)

13 MR. HAWKINS: You said 18?

14 COURT REPORTER: Yes.

15 Q Next is a document, and up at the top
16 it has Kelly's name and an indication that she is in
17 accounting at deerfieldresort.com, and it is basically
18 addressed to Deerfield Resort Property Owners & Friends
19 and provides some discussion about fees invoiced to
20 property owners beginning in 2012. It goes on to talk
21 about what those fees are for, gives the amount, and
22 describes the increase that's being made, and the date
23 up in the right hand upper portion of the document is
24 January 4. That would have been this year, correct?

25 A I can't tell, but it looks like it

1 would have been this year because there's a 2023 fee.

2 Q Correct. And over on the second page
3 it talks about using the method above, 2023 invoicing,
4 522 unique homes, 81 unique lots, and 37 unique hangars
5 will commence this week. It talks about being able to
6 pay online and there is a place for your name and
7 Scott's name there as well. Did this come out of the
8 Deerfield office?

9 A Well, it came from Kelly's e-mail
10 address, but this is similar to -- is this different
11 from the other letter that we looked at it.

12 Q It may be the same. I remember
13 looking at one earlier. I thought it was different, but
14 this may be the same thing.

15 MR. HURLEY: Is it the same?

16 MR. HAWKINS: Yes, it is the same.

17 It's just formatted slightly differently and
18 this one is unsigned, unlike the other one.

19 MR. HURLEY: The other one was signed,
20 was it not?

21 MR. HAWKINS: Yes.

22 MR. HURLEY: Did the other one,
23 Preston, have a January 4 date on it?

24 MR. HAWKINS: It did not.

25 MR. HURLEY: I think that's why I had

1 next exhibit, I'm sorry.

2 COURT REPORTER: Exhibit 19.

3 (Exhibit No. 19, filed.)

4 THE WITNESS: That is also Jack Miller.

5 MR. HURLEY: Jack Miller?

6 MR. HAWKINS: Hold on just a second

7 guys.

8 Q Consulting Solutions is Jack Miller?

9 A Yes.

10 Q The same as the accountant Jack

11 Miller?

12 A Correct.

13 Q All right. Who is Hart Productions?

14 A That would be the Cincinnati boat

15 show.

16 Q And money is paid out of that

17 Deerfield account for that boat show, correct?

18 A Some of it was, not all of it.

19 Q I saw in some of the check entries

20 that there were payments to First Volunteer for a line

21 of credit. Do you know anything about that?

22 A That is a renewal each year just to

23 renew. There's a letter of credit for all of the

24 electricity, all of the common electricity in Deerfield.

25 They still have to have a letter of credit even though

1 they've had this account for 30 years now. It's just
2 something the power company requires. So every year
3 it's renewed.

4 Q So that goes a little bit into my
5 banking brain. There is a line of credit, there is a
6 letter of credit. So the letter of credit is often
7 required by utility companies.

8 A Yes.

9 Q It can be required by all kinds of
10 commercial transactions where a bank basically issues a
11 letter or a letter for a fee, of course, to a utility or
12 some commercial provider that says we'll stand good up
13 to a certain amount for a deposit, or for whatever the
14 case may be.

15 A Yes.

16 Q A line of credit typically indicates a
17 bank loan line that the borrower has the ability to go
18 into the bank and draw on that line up to \$10,000 or
19 \$100,000 or \$2,000,000, whatever the case may be. Is
20 there a line of credit or just a letter of credit?

21 A My understanding is it's only a letter
22 of credit.

23 Q You're not aware of an actual line of
24 credit?

25 A I'm not aware of anything like that.

1 Q Has, to your knowledge, Deerfield
2 Resort or Fields Development Company, acting as
3 Deerfield Resort, borrowed any money from any banks at
4 any time?

5 A So you're asking if Deerfield Resort,
6 the entity, has borrowed any money? I'm not aware of
7 it. I'm not saying they didn't ever do it.

8 Q Has Fields Development Company
9 borrowed any money acting as Deerfield Resort?

10 A I would guess that Fields Development
11 has had various infrastructure loans throughout the
12 course of the development.

13 Q I found an entry that M & M Tennis
14 Courts & Construction was paid \$11,950 back in 2019, I
15 presume for work on the tennis courts?

16 A Probably resurfaced them.

17 Q And it also appeared that the tennis
18 courts were owned by Fields Development?

19 A I would guess at that time it was in
20 the name of the HOA, but it's for the community. Just
21 like the swimming pool, it's a community amenity.

22 Q Okay. As it stands right now, and I
23 can only ask you about right now, is there any intention
24 on your part or, to your knowledge, your brother's part
25 to try to retain the ownership and control of the tennis

1 courts?

2 A No.

3 Q Of the swimming pool?

4 A No.

5 Q There's a willingness to deed those
6 over effectively to the Homeowners Association?

7 A Yes.

8 Q All right. Roads?

9 A Yes.

10 Q We talked about the security shack.

11 A Uh-huh.

12 Q But, of course, there's an entrance
13 area.

14 A Right.

15 Q You've got to get to the security
16 shack. Part of that is road but there appears to be
17 some common area on either side of the road that leads
18 into the area where the security shack is; who owns
19 that?

20 A The area, if you're coming in to the
21 resort, the area on the left is owned by a private
22 individual that's not part of Deerfield. His name is
23 Bobby Shepherd.

24 Q Bobby Shepherd?

25 A Yes.

1 Q And is that basically from the road,
2 the entrance road on over in that direction?

3 A It's anything that's a grassy area to
4 the left of the Deerfield entrance and it basically goes
5 all the way to --

6 THE WITNESS: is Rich Kennedy's house
7 the first house?

8 A Okay. Well, it goes past the column
9 of Deer Hill and then it goes down the hill a little bit
10 further. I would have to look at a map to tell you the
11 name of the first Deerfield resident that's officially
12 in Deerfield.

13 Q And that's on the left?

14 A That's on the left.

15 Q As you enter?

16 A As I enter.

17 Q And then on the right?

18 A Is that golf course land? So the
19 guard house is actually on golf course property.

20 Q So the guard house or guard shack,
21 whatever we call it, is on actually golf course
22 property?

23 A Yes.

24 Q And as I enter Deerfield the property
25 on the right, what I normally would call the setback

1 area or the commons area off the road, would that be
2 owned by the golf course as well?

3 A Yes, and you can ask Scott tomorrow,
4 but I believe that that also means the mail house would
5 be on golf course property.

6 Q So the mail house as well?

7 A And that is something we haven't
8 brought up, but that would also be considered something
9 to be transferred.

10 Q Common property?

11 A Yes.

12 Q Now, in order to transfer the guard
13 house and the mail house, are we going to have to talk
14 with Uncle Jim?

15 A We would probably have to have a
16 survey.

17 Q And we'd have to have it cut out. And
18 that entity is The Greens?

19 A Yes.

20 Q Who is Adam Hooper?

21 A It doesn't ring a bell. It might have
22 been -- sounds like it might be equipment, it could be.
23 I'd have to look at --

24 Q Was it somebody that did construction
25 or work on the mail room?

1 A I'd have to look at the transaction to
2 know.

3 Q And Lifetime Docks, who is Lifetime
4 Docks?

5 A That is a dock company on the lake,
6 but I'm not sure what the transaction would be without
7 looking at it.

8 Q There is an area as I understand it
9 called The Pointe; are you familiar with that?

10 A In Deerfield?

11 Q Yes.

12 A Yes.

13 Q In fact, I've got a depiction of it, I
14 believe. Has that ever been indicated as being common
15 property?

16 A No.

17 Q Are you sure?

18 A That is owned in the name of Madeline
19 Fields and those are docks in the name of Madeline
20 Fields or Paul and Madeline Fields.

21 Q In any of the marketing and
22 advertising promotional materials in the past has it
23 ever been indicated as being common property?

24 A Not that I'm aware of.

25 Q And your belief is that right now

1 today as we sit here in this deposition, that property
2 is titled in the name of Madeline Fields?

3 A Yes.

4 Q And would effectively as a result of
5 that right now be owned by her estate?

6 A Correct.

7 Q And I apologize for asking this, but
8 did she pass with a Will, she had a Will?

9 A Yes.

10 Q And that Will is in probate in
11 Campbell County?

12 A Correct.

13 Q Who is handling that from a legal
14 standpoint?

15 A Reid Troutman.

16 Q Okay. And your father's estate, did
17 it have to be probated? A lot of times they don't have
18 to be because --

19 A It didn't. It just passed directly.

20 Q To his spouse, right?

21 A Uh-huh.

22 Q So there is no estate proceeding for
23 him?

24 A Correct.

25 Q But this property depicted on this

1 aerial type property viewer view that I've put in front
2 of you, that depicts this area that appears to be just a
3 very narrow little connector out to the left side of the
4 page, and then a parcel down here on the water and near
5 some, what appears to be, docks --

6 A Yes.

7 Q -- is your mother's property?

8 A That's correct.

9 MR. HURLEY: Let's make that the next
10 exhibit, please.

11 COURT REPORTER: Exhibit 20.

12 (Exhibit No. 20, filed.)

13 Q As I look through documents related to
14 Deerfield I see a lot of documents over the years.
15 There are master deeds for the condo association. There
16 are 18 or 19 different amendments to that master deed.
17 I see restrictions and covenants that have been put
18 down, and in many, many instances I see that those types
19 of documents have been signed by Fields Development
20 Company, Inc. as the developer of Deerfield Resort.

21 A Correct.

22 Q You've seen the same thing I take it?

23 A Yes.

24 Q Was Fields Development Company, Inc.
25 the developer of Deerfield Resort?

1 A Of Deerfield Resort, yes.

2 Q And have there been any other
3 developers of Deerfield Resort other than Fields
4 Development Company, Inc.?

5 A Not of the entire resort. I mentioned
6 earlier that early on dad had a partner named Elmer
7 Hoskins and then Jim came in as a partner. And there
8 have been various parcels within Deerfield that
9 individual owners would buy acreage and then they would
10 develop that themselves within Deerfield.

11 Q Right.

12 A But that would just be an isolated
13 section.

14 Q Other than that, no?

15 A Correct.

16 Q If I said to you, please name me the
17 developer or developers of Deerfield Resort, your answer
18 would be Fields Development Company, Inc.?

19 A Yes.

20 Q When someone goes to Lowe's and
21 purchases materials and supplies, how is that allocated
22 as far as office use type stuff, how is that allocated
23 between the entities that make use of it?

24 A Well, typically the Lowe's receipt
25 will give you a breakdown and a detail of what each item

1 was purchased. And then my understanding of how
2 Madeline did it was, she would just -- she would
3 allocate which would be for maintenance, which would be
4 for in the office, which would be for any other issues
5 that was going on, and then she would put it in the
6 appropriate column or pay it from the appropriate amount
7 or ask for additional checks. If there was anything
8 that may have been for the Water System, Scott would pay
9 that separately.

10 Q Okay. I've put in front of you a
11 document now that is basically the summary or list that
12 you all have provided to us for 2016.

13 A Okay.

14 Q Of the various payments made by the
15 checking account and they are generally numbered in
16 sequential order and then there's a date there. On many
17 occasions on one date multiple checks are written. And
18 I want you to go to the third page of what I just gave
19 you. I want you to go down about halfway to the entry
20 on March the 1st of 2016 that indicates that a payment
21 was made to Home Federal for the Fields Development
22 loan, \$1,757.25. Can you tell me what that was for?

23 A I do not know and I have reached out
24 to a loan officer at Home Federal to ask what it was for
25 and I haven't gotten an answer back. So I'm not aware

1 of what this is.

2 Q All right. And then if you go -- so
3 right now you don't know, you're trying to find out?

4 A Yes.

5 Q If you go down the page some more, I
6 see some entries for Amex. That's typically American
7 Express.

8 A Right.

9 Q And there we have condo insurance and
10 advertising that are listed there, but it's my
11 understanding, let me kind of summarize here to make
12 this shorter, that you have an American Express card and
13 account.

14 A My own personal one.

15 Q Yes.

16 A Yes, but that's not what this -- this
17 would have been Madeline's American Express card.

18 Q So this would have been Madeline's
19 American Express card. Was that a personal card for her
20 or a Deerfield Resort or a Fields Development, or do you
21 know?

22 A I think it was a personal card.

23 Q You think it was a personal card,
24 okay. When charges show up on these various years and
25 it shows American Express, just when I first looked at

1 it or was aware of it before I had had a chance to talk
2 with Preston about it, I just assumed that there was a
3 corporate or company American Express card. I
4 understand your mother was in charge of things up to the
5 time that she passed. You and your brother have been
6 doing things since. Has there ever been, to your
7 knowledge, a corporate or company American Express card?

8 A To my knowledge, no, there has never
9 been one.

10 Q During her lifetime, including 2016,
11 she would have used the American Express from time to
12 time for Deerfield related matters?

13 A Yes.

14 Q And since she has passed there have
15 been times from time to time that you would have owned
16 and used an American Express card for Deerfield related
17 matters?

18 A I don't believe I've ever used my
19 personal American Express card for something for
20 Deerfield. I'm not saying I haven't picked up some
21 chlorine at Costco or Sam's, but as a practice I do not
22 use my personal card for Deerfield.

23 Q So if that's occurred, it's just been
24 by happenstance, not design.

25 A Exactly.

1 Q And it would just have been as a
2 convenience and not a practice?

3 A Correct.

4 Q But for her I do see a lot of American
5 Express entries. Do you believe that she used it from
6 time to time generally to transact business for
7 Deerfield Resort?

8 A Only if she had to. Her preferred
9 method of payment would always be a check and so I think
10 that it would be infrequent that she would use the
11 American Express, only if she had to.

12 Q Now, if you will go over -- well, do
13 you know how she, if she did use it infrequently for
14 Deerfield type items, do you know how she kept track of
15 that, or reimbursed herself, or paid that bill without
16 having to get into her own money?

17 A I assume she would have had receipts.
18 I know that I can just remember her always going
19 thoroughly through the Lowe's bill, but that was a
20 Lowe's account. That wasn't on the American Express.

21 Q Have you seen any records,
22 compilations, diaries, digests, lists, where she kept up
23 with her use of the American Express card for Deerfield
24 purposes?

25 A What I have seen in the past, and I

1 assume this is how she did it, but I have seen on her
2 personal statement, she would have a breakdown because I
3 can remember her putting five or six different checks in
4 a payment envelope and she was mailing it in. So I
5 would assume that she would have notated these things.
6 If she didn't already put it in the check register, she
7 would have it written on her personal statement what the
8 breakdown was.

9 Q All right. Have you made any effort
10 or endeavor to try to total that up?

11 A I haven't located her personal
12 statements. The only thing I have seen is just what I
13 have found in the Deerfield files.

14 Q What you have seen and obtained from
15 the Deerfield files, have you been able to put together
16 any totals or summaries, or anything of that nature?

17 A Anything I have I put on the
18 spreadsheets. So I added -- everything I sent in
19 December were her spreadsheets, and then the May
20 information that was sent was the same spreadsheet with
21 this new column added with the detail in the middle. So
22 any information I have I would have put it in that
23 column for description.

24 Q Go over to the fourth page. The very
25 bottom entry is an entry that is a March 25th entry and

1 it is Nationwide and it says Key Man Insurance. The
2 amount that went out, and I will represent to you that
3 this is a recurring charge that goes under the topic of
4 Key Man Insurance, is for \$1,367 in this instance.

5 A Yes.

6 Q Can you tell me what that's for?

7 A That would have been for dad's life
8 insurance policy. That would have ended in July of
9 2016.

10 Q So was Deerfield Homeowners
11 contributions into this Deerfield Resort account being
12 used to pay the premiums on the Key Man Insurance for
13 your father?

14 A No, that would have been Fields
15 Development.

16 Q Fields Development money?

17 A Yes.

18 Q How do we know that?

19 A Because all of her money was in this
20 account and she kept adding money as she needed to keep
21 adding money in there so she would have been able to
22 cover her own expenses. She was not using Deerfield
23 money to cover her own expenses.

24 Q Did she keep a separate breakdown or
25 ledger as between money that was coming into the

1 Homeowners and what that was being spent for, and money
2 that was otherwise available for Fields Development
3 Company, Inc. and what that was being used for, is there
4 that type of depiction or breakdown?

5 A It looked to me like she had done at
6 the end of the summaries of the year, and in her columns
7 it would be a fairly easy thing to take these columns
8 that she has totaled and just figure out which things
9 are purely Deerfield security and maintenance versus
10 which things like that which are clearly Fields
11 Development expenses. Like the property taxes, if she
12 hadn't already done that at the end -- it looked to me
13 like she had, it wouldn't take much time probably to
14 tally those up.

15 Q It could be done?

16 A It could be done.

17 Q But it's, to your knowledge, not been
18 done at this point?

19 A It looked to me like between what she
20 submitted to the accountant and what she had summarized
21 at the end, it looked to me like she had already
22 separated that out. So I would start with her
23 information if I needed to go any further to.

24 Q Has her work in separating that out
25 been furnished to us?

1 A Yes. I've sent everything that I've
2 been able to find.

3 Q What does that look like?

4 A It would be one of the spreadsheets
5 that she would have given the accountant for the end of
6 the year. I know it was in the information Jack
7 submitted for his subpoena.

8 Q With the tax records?

9 A Yes.

10 Q Okay. And so Jack's records that he
11 submitted and then the records that Preston would have
12 sent to us in December --

13 A Yes.

14 Q -- would be the two places that I
15 would go to look for that?

16 A Exactly.

17 Q Is it handwritten?

18 A No, it's in her spreadsheets.

19 Q In her spreadsheets, okay.

20 A Yes.

21 Q All right. If you'll go to the next,
22 let's see, one, two, three, four, five pages in, there's
23 another Home Federal Fields Development loan entry
24 that's the third one down from the top.

25 A Okay.

1 Q Do you see that? Again that fits in
2 that same category and you're not sure what that is?

3 A Exactly.

4 Q Then there are BlueCross BlueShield,
5 BlueCross entries, health insurance Paula, health
6 insurance Scott, \$1200 plus for you, \$1400 plus for him.
7 So your health insurance was being paid out of this
8 account?

9 A It was not and this was the only entry
10 that I have ever found that she did that and, in
11 general, as I stated earlier, she paid that through the
12 real estate account. So I don't know if this was a
13 mistake. I don't know if she -- I don't know what her
14 purpose was for doing it this one time, but this is the
15 only time I found that ever paid from Deerfield account.

16 Q Otherwise, you're not sure why it's
17 here?

18 A I don't know why it would be there.

19 Q If you look down to the April 10 entry
20 there is an Amex fuel charge, \$524.93; do you see that?

21 A I do.

22 Q Again, any indication as to whose
23 vehicles were getting that fuel?

24 A I can't tell from the receipts that
25 I've seen which vehicles this was paying for, but I do

1 know that, you know, we did have the trucks at this
2 point. This far back I think there were two trucks that
3 were in Deerfield at that time. I don't know what the
4 tractor takes. If it's diesel, I assume that would be
5 diesel. So I don't know what the breakdown is on that
6 fuel. I know it wasn't mine.

7 Q And you pay for your own gas?

8 A I do.

9 Q Does Scott pay for his own gas?

10 A Yes.

11 Q Ever use funds out of this account to
12 pay for gas for personal use?

13 A I do not.

14 Q Never?

15 A Never.

16 Q Not one cent?

17 A Not one cent.

18 Q Scott doesn't either?

19 A Not that I'm aware of.

20 Q Okay. I'll ask him tomorrow, but to
21 your knowledge he doesn't. If you go over to the sixth
22 page, there is an entry for April the 22nd, check 840 --
23 well, first of all, there is a Nationwide entry there
24 for Key Man Insurance again. Who was the owner of that
25 policy, if you know?

1 A I do not know.

2 Q Who was the beneficiary of that
3 policy, if you know?

4 A I believe it would have been Madeline.

5 Q How much did she receive on that
6 policy, if you know?

7 A I do not know.

8 Q Do you know when this was coming out
9 -- I mean this was coming out regularly. As I go
10 through here I find a Nationwide Key Man policy payment
11 being made regularly for a period of time. I think it
12 goes through most of '16 -- if Fields Development
13 Company, Inc. had its primary source of income from sale
14 of lots at Deerfield.

15 A Yes.

16 Q And if there weren't many lots at
17 Deerfield being sold after 2010 and '11 and '12, I guess
18 the question come into my mind, where did the money come
19 from other than security and maintenance deposits by the
20 homeowners to make this type of recurring payment,
21 regular recurring payment?

22 A It would be all of the funds that she
23 continually supplied into this account either personally
24 or from Fields Real Estate.

25 Q Other than Fields Real Estate, what

1 income or sources of money did she have to put money
2 into this account?

3 A It would have primarily been through
4 either the sale of property through Fields Real Estate
5 or commissions through Fields Real Estate.

6 Q And when she -- for example, when this
7 type of entry occurs and we've got a payment for this
8 Key Man Insurance, \$1367 on this April 22nd date, would
9 she make a deposit for that amount so that it was clear
10 that that's what that was covering, or did she just put
11 amounts in from time to time and then it would come out
12 of that for the \$1367?

13 A I would have to go back and look at
14 the deposit records to see how she did it.

15 Q Do you have any general recollection
16 as to how she normally did it?

17 A No.

18 Q If you'll go to the next page,
19 entrance for \$8465 to Lamar, one-half of light number
20 ten billboard, is that the one in town that's the
21 directional billboard?

22 A Yes, at Cumberland Avenue.

23 Q On this page, if you go down to May
24 the 9th, there's the entry check number 8481, Amex, fuel
25 \$294.25, and again that would apparently be the use of

1 the Amex card as you understand it?

2 A Yes.

3 Q And you believe that she was
4 reimbursing for that?

5 A Yes.

6 Q If you go down a couple more pages,
7 the June 15th entry, number 8541 on the check, it's a
8 Nationwide entry; do you see that?

9 A Yes.

10 Q For workers' comp?

11 A Uh-huh.

12 Q And the amount there \$2,049.53. Was
13 that just for employees that were working on maintenance
14 and security, or was that for all the employees that
15 were in that office and otherwise employed on the
16 Deerfield Resort?

17 A This would have covered the security
18 guards, the grounds crew, but Scott and myself were
19 always exempted from the policy. So it would probably
20 have included any office staff. However, the thing I
21 noticed from 2016 to 2018 or '19 is there's almost
22 virtually no office staff on the Deerfield payroll at
23 all during those time periods. I was going to ask Scott
24 to run a report so that we could see exactly what they
25 were being paid for out of other companies. They would

1 have also been covered under a different probably
2 workers' comp policy.

3 Q Well, we know here though, because
4 again it's a recurring line item, an amount was being
5 paid to Nationwide for workers' comp coverage through
6 this account, correct?

7 A Yes.

8 Q Is there a document that exists that
9 you know of that would say for this particular payment
10 on this particular day that June 15th, check 8541 to
11 Nationwide, \$2,049.53, would there be some document that
12 would show us who this was covering and whether or not
13 anyone else was contributing toward those employees?

14 A There would be -- I assume there would
15 be a monthly bill from Nationwide, but that probably
16 wouldn't show who was covered on it. That typically is
17 generated from the previous year's audit and then that
18 determines the current year's premiums. So it's
19 possible that somewhere there might be a document that
20 states that, but that is usually something that's
21 generated just from a payroll report.

22 Q The recurring item that I keep seeing
23 for Home Federal Fields Development loan and it's
24 usually a \$940 payment, does that loan still exist?

25 A No, and I didn't see it much after

1 2016 even.

2 Q Do you know when it was paid off?

3 A I don't. I could go back through the
4 reports and see when was the last one. I see one here,
5 July 31st.

6 Q Was there ever a time from 2010 -- I
7 think it was about 2010 that you came back kind of in
8 the building on a full-time basis, right?

9 A Right.

10 Q Was there ever a time from 2010
11 forward where you developed a concern, whether you
12 expressed it or not, I'll ask you about that in a
13 second, to where you developed a concern that the money
14 that was being received from the homeowners was being
15 placed into an account and was being combined, or
16 commingled, or put together with funds that Fields
17 Development Company, Inc. had from other sources and
18 that various expenses were being paid out of that; did
19 you develop a concern about that?

20 A No.

21 Q And, of course, if you didn't develop
22 a concern about it, you didn't talk to your parents
23 about that?

24 A Correct.

25 Q And did they ever talk to you about

1 it?

2 A No.

3 Q Did your brother ever talk to you
4 about a concern about that?

5 A No.

6 Q Did you ever discuss in any way the
7 possibility that that might be viewed, at some point in
8 time, by one or more of the homeowners as a questionable
9 practice?

10 A No.

11 Q Never crossed your mind?

12 A Never.

13 Q At some point was a question raised
14 about accounting for these monies and these funds?

15 A Not that I'm aware of.

16 Q Are you aware of any number or series
17 of communications that came, for example, from Dan Valle
18 about asking for information as to the handling of those
19 monies and what was being used to pay various expenses?

20 A I knew that he had given a letter to
21 mom and that was complaining about things and I knew
22 that -- I remember her answering his letters. I came
23 across one that she had answered to him, but that's all
24 I'm aware of.

25 Q Are you aware of the number of letters

1 that he did send over the years?

2 A No.

3 Q Are you aware of whether or not he
4 sent letters basically every year for a number of years?

5 A No.

6 Q Are you aware as to the number of
7 times that she answered him? You've mentioned at least
8 one.

9 A I found one, but that's all I know of.

10 Q That's all you found to this point?

11 A Yes.

12 Q Okay. So your knowledge then would be
13 you know he did write one or more letters, you know that
14 she did respond at least once, and that's your
15 knowledge?

16 A That's my knowledge.

17 MR. HURLEY: All right. Let's make
18 that copy the next exhibit, please.

19 COURT REPORTER: Exhibit 21.

20 MR. HURLEY: 21?

21 COURT REPORTER: Yes.

22 (Exhibit No. 21, filed.)

23 Q Very quickly, let's move few of these
24 others. That was for 2016, correct?

25 A Uh-huh.

1 Q A similar summary has been provided to
2 us for 2017. Does this appear to be the summary for
3 that year?

4 A Yes.

5 MR. HURLEY: Let's mark that the next
6 exhibit.

7 COURT REPORTER: Exhibit 22.

8 (Exhibit No. 22, filed.)

9 Q So I've put in front of you 2017,
10 correct?

11 A Yes.

12 Q That does appear to be what you have
13 furnished us. We've marked it as Exhibit 22. Again,
14 the same process has been gone through with this
15 documentation to furnish us with information about
16 expenditures?

17 A Yes.

18 Q I don't think I asked you. Who
19 primarily was involved in putting these exhibits
20 together, because I've got one for '16, '17, '18, '19,
21 '20, and I think '21; who put those together?

22 A I collected everything that I could
23 find from Madeline's files and I put those together.
24 Kelly generated '21, '22, and gave those to me and then
25 I submitted them.

1 Q Next is 2018 and it appears to be the
2 same thing, correct?

3 A Correct.

4 MR. HURLEY: For that year and that
5 will be Exhibit 23.

6 COURT REPORTER: Yes.

7 (Exhibit No. 23, filed.)

8 Q Next is Exhibit 24 which will be the
9 same information for 2019, correct?

10 A Correct.

11 Q Again prepared the same way by the
12 same people?

13 A Yes.

14 (Exhibit No. 24, filed.)

15 Q Next is Exhibit 25 which will be the
16 2020 numbers, same preparation, same people, same
17 process, right?

18 A Correct.

19 (Exhibit No. 25, filed.)

20 Q And then Exhibit 26, this is the
21 biggest of all, for year 2021, same people, same
22 process?

23 A This would be Kelly's detail, yes.

24 MR. HAWKINS: He asked if that was the
25 same process.

1 THE WITNESS: Same process. Well, this
2 was -- I mean I did state it in the beginning,
3 but just to clarify, this was not my work or
4 Madeline's work. This was Kelly's.

5 Q Kelly's work, right, but you had
6 mentioned Kelly before.

7 A Yes.

8 Q You had worked on them, Kelly's worked
9 on them. I know Kelly came on board in '21.

10 A Yes, right. So this was all her
11 QuickBooks entries.

12 Q It looks a little different than the
13 others.

14 A It does, yes.

15 Q The format and layout is a little
16 different?

17 A Right.

18 Q But the basic information is the same?

19 A Correct.

20 COURT REPORTER: Exhibit 26.

21 (Exhibit No. 26, filed.)

22 Q Did, to your knowledge, your father
23 ever barter things with people in Deerfield? For
24 example, if they had done something to assist him, he
25 would not bill them for a security and maintenance fee?

1 A I can't say that he didn't, but I'm
2 not -- nothing is coming to mind, but he might have done
3 that.

4 Q Does Park Properties own any real
5 estate within Deerfield Resort?

6 A Yes.

7 Q What properties?

8 A They own an acreage parcel that
9 they're currently subdividing, Astor Hill Village, and
10 adjoining that there are also three lots.

11 Q Anything else?

12 A I'm not aware of anything else that
13 Park Properties owns. I think that's all.

14 Q Okay. I want to talk to you for a
15 minute about plats.

16 A Okay.

17 Q When you go to the tax assessor's
18 office or to the offices at the Campbell County
19 Courthouse to inquire about the plats about Deerfield,
20 they can produce a few plats. They also indicate that
21 there are certain plats that would be at Deerfield. Do
22 you keep or, to your knowledge, does your brother keep,
23 or does Kelly or anyone keep, a file or a cabinet or a
24 location where there are the plats of Deerfield?

25 A We do have a location. We have a file

1 cabinet where we would keep the surveyed maps of each
2 section as they were opened up and as far as recorded
3 plats, I'm sure there's copies somewhere, but those
4 would all be at the courthouse.

5 Q Those would all be at the courthouse?

6 A Yes.

7 Q You don't believe that you would have
8 at your offices, the Fields Development Company offices,
9 the building that we've talked about, recorded plats or
10 copies of recorded plats?

11 A It's possible. Scott thinks we do.

12 Q To your knowledge, is there a master
13 recorded plat of the entirety of Deerfield Resort?

14 A Well, I know they worked on one.
15 That's the majority of what we have that we sent to
16 Scott Reams and to Preston. Crutchfield tried to put an
17 as built actual map of Deerfield together and that's
18 what Scott uses now for all of his digital maps. But as
19 far as do we have an actual one put together map, I
20 think all we have is what we've already submitted for
21 Scott Reams when he was trying to determine what is
22 Deerfield.

23 Q Okay. As different areas of Deerfield
24 have been developed like Deer Hill, other areas that
25 have been developed over time, has there been a practice

1 to record a plat for that newly developed area?

2 A Yes, there has been a plat recorded
3 for Deer Hill and there was a plat recorded for the Deer
4 Lake Condos. I haven't seen a plat for the lake view
5 condos except for the survey map that's been attached to
6 the master deeds.

7 Q So you said there was one for Deer
8 Hill?

9 A Yes.

10 Q There was one for who else?

11 A For the Deer Lake Condos.

12 Q Deer Lake; any others?

13 A I'm not aware of any other plats other
14 than the original Deerfield Development. I don't know
15 if any of the private people who bought acres and
16 subdivided those, if they were required to do a plat for
17 the Planning Commission, if that was recorded. It's
18 very possible there could be.

19 Q Like individual property owners?

20 A Exactly. Like they would buy acreage
21 tracts and divide them.

22 Q Does Fields Development Company, Inc.
23 get any profit, money, cash flow benefit from the
24 marina?

25 A From the Deerfield Marina?

1 Q Yes.

2 A No, they do not.

3 Q There are no rights, agreements,
4 revenue sharing, percentage of profits, percentage of
5 revenues, there is no financial tie between the marina
6 and Fields Development Company?

7 A That's correct. That was sold off to
8 Brian Costello 20 years go and then it's been resold
9 multiple times and Brian owns it again.

10 Q Brian owns it again now?

11 A Yes.

12 Q So any profit that's generated there
13 stays with its owner?

14 A That's correct.

15 Q Do you have a boat there?

16 A No.

17 Q Does Scott have a boat there?

18 A No.

19 Q I'm going to show you some aerial
20 photos of the -- well, let me ask you what you call
21 them. What do you call that area?

22 A That is Deer Hill Village.

23 Q And Deer Hill Village consists of
24 what?

25 A It's a condo community and it has what

1 we call villas. Some of those are individual homes,
2 some of those are duplexes.

3 Q How many are there roughly?

4 A Roughly, I would say there are -- the
5 numbers skip. There's gaps in between. I would say
6 there's 56 to 58 actual structures and again with some
7 of those being duplexes there would be more.

8 Q Are they all sold?

9 A Everything that is under construction
10 right now has already been sold or conveyed except for
11 there are two -- you can see in the construction picture
12 the ones that are not. Those are scheduled to close
13 this week.

14 Q Kind of at the top of that row that's
15 closer to the middle of the page?

16 A Yes.

17 Q All right. So there's two units there
18 that are scheduled to close this week?

19 A Well, one this week and one probably
20 within two weeks.

21 Q All right. But all the rest of them
22 have been sold?

23 A Yes. They're actually conveyed before
24 we start construction.

25 Q And so all of them would be billed

1 separately for their units?

2 A Correct.

3 Q And all of them would be an owner and
4 at least as the discussions have been thus far, entitled
5 to vote?

6 A Yes.

7 MR. HURLEY: Let's mark that one first
8 before we go to another one.

9 COURT REPORTER: Exhibit 27.

10 (Exhibit No. 27, filed.)

11 Q There's another photograph; what does
12 that depict?

13 A Well, the bulk of this picture, the
14 centerpiece of it, would be the same community, the Deer
15 Hill Village. There's other things in the background.

16 Q What are the other things in the
17 background?

18 A Well, there's the Deerfield Marina
19 there. These are the Deer Lake Condos over -- at least
20 part of the condos and their marina there, their dock,
21 and then this is the rest of what we call the Deer Hill
22 section of Deerfield to the right. You can see a little
23 bit of the part that's not Deerfield here and, of
24 course, That's Spring Boat Dock in the background.

25 Q So can you -- it might help if I gave

1 you a pen with some ink or you can use yours.

2 A I can use this one.

3 Q Okay. Can you basically mark those
4 areas on that sheet. You just told me --

5 A Define what I said, okay.

6 Q -- here is this, here is that. Can
7 you write those down?

8 A (Witness complies with request.)

9 Q So what's that one you just marked and
10 wrote down?

11 A Deer Hill Village.

12 Q Okay. You're moving over to the right
13 side of the page.

14 A Yes. So this portion, let's see, that
15 is not -- it's kind of hard to tell from the angle of
16 this picture what is Deerfield and what is Marina Ridge.
17 I can't really tell the dividing line, but I believe,
18 from what I can tell from the picture, this is just the
19 Deer Hill section of Deerfield. I don't think this is
20 going to show up, but this is the Deerfield Marina. Do
21 you want me to label Springs Boat Dock? It's not part
22 of Deerfield.

23 Q What's the name of the boat dock?

24 A Springs Boat Dock. That is a separate
25 entity.

1 Q Why don't you, just so that we know
2 that that's not part of the equation here.

3 A Okay.

4 COURT REPORTER: Mr. Hurley, do you
5 want to make that Exhibit 28?

6 MR. HURLEY: Yes.

7 (Exhibit No. 28, filed.)

8 Q Next, I'm going to move around here
9 for just a minute to get some things knocked out. I
10 want to provide you with kind of a compilation of a
11 number of checks. I'm going to represent to you these
12 checks are from various individuals, families, entities
13 that own property at Deerfield. Virtually all of them
14 are made payable to Deerfield Resort. They're made
15 payable from the timeframe of 2016 to 2021. There's no
16 rhyme or reason as to whose -- we've selected certain
17 checks.

18 It's just a compilation of different
19 checks that have been made payable to Deerfield Resort
20 with some indication that it's in payment of HOA fees
21 for just 2018 HOA or just HOA, some say security and
22 HOA, but they've been provided at various times. Would
23 this be the way that checks typically might come in to
24 Deerfield for any given year after you've invoiced
25 security and maintenance fees?

1 A Well, they would say Deerfield --
2 typically they might reference an invoice number.
3 Calling it HOA fees would be the equivalent of calling
4 aluminum foil Reynolds Wrap. I think people just
5 reference it that way, but we never indicated or called
6 them HOA fees or dues.

7 Q Several of these have homeowners fee
8 or HOA fees on the memo section.

9 A Yes.

10 Q Did you ever call any of them and say,
11 well, that's not right?

12 A It's just in the memo section, so we
13 wouldn't need to correct anything that they put in the
14 memo section.

15 Q So your answer would be no, you did
16 not?

17 A Right.

18 Q We've tried on most all of these to
19 include both the front and the back showing the checks
20 were negotiated. Would this be kind of an indication or
21 representation of how folks may pay those invoices, or
22 at least these did?

23 A I don't understand the question.

24 Q Is this the type of checks that you
25 might get from time to time? The first one is Crystal

1 Mestemaker. Maybe I'm not pronouncing that right. Doe
2 Lane Properties, LLC, James and Kathy Ann Elmore, Joseph
3 Bonomo; am I pronouncing that right?

4 A Bonomo.

5 Q Keith and Nancy Leach, Drakingham
6 Enterprises, David, I don't know how to pronounce that
7 one, S-o-p-c-z-a-k.

8 A I'm not sure on that one either.

9 Q Cloverbrook Investments, would these
10 be checks, as best you can tell looking here, and I know
11 you probably don't memorize all of these checks or all
12 these names or dates, but does this look like the types
13 of checks and payments that you would get after
14 invoicing folks in various years for payment of the
15 security and maintenance --

16 MR. HAWKINS: I object to the form, you
17 may answer.

18 A Okay. Well, could you repeat the
19 question one more time then?

20 Q Sure. The checks that we have in this
21 little compilation here, does this appear to be the
22 types of checks that you would get after invoicing
23 property owners for security and maintenance fees at
24 Deerfield Resort?

25 MR. HAWKINS: Object to the form, you

1 COURT REPORTER: Exhibit 29.

2 (Exhibit No. 29, filed.)

3 Q Next, I want to give you a few checks
4 just to ask a few questions about that have come from
5 the materials that I believe have been provided to us at
6 one point or another.

7 The first one is a check from McCloud
8 Mountain Restaurant to Deerfield Resort, \$4,000. It
9 looks like to me it's dated October 20th, 2018, refund
10 labor is what it appears to say. Would that be an
11 indication of the type of refunding or contribution
12 toward labor that McCloud Mountain might make to
13 Deerfield Resort at any given time?

14 A That's what it looked like to me.

15 Q The next one is a check in 2019,
16 September, for \$500, and basically the same. It's to
17 Deerfield Resort for \$500 and I can't actually make it
18 out; does it say Dick Davis?

19 A It says Dick Davis. This would have
20 been for -- the credit card terminal in the office is
21 actually from McCloud Mountain and so this would have
22 been a refund of -- they would have come in and paid
23 their Deerfield fees on their credit card. So this is
24 the amount that would have been reimbursed from the
25 credit card terminal, but they did not -- she did not

1 charge Deerfield the credit card fees that McCloud
2 Mountain would have paid.

3 Q The next one appears to be Mt. Cloud,
4 Inc.

5 A Yes.

6 Q To Deerfield Resort for \$1633 and
7 change. Looks like it replaced something, replaced
8 payment or --

9 A Yeah, I can't read what that says, I
10 can't see, it could be Mt. I remember seeing something
11 that came through where she was -- it was just a
12 repayment for something. I don't know if it replaced a
13 check --

14 Q Well, it appears to be your mother's
15 signature on the signature line of the check, correct?

16 A That's correct.

17 Q What was Mt. Cloud, Inc.?

18 A That is the actual ownership of the
19 land on McCloud Mountain. That's the company that owns
20 it.

21 Q So there was an entity that actually
22 owned the dirt, the land on McCloud Mountain?

23 A That's correct.

24 Q Does it still exist?

25 A Yes.

1 Q And does it still owns the land?

2 A Yes, it does.

3 Q And who owns Mt. Cloud, Inc. now?

4 A Now it would be Scott, myself, and Joe
5 Coker.

6 Q Okay, all right. And the next is a
7 U.S. Treasury check made payable to Deerfield Resort,
8 Fields, Madeline C. and Paul R. PTR., in care of
9 Madeline C. Fields, \$2,885.40. That appears, at least
10 as I understand it, was deposited into the Deerfield
11 Resort account. Do you know what this was for?

12 A I do not know. This could have been a
13 refund for taxes paid in because it says Deerfield
14 Resort on it. That would be my only guess, is it's some
15 sort of tax refund.

16 Q For whose taxes; do you know?

17 A I can't tell. I don't know. Jack may
18 know.

19 Q The next one is a Wells Fargo Home
20 Mortgage check to Fields Development Company, appears to
21 have been deposited into the Deerfield Resort account.
22 It's only \$50 in 2016. Any idea what this was about?
23 It appears to be related to some mortgage.

24 A My only guess is every now and then if
25 there's a closing and something extra has to be done, or

1 some companies will ask, very rarely, but they'll say is
2 there a fee for filling out the form. A check this
3 small for \$50 and it's written to Fields Development and
4 not Deerfield, I don't think it would have been dues or
5 fees or anything that would have been collected. I can
6 only guess this would be a reimbursement of some sort.

7 Q It says right below Wells Fargo, it
8 says for payment of miscellaneous foreclosure or
9 bankruptcy expenses; does that ring any bells?

10 A It could have been just a property in
11 Deerfield that was being foreclosed on and maybe they
12 had to fill out paperwork for the foreclosure.

13 Q Then we have a check from John, is it
14 Kudart?

15 A I think so. I think that's right.

16 Q June of 2017 for \$462.07 for condo
17 insurance.

18 A That would have been some of the flow
19 through for the condo insurance that was paid out and
20 paid in. So she apparently, sometimes the checks were
21 deposited directly into this account for the condo
22 insurance.

23 Q So there we would have a condo owner
24 paying for insurance, his part of the insurance cost of
25 the condo, and because the Condo Association did not

1 have a checking account, that money, he is paying it
2 into the Deerfield Resort account, so that Deerfield
3 Resort can pay the condo insurance and then the condo
4 account by a bank transaction or a bank check is going
5 to reimburse Deerfield?

6 A That's my best understanding of what
7 this would be. This doesn't look like a check that was
8 written in error. A lot of times we'll get checks that
9 are written wrong and have to be put in one account and
10 then replaced. But this looks to me like it was just
11 his condo insurance payment.

12 Q The next one is Lifetime Docks, LLC
13 check for \$3,370, June of 2017, to Deerfield Resort.
14 Any idea what that's about?

15 A That would be condo insurance.

16 Q That's condo insurance as well?

17 A Yes.

18 Q The next one, a check from Paul and
19 Madeline Fields dated December 4th, 2016, to Deerfield
20 Resort and it says for a loan. Now, was that the making
21 of a loan or the payment of a loan, or do you know?

22 A That would have been the making of a
23 loan to Deerfield for \$10,000.

24 Q All right. And that one was signed by
25 your mother, was it not?

1 A Yes.

2 Q How do you know it was the making of a
3 loan to as opposed to the paying of a loan?

4 A It was from Madeline to Deerfield. So
5 the money was going from her account to Deerfield.

6 Q And I understand that, but I guess my
7 question is, do we -- that could have been for payment
8 of a loan that was previously paid by Deerfield to them.

9 A No. It was always a one way street.
10 Money always went in, it did not go out to them.

11 Q Never a single time did money come to
12 your mother and father --

13 A No.

14 Q -- from that account?

15 A No, unless it was -- unless they may
16 have repaid something, but I haven't found anything that
17 they have repaid yet.

18 Q Would there be any occasion for any
19 reason that your mother and father would receive a check
20 from the Deerfield Resort account?

21 A Only -- the only thing I'm aware of
22 would be if they had paid something in like this and
23 then paid themselves back, but there was never enough
24 money to pay themselves back. So they kept putting the
25 money in.

1 Q So, to the best of your knowledge,
2 there would never have been an occasion when Deerfield
3 Resort account would have paid money to Paul or Madeline
4 Fields?

5 A To the best of my knowledge, no, and I
6 cannot imagine even that that would have happened.

7 Q So if there was a piece of property in
8 Deerfield's -- in Fields Development Company, Inc.'s
9 name and that piece of property was sold, would it ever
10 be deposited into this Deerfield Resort account?

11 A Could you ask that again?

12 Q A piece of property is owned by Fields
13 Development --

14 A Okay.

15 Q -- and it's the Development Company
16 for Deerfield?

17 A Yes.

18 Q And someone comes up and buys a lot
19 and pays \$50,000 for the lot, where would that money go?

20 A Well, that's what we sold, the
21 \$45,000, that was a lot sale from Fields Development
22 Company and it was in this Deerfield account.

23 Q Right. But typically, if it wasn't
24 being put into the Deerfield account to help Deerfield
25 cover some expenses, where would the money go?

1 A As far as I've seen, if it was in the
2 name of the Fields Development loan or Fields
3 Development Company and that was the name of the deed,
4 it looks to me like she always put the money in this
5 account from what I've seen, but that's the only lot
6 sale and transfer that I've seen in the timeframe we're
7 looking at.

8 Q Okay. Let's go before the timeframe
9 of '16 to '21 that we're looking at. If a lot sold in
10 normal times, where would the money be deposited? Did
11 Fields Development have a separate account?

12 A Not that I have seen. We currently
13 do, but as far back as I've looked there was not a
14 separate account. So, in theory, it shouldn't go into
15 the same account.

16 Q If your mother and father had sold the
17 lot, and I say your mother and father, if Fields
18 Development had sold a lot in 2000, 2003, 2005, 2007,
19 2009, 2010, the proceeds from that sale would typically
20 go into this Deerfield Resort account?

21 A Typically, yes.

22 Q And if they needed money to live, to
23 pay their bills and to function as a family unit they
24 would have taken money out of that account?

25 A If it was from a lot sale and it was

1 their money. In theory, I suppose they would have. I
2 just haven't seen any evidence of that.

3 Q You and -- as far as the sales of any
4 lots where the proceeds went into the Deerfield Resort
5 account, the only one that you've ever seen that went
6 into that account is that \$45,000 sale that we looked at
7 earlier?

8 A Well, I haven't seen the detail past
9 2016, so I don't know. Jack would probably know.

10 Q But speaking as to what you have seen,
11 the only one that you have seen is the one that we
12 talked about earlier, the \$45,000?

13 A That's correct.

14 Q The next one is from it looks like
15 Rodney McGhee. That is to Deer Lake Condos, but it
16 looks like it got deposited into the Deerfield Resort
17 account. Would this be another insurance thing?

18 A This looks to me like he just has the
19 auto draft and he just didn't change it to say Deerfield
20 Resort, because the \$500, there's nothing that matches
21 that for condos for either condo dues or insurance. But
22 the \$500 tells me that his auto draft just issued it to
23 something he already had pre-programmed in his banking
24 system.

25 Q So what would happen with that money

1 once it arrived at Deerfield Resort's account?

2 A Well, if this was for Deerfield fees,
3 it would have just stayed there. They would have just
4 deposited it into Deerfield and then left it in the
5 Deerfield account. This one, if that's what this was
6 for, it would not have needed to transfer out.

7 Q The next one is from McCloud Mountain
8 to Deerfield Resort, \$577.07. I can't make out the
9 notation, but it looks like your mother signed the
10 check.

11 A It says Eller's Insurance and that
12 would have been something she would have paid through
13 the credit card terminal.

14 Q And Eller's Insurance would be what
15 kind of insurance?

16 A That would be condo insurance.

17 Q And then the next one is McCloud
18 Mountain to Deerfield Resort, \$500 even, she signed the
19 check. I can't make out what that is for.

20 A It's Craft, so Crafts would have paid
21 through the credit card terminal.

22 Q The next one from McCloud Mountain to
23 Deerfield, \$500.

24 A Baldock, that would be the same thing,
25 credit card --

1 Q Credit card transactions?

2 A Security and maintenance paid through
3 the credit card terminal.

4 Q Deerfield Water System, this one
5 appears to be, and I'm not totally sure, but is that
6 signed by your brother?

7 A Uh-huh. Yes.

8 Q And it's to Deerfield Resort for
9 \$602.25, no indication in the memo section what it's
10 for.

11 A Probably would have been a
12 reimbursement for something, could have been. Scott
13 maybe can tell us tomorrow.

14 Q But you don't know what?

15 A Huh-uh.

16 Q And then the next one, McCloud
17 Mountain, again signed by your mother to Deerfield
18 Resort, \$250, Rick Jenkins?

19 A That would be a lot security fee.

20 Q Security fees for a lot?

21 A Yes.

22 Q Explain how that would have happened.

23 A Well, there were still -- the lots
24 were still billed. They were just invoiced at half of
25 the rate of the homes. So instead of \$500 for a home,

1 it would be a half rate if it was an unoccupied parcel
2 of property. So a single lot would be \$250. So it
3 would still be security and maintenance. It would just
4 be half.

5 Q And that was paid in this instance by
6 McCloud Mountain?

7 A Well again, he would have paid it with
8 a credit card. So it would have gone through the
9 terminal that's in the office that's McCloud Mountain,
10 and so then they just get reimbursed to Deerfield for
11 anything that goes through the terminal.

12 Q By the check?

13 A By the check.

14 Q And then the next one is Deerfield
15 Resort from McCloud Mountain, again signed by your
16 mother, \$1,000, Hendon?

17 A Hendon and Reighly.

18 Q Is that --

19 A That's two different properties, \$500
20 each.

21 MR. HURLEY: Let's mark that as the
22 next exhibit, please. What's the number?

23 COURT REPORTER: 30.

24 (Exhibit No. 30, filed.)

25 Q In this case, and I may not put these

1 in, I just want to ask you from your general knowledge,
2 and if we need to put them in we can, maybe we can just
3 stipulate. What I have seen as far as restrictions is
4 an original set called Restrictions for Deerfield Resort
5 on April 22nd, 1985.

6 A Okay.

7 Q I have then seen a second set called
8 Revision No. 1 Restrictions for Deerfield Resort,
9 December 1st, 1986. I've then seen a third set called
10 Revision No. 2, dated August 9, 2000, signed by your
11 father as the 2000 version --

12 A Okay.

13 Q -- and then I've seen an Amended
14 Declaration of Protective Covenants and Restrictions for
15 Deerfield Resort that was signed in 2018, August the
16 1st.

17 A I don't think that's for Deerfield. I
18 think that would be for one of the condominiums.

19 Q Let me let you look at it because this
20 is the one, this is the one that we've had a lot of
21 discussion about. The other three sounded --

22 A Yes.

23 Q -- consistent with what --

24 A Those are accurate. Oh, is this the
25 2018?

1 Q Yes.

2 A Oh, okay, I'm sorry. I didn't hear
3 the year correctly. Yes, there was an amendment,
4 amended restrictions in 2018.

5 Q I note that those restrictions are
6 signed on the signature page by Fields Development
7 Company, Inc., a Tennessee corporation, by Madeline C.
8 Fields, notarized by Linda B. Hodges, correct?

9 A Correct.

10 Q Do you know whether or not any process
11 was gone through before this amendment was made to
12 notify homeowners, property owners of Deerfield Resort,
13 that the amendment was going to be placed in the public
14 record?

15 A I'm not aware of any.

16 Q Are you aware of any notice that
17 people were given that this was being done?

18 A I can't say that I'm aware of any.

19 Q I believe, and I may need to be
20 corrected, but I think this is the case that each of the
21 restrictions and covenants or amendments, or as they
22 say, revisions thereto, including this one, contained a
23 paragraph that said the developer reserves the right to
24 do anything necessary to promote and develop a
25 successful resort area and these restrictions may be

1 changed, amended, or altered by the developer, at least
2 that's what this '18 says. I think there's a somewhat
3 similar paragraph in the others.

4 A From the beginning, yes. I believe
5 we'll see that in the 1985 original or the 1986.

6 Q Is it your understanding and your
7 belief, and I know you're not a lawyer and I'm not
8 asking you to be -- you're not a lawyer, right?

9 A I am not.

10 Q And I'm not asking you to be, but I'm
11 asking you as an owner of Fields Development Company and
12 having worked there all these years, is it your
13 understanding and belief that the developer can amend
14 the restrictions at any time the developer deems
15 appropriate to do so?

16 A Yes, the language is in there that
17 says they can.

18 Q Now, when I looked back at the
19 original organizational documents, like the Articles of
20 Incorporation and the documents that are related to the
21 original formation of the corporation, I see some
22 language in some of those that says that in certain
23 instances there will be so many members that have to
24 vote in favor of or not. To your knowledge, none of
25 these restrictions, because there's never been a

1 turnover in the Homeowners Association, none of these
2 restrictions have ever been voted on by anybody?

3 A That's correct.

4 Q They've been drafted, prepared, sign
5 and recorded?

6 A By the developer.

7 Q By the developer?

8 A Yes.

9 Q And that developer is, has been,
10 continues to be Fields Development Company, Inc.?

11 A That's correct.

12 Q Has Fields Development Company, Inc.
13 from time to time in dealing with closing agents for
14 sales of lots and parcels within Deerfield required that
15 unpaid security and maintenance fees be paid out of real
16 estate closings?

17 A It hasn't been required. It is
18 requested and if the property owner chooses to not pay
19 them, then it is not something that we can force at
20 closing. When Georgia closed her house she did not pay
21 at closing her -- any property fees that we had invoiced
22 her for.

23 Q Do you know Tim and Julie Becker?

24 A Yes.

25 Q You do?

1 2000. That's all four of them.

2 MR. HURLEY: Make those collective.

3 COURT REPORTER: Collective 31.

4 (Collective Exhibit No. 31, filed.)

5 Q Ms. Lejeune, to the best of your
6 knowledge, we've put forth and I've seen them, your
7 attorney has seen them, and, in fact, I saw them after
8 your attorney sent them to me on one occasion, and then
9 we checked them at the Register's office and sure enough
10 that's all we could find. To the best of your
11 knowledge, as you sit here today, would that be the
12 original restrictions and any amendments or revisions
13 thereto that have been made as far as you know?

14 A As far as I know.

15 Q You're not aware of any other set of
16 revisions to the restrictions or amendments to the
17 restrictions other than the ones that we've just looked
18 at?

19 A Not that I've found.

20 Q Okay. Now, I asked you if you knew
21 Tim and Julie Becker and you said that you believed that
22 you did. Do they still own property at Deerfield?

23 A No, they sold their property.

24 Q This is a letter that has been
25 provided to us and it's addressed to Paula Lejeune, Park

1 Properties, LLC, 1235 Deerfield Way, LaFollette,
2 Tennessee 3766 -- 37766, and there's a copy of a return
3 receipt up at the top. Do you recognize the signature
4 there; is that your signature?

5 A That's Scott's signature.

6 Q Scott's signature. Do you recall
7 getting this letter?

8 A This is about Deer Hill Village which
9 does have an HOA. This is not about Deerfield Resort.

10 Q Okay, all right. So the money for
11 Deer Hill Village that was paid for security and
12 maintenance, would it have gone into the Deerfield
13 Resort account that we've looked at, or into a separate
14 account in 2016?

15 A Could you repeat the question?

16 Q Yes. She's indicating here, as I
17 understand her letter to you, that she and her husband
18 sold a piece of property, a villa is what she refers to
19 it as, on January the 4th, 2016.

20 A Okay.

21 Q She says that she had never been
22 billed for a Homeowners Association fee, a septic fee,
23 or insurance since purchasing their villa, purchasing on
24 January 4th, 2016. She says that when they were trying
25 to close on the sale of their villa in 2019, their

1 closing was delayed because, she says here, you reported
2 to the title company that they were \$4,823.13 in arrears
3 in the above fees to Park Properties.

4 Now, if they were billed, she says
5 they weren't, but if they had been billed, if they did
6 owe these fees, would the fees during the 2016 to 2019
7 timeframe have gone into the Deerfield Resort account
8 that we looked at, or into some other account?

9 A No, it would not go into Deerfield
10 Resort. This is -- this HOA that she is referencing is
11 the Deer Hill Village HOA which is separate. It's a
12 condo. They also do pay Deerfield fees as well, but
13 they're in a separate condo association called Deer Hill
14 Village, and these HOA fees that she's referencing were
15 only for Deer Hill Village HOA, not for Deerfield. So
16 this would have gone into a separate account under Deer
17 Hill Village, not Deerfield Resort.

18 Q Not the Deerfield Resort account. So
19 this would have been totally unrelated and separate from
20 that, correct?

21 A That's correct.

22 Q Okay. So at no time during the 2016
23 to '19 timeframe would any fees that they owed, or were
24 assessed, or mailed, or invoiced have gone into the
25 Deerfield Resort account?

1 A Only Deerfield security and
2 maintenance. They would have been billed that
3 separately at a separate time.

4 Q Because that doesn't come up in this
5 letter, they must have paid it or --

6 A That's probably correct.

7 MR. HURLEY: Okay, all right. Then I
8 don't need to make that an exhibit. Thank
9 you.

10 MR. HAWKINS: No exhibit there?

11 MR. HURLEY: No.

12 Q We have submitted, during the pendency
13 of this case, a compilation of closing statements and
14 checks where various title companies that closed
15 transactions involving Deerfield Resort properties,
16 those closing agencies have sent checks to Fields
17 Development Company or Deerfield Resort, and they have
18 held monies out of closings to do that; have you seen
19 those?

20 A I would assume that I have deposited
21 those and seen copies of those.

22 Q So you've seen them, you've received
23 them, you've deposited them in the past. How do those
24 title companies, how do those title companies know to do
25 that?

1 A Most of the time when there's a
2 closing a title company will reach out to us. There are
3 times we don't know there's a closing, if it doesn't go
4 through our office, if we're not aware of the
5 transaction, but oftentimes the title company will reach
6 out to us to see are there any fees due. So we will
7 fill out their forms. We will send them the amount if
8 there's anything due currently for the current year. If
9 there's anything we've billed in the past and they have
10 not paid it, we will request that at closing and the
11 title company will attempt to collect it at closing.

12 And the way it has always worked with
13 Deerfield is, if the homeowner chooses not to pay it, or
14 refutes that and says I don't owe it or I won't pay it,
15 we have no recourse. We could not collect it. We
16 couldn't enforce it, unlike the HOAs, like the Deer Hill
17 Village, that's why it held up the closing. It was an
18 HOA and they would not close until those fees were paid.

19 But Deerfield has always been
20 different because there wasn't an HOA and the title
21 companies would refuse to collect it if the homeowner
22 disputed it. And so we would ask for it, if it was
23 owed, but we could not force it. We could not file a
24 lien and they would not reinforce that we had any right
25 to collect that money.

1 Q But there have been occasions where
2 you would be contacted by a title agency or closing
3 agency. You would be told that there was a Deerfield
4 property that's about to close, there was an owner.
5 They would ask you whether or not there were unpaid
6 fees, correct?

7 A Yes, that's correct.

8 Q And you would answer the question if
9 there were unpaid fees in the affirmative, yes, there
10 are unpaid fees?

11 A Correct.

12 Q And in those instances the title
13 company or the closing agency would place a charge on
14 the closing statement of the seller for that?

15 A Yes.

16 Q Collect that money as a part of the
17 closing and send it to Deerfield Resort?

18 A Yes.

19 Q And Deerfield Resort would receive
20 those checks and would deposit those checks?

21 A That's correct.

22 Q All right. But your testimony is you
23 couldn't force it. So if the title company informed you
24 of that and the property owner bucked or resisted at the
25 closing, you would not take any action legally to

1 attempt to force the collection of it?

2 A They told us we could not and they
3 said, again, it could not interfere with closing. It
4 would not have any impact on closing if they chose not
5 to pay it.

6 Q All right. But we've seen examples
7 where many did and you would admit that many did,
8 correct?

9 A Yes. Most of the time most of what we
10 turned in would just be the current year's fees, and if
11 someone had a home listed and they knew they were going
12 to sell it that year, they wouldn't pay their fees
13 because they were wanting to wait till closing.

14 Q Many of the closing statements that I
15 saw looked like that they were just prorated for
16 whatever portion of the year the security and
17 maintenance fee would be owed for; is that your
18 understanding?

19 A Yes, that's correct.

20 Q So the amounts typically were a few
21 hundred dollars or thereabouts and might not even be
22 that, but you would be sent that money and you would
23 deposit that money?

24 A That's correct.

25 Q Okay. And that's happened on many

1 occasions?

2 A Many occasions.

3 Q Over the years there have been annual
4 reports filed on behalf of Deerfield Resort Homeowners
5 Association, have there not?

6 A Yes.

7 Q And those annual reports, and I have a
8 compilation of them here. I'm not going to represent to
9 you that I've got every year because I don't think I do.
10 I don't think I got it when I asked for it, but I've got
11 a lot of the years. I've got '87, '91, '97, '99, 2000,
12 and I think from there on I've got most of them.

13 As I look at these annual reports they
14 are for Deerfield Resort Homeowners Association, Inc.,
15 and in many of these years you're not the person that
16 filled these out or submitted them, they predated you?

17 A Correct.

18 Q Toward the end, I think the last one
19 I've got in this compilation is actually 2019 and I
20 think your mother signed that one electronically. So I
21 don't know if I've got any signed by you. But for these
22 years that I've got here, there is a section that asks
23 for the names of the members of the Board of Directors
24 and I'll represent to you that there are from the very
25 start multiple directors indicated on the forms. In '87

1 it's Paul Fields, somebody Hill.

2 A Doyle.

3 Q Doyle, and then Vesper Singleton?

4 A Yes.

5 Q That's the case also in '91 and then
6 in '97 we have your mother showing up, Diane Fields,
7 Robert -- that's Robert's wife, right, Diane?

8 A Correct.

9 Q And your father. In '99, we have
10 Robert Fields, Diane Fields, and Madeline as the
11 directors. Your father is listed as the president and
12 Vesper Singleton the secretary. One year only your
13 mother is indicated and that was in 2000. In 2001, they
14 failed to put anybody down as a director, just said
15 same, and some years after that.

16 Then I come to years on up, such as
17 2019, then all of a sudden there's a bunch of directors.
18 Robert Newhall, Charles Hencye, am I pronouncing that
19 right?

20 A Yes.

21 Q Jerry Herod, Bruce Hickman, Dan
22 Hopkins, Robert J. Fields, Janet Lee, Madeline Fields,
23 Paul Lejeune and Raymond Fields. How did that board go
24 about getting elected; do you know?

25 A Again, I don't have all of the

1 information. My understanding is that she was starting
2 to make moves towards trying to transition to transfer
3 it and that she was starting with what she considered an
4 advisory board to help her make that transition. As far
5 as listing them on here as the Board of Directors, I'm
6 not sure if she just thought this was her advisory board
7 and therefore she was listing their names. I'm not sure
8 what the process was to get to this point.

9 Q Did you ever attend a board meeting
10 with those people?

11 A Not collectively, no.

12 Q What about not collectively, just
13 parts of them, a board meeting?

14 A Well, there was just -- an official
15 board meeting, I can't say that I did.

16 Q Were there advisory type meetings with
17 some or all of those people?

18 A Yes.

19 Q And was actions, were actions taken,
20 voted on, decided on?

21 A I can't say that there was a vote, but
22 I would say that it was definitely formulating her
23 process of how she was going to move forward, but this
24 was right before she got sick, so she wasn't able to
25 follow through with it.

1 Q And the moving forward you're speaking
2 of is that moving forward for the purpose of forming or
3 getting into formal place the Homeowners Association?

4 A That's my understanding of what this
5 purpose of this was.

6 Q And having that Association function
7 and essentially take over the operations of Deerfield
8 Resort?

9 A Yes.

10 Q Okay. Was there ever anything put in
11 writing as to what that plan looked like?

12 A I'm not aware of anything. You can
13 ask Scott if he's aware of anything as well.

14 MR. HURLEY: Okay. Let's make this
15 document the next exhibit.

16 COURT REPORTER: Exhibit 32.

17 (Exhibit No. 32, filed.)

18 MR. HAWKINS: It's also 5:35. Are you
19 closing in on being finished? I'm not
20 suggesting that we just quit right now. But
21 if you're close, I think it would be
22 preferable to power through and finish, even
23 though -- are you coming back tomorrow?

24 THE WITNESS: Yes.

25 MR. HURLEY: He will not take all day

1 that okay?

2 MR. HURLEY: Sure.

3 MR. HAWKINS: And then if you're not
4 finished with her, then she can start in the
5 morning and we'll finish it then, okay?

6 MR. HURLEY: Sounds good.

7 MR. HAWKINS: All right.

8 MR. HURLEY: Sounds good.

9 Q I want to hand to you a letter. It
10 wasn't sent to you, but I imagine you saw it, that was
11 authored by an attorney here in Knoxville, who I think
12 is now retired, by the name of Dale Allen, and it was
13 authored after this litigation started; have you see
14 this letter before?

15 A Yes, Preston showed this to me.

16 Q In this letter he indicates that he
17 represents the Estate of Robert E. Lee and his wife,
18 Janet, and that it had come to their attention that
19 there was documentation, or some annual report filed on
20 behalf of Deerfield indicating that Ms. Lee had been
21 listed as a director, a member of the Board of
22 Directors, in an annual report. And that that in fact
23 was not the case and that there should be action taken
24 to make sure that she was not indicated as being a
25 member of the Board of Directors. Do you know anything

1 about her being or not being a member of the board?

2 A I was in the office the day she came
3 in to talk to mom and she was just asking mom if there
4 was anything she could do to help. And mom said, well,
5 if you would like to be on the advisory board that would
6 be very helpful. And Janet said oh no, I'm not at all
7 capable of doing that and she said I don't think I'd be
8 of any help. Then mom said well, you've been in
9 Deerfield since almost the beginning and she said I
10 think you could really be beneficial in this.

11 Now, whether or not they actually
12 finally fully agreed or Janet was just protesting
13 because she didn't think she would be an asset, I'm not
14 sure how that ended. But I think mom took away from the
15 conversation that Janet would agree -- she wanted to
16 help in some way and that's how mom needed help at that
17 time.

18 Q Go ahead.

19 A Well, that's pretty much all I have to
20 say.

21 Q Did you ever see Janet come in and
22 participate in any meeting that would be like an
23 advisory board or a board of director's type meeting?

24 A No, but she came in often and she was
25 always asking mom for an update on what was going on and

1 mom was always giving her that information. So they
2 definitely were in communication with that, but as far
3 as her being with another group of people, I don't
4 recall ever seeing that.

5 Q To your knowledge, there's never been
6 any further indication of any documents that she is a
7 member of the Board of Directors?

8 A Other than just on the filing.

9 MR. HURLEY: All right. Let's make
10 that the next exhibit, please.

11 COURT REPORTER: Exhibit 33.

12 (Exhibit No. 33, filed.)

13 Q Next I have a compilation of documents
14 that are deeds that I've been able to locate. I do not
15 represent these as being all the deeds. I will tell you
16 that I'm originally from Hancock County, Tennessee and
17 the Register of Deeds office up there is more
18 challenging than the Campbell County, Tennessee
19 register's office is, but I will tell you that in either
20 of those two places I would never guarantee anybody that
21 I found everything that there is to be found. But I did
22 find some deeds that either had Deerfield Resort
23 Homeowners Association, Inc. listed as a grantor or had
24 it listed as a grantee, and these are the deeds that I
25 have located to that effect.

1 I'd like to very quickly go through
2 these and just ask you what, if anything, you know about
3 these transactions. The first one, and I think I've got
4 them there, at least I meant to have them
5 chronologically, December 16, 1991, a deed from Fields
6 Development, Inc. to Deerfield Homeowners Association,
7 Inc., that says for good and valuable consideration a
8 parcel of property has been transferred to the
9 Homeowners Association, that it consists of a tract of
10 .80 acres and that it is within the Deerfield Resort
11 area and gives a legal description of it. Do you know
12 what property this is?

13 A Yes, it says it's the tennis court
14 property.

15 Q All right. So, at one point in time
16 then, we know by this deed, which there's an indication
17 of its recording. If we look at it on the second and
18 third pages, we see signatures there by Madeline Fields,
19 Vice President, and a notarization of her signature. We
20 do know at one point that tennis court was in the name
21 of the Homeowners Association, correct?

22 A Correct.

23 Q Now, the next deed that I have I
24 believe is a Tennessee quitclaim deed from the Lewis
25 Treibits Trust, also known as the Restated Lewis

1 Treibits Trust, on August 24, 1984, and Deerfield Resort
2 Homeowners Association, Inc., making reference to a
3 property in the 2nd Civil District of Campbell County;
4 do you know what that property is?

5 A This looks like it was just an
6 easement issue, something that must have affected the
7 roadways, and I don't know, I can't tell what happened.
8 I can't tell if he was encroaching on the road or the
9 road was encroaching on his property.

10 Q It's a small parcel because it says
11 being a tract consisting of .09 acres.

12 A Uh-huh. Usually anything that small
13 would just be a cleanup from the original survey.
14 Either he encroached and went too far or the original
15 survey maybe came onto the roadway or something along
16 those lines. So it looks to me like they're dealing
17 with the driveway and it looks like maybe he put his
18 driveway outside of his property line, but I'm not sure
19 about that.

20 Q I'm not asking you to be a lawyer.
21 I'm also not asking you to be a surveyor. But just
22 between us in this room, if someone in Deerfield Resort
23 builds their driveway or puts a brick, concrete,
24 structure out there and puts a mailbox in it, or designs
25 their property or one of their buildings so that it

1 appears that they have pierced out into the roadway
2 itself, do we have in existence anything that defines
3 the location of the roadway and any setbacks or areas
4 off the roadway so that we could legally defend the
5 position of Deerfield Resort to that invading property
6 owner?

7 A The only thing I can answer to that is
8 that the property lines themselves of the lots would
9 define what is ownership of a private owner. And
10 anything that is not their private ownership and there's
11 a road would by default be the Deerfield roads. And if
12 they encroached outside of their property lines, then
13 they would be on the Deerfield roadways.

14 Q As I understand your answer, and you
15 correct me if I'm wrong, and I think you've done a
16 pretty good job of trying to state a way to define that,
17 if I purchase a piece of property in Deerfield, I've got
18 a description of my property.

19 A Yes.

20 Q And to the extent that I venture
21 outside that description, then I would be imposing on
22 the roadway or whatever property it is?

23 A Or someone else's property lines.

24 Q Okay. But as far as a depiction,
25 survey, drawing with measurements on it or anything of

1 that nature of the entire road system at Deerfield,
2 you're not aware of one?

3 A I'm not aware of that, no.

4 Q Now, we looked at that '91 deed and
5 we've looked at this Treibits deed, the quitclaim deed
6 of October 12, 2005. There should next be a Tennessee
7 quitclaim deed of May 22, 2007, between Deerfield
8 Homeowners Association, Paul Fields and Madeline, Rae
9 Alan Properties, Fields Real Estate, as parties of the
10 first part, and Deerfield Condo Owners Association,
11 Inc., party of the second part; do you see that?

12 A Yes.

13 Q Now, I want to ask you on this
14 particular conveyance, Deerfield Homeowners Association,
15 Inc. was made a party to this deed as a grantor, one of
16 several; do you see that?

17 A The first line --

18 Q Yes.

19 A -- Deerfield Homeowners Association,
20 okay.

21 Q And it's defined as one of the parties
22 of the first part, and when I go over to the second page
23 of the deed I see that the deed was signed by Paul R.
24 Fields, President, Deerfield Resort Homeowners
25 Association, Inc.; do you see that?

1 A Yes.

2 Q Now, he also signed on behalf of
3 Fields Development Company, Inc., and then he and your
4 mother signed individually.

5 A Okay.

6 Q Or signed on behalf of Lejeune -- on
7 behalf of Rae Alan Properties, LP, by Lejeune Custom
8 Homes, Inc., its sole general partner.

9 A Yes.

10 Q And then your father signed on behalf
11 of Fields Real Estate Company, Inc.?

12 A Okay.

13 Q So when this property was conveyed to
14 Deerfield Condo Owners Association, Inc., did Deerfield
15 Condo Homeowners Association, Inc. pay anything to the
16 parties of the first part for the property that it got;
17 do you know?

18 A It's a quitclaim, so that would mean
19 no, there was no money transferred, but I'm not clear on
20 what this actually is.

21 MR. HAWKINS: Try to let Mr. Hurley
22 finish the question.

23 THE WITNESS: I'm sorry. I thought he
24 was.

25 Q It makes reference to certain master

1 deeds and other follow-up deeds, but you're not really
2 sure what this was for?

3 A I'm sure I knew at the time, but now
4 I'm not able to really see what this is. This is too
5 early -- the condo building, one of the condo buildings
6 withdrew from the condo regime theoretically and this
7 could be that. It could have been giving them
8 permission to leave and having the land. I don't know.

9 Q All right. Let's go to the next deed
10 which is a Tennessee quitclaim deed of correction dated
11 May -- excuse me, October the 26th of 2007, same year,
12 several months later, and it's a correction, deed of
13 correction, and it appears to be between the same
14 parties; do you see that?

15 A I do.

16 Q Do you have any idea what this was
17 about?

18 A No. I still can't tell. I'm still
19 not clear on it. The 470 Deerfield Landing condominium,
20 it just sounds like it would be that condo withdrawing
21 from the condo regime.

22 Q It looks like as we go into this
23 correction deed that there is a tract that's going to
24 Deerfield Condo Owners Association, Inc., a tract going
25 to Fields Development Company, Inc., and those tract

1 conveyances are signed off by the same party that we
2 mentioned just a moment ago.

3 A Okay.

4 Q Any idea now what that's about?

5 A Because it's to -- it looks like it's
6 going to the Condo Owners Association. Yeah, I would
7 just have to research this a little further because I
8 can't tell what's happening.

9 Q Did Deerfield Resort Homeowners
10 Association, Inc. get anything out of these conveyances
11 that you're aware of?

12 A Not that I'm aware of.

13 Q The next deed is a deed dated May
14 15th, 2020. Now that's after this litigation occurred
15 and it's a quitclaim deed from Deerfield Resort
16 Homeowners Association, Inc. to Fields Development
17 Company, Inc.

18 A Okay.

19 Q Do you know what one's about or what
20 that property is?

21 A Let me -- .80 acres, that's the tennis
22 courts.

23 Q You signed this deed --

24 A Yes.

25 Q -- on page two. What was the reason

1 for conveying the property back to Fields Development
2 for the tennis courts?

3 A That was on the advice of counsel to
4 transfer that back out of the HOA.

5 Q All right. And then there is a
6 correction deed that's should be next that's also dated
7 May 15th, 2020; do you see that?

8 A Yes.

9 Q Both the quitclaim and the correction
10 deed were prepared by Ed Owens, an attorney, with Mr.
11 Hawkins' firm --

12 A Yes.

13 Q -- do you know why there had to be a
14 correction deed?

15 A No, I don't recall why there was a
16 second deed.

17 Q When the tennis courts were
18 transferred by Deerfield Resort Homeowners Association,
19 Inc. back to Fields Development Company, Inc., did the
20 Homeowners Association get anything for that?

21 A No. They also did not pay anything
22 for it when they received it.

23 MR. HURLEY: All right. Let's make
24 that compilation of deeds the next exhibit.

25 COURT REPORTER: Exhibit 34.

1 (Exhibit No. 34, filed.)

2 Q Are you aware of any other deeds to
3 Deerfield Resort Homeowners Association, Inc. or from
4 Deerfield Resort Homeowners Association, Inc., other
5 than the ones that we've looked at?

6 A I'm not aware of anything else. I did
7 a search on it when we were doing discovery. Although
8 there was, in one of the filings there was another
9 easement to Robert Newhall, the same similar situation
10 it sounds like as Treibits, but it seems like if it had
11 anything to do with the extra roadways that may have
12 been the determining factor.

13 Q Next is an amended master deed. I
14 wanted to ask you about one particular provision in it.
15 You may or may not have seen it before. I don't think
16 you signed this. No, your father signed it and your
17 mother signed it and your husband signed it on behalf of
18 Rae Alan Properties.

19 This amended master deed is dated the
20 22nd day of May, 2020 -- excuse me, 2002, and it's by
21 Fields Development, Paul Fields, Madeline Fields, Rae
22 Alan Properties, Fields Real Estate, for themselves,
23 their successors, and grantors -- grantees. And it says
24 in the third paragraph down, whereas the Deerfield
25 Resort Homeowners Association, Inc., developer and

1 Fields, Rae Alan Properties, LP and Fields Real Estate
2 Company, Inc., together with the Deerfield Condo Owners
3 Association, Inc., mutually agree and desire to have the
4 real property underlying the condominium development
5 created by the hereinabove referenced master deed,
6 amended master deed titled in the name of Deerfield
7 Condo Owners Association, Inc. What did the Deerfield
8 Resort Homeowners Association have to do with this?

9 A I'm not aware of anything they had to
10 do with it and it looks like it's referencing what we
11 would call the first condos that were built. It says E
12 and C. This is the same area as the other deed that we
13 weren't sure what was going on with all of those
14 entities. It looks like it's referencing -- this is
15 that same section that we were saying was the one that
16 withdrew from the condo regime. This looks like it's
17 part of the same -- I don't know -- because it says,
18 even though it says 2002 right there, it says on the
19 last paragraph May of 2007.

20 Q And it appears to have been executed
21 in May of 2007, at least that's what the notary shows.

22 A Okay.

23 Q And the signature on it shows.

24 A I think this other was -- this was
25 also 2007. So whatever this was, this is linked to it.

1 Q When you say this, you mean what?

2 A So whatever -- what's the next --

3 COURT REPORTER: That will be Exhibit

4 35.

5 THE WITNESS: So whatever 35 is, it's
6 linked to this same section in Exhibit 34, the
7 two deeds that reference the 470 Deerfield
8 Landing, the condominium located at 470
9 Deerfield Landing. This seems to all be part
10 of the same transaction.

11 This looks to be -- this looks to be
12 the actual transfer of property. This looks
13 to be amending the condominium master deed.
14 So this would have just been a follow through.

15 Q Deerfield Resort Homeowners
16 Association is not even a party to this master deed.

17 A That's correct.

18 Q But it's mentioned in the body. Do
19 you think that's just probably a mistake?

20 A I would think so. It looks to me like
21 the same attorney completed all of this. So unless it's
22 just got something to do with the roadways, I'm not
23 sure.

24 COURT REPORTER: Exhibit 35.

25 MR. HAWKINS: Is this 35?

1 MR. HURLEY: Yes.

2 (Exhibit No. 35, filed.)

3 Q I'm going to ask just a couple of
4 other things and we'll finish for today, okay?

5 A Okay.

6 Q And then get you completely finished
7 tomorrow. I do want to ask you about this. There's
8 been some discussion about whether -- in this case about
9 whether the Deerfield Resort Homeowners Association has
10 ever functioned or actually been in place to function as
11 an entity.

12 I want to show you here a document
13 dated December 8, 2010, a special meeting of the
14 Deerfield Resort Homeowners Association was called for
15 the purpose of discussion of Deerfield Resort property
16 and building restrictions. Restriction number 13 states
17 that no building shall be located on any side line
18 closer than ten feet. That's kind of what we call a
19 setback. And on behalf of Deerfield Resort Homeowners
20 Association, Inc., Madeline Fields signs as Vice
21 President and Secretary. There's an indication that it
22 was prepared by Robert, is that Newhall?

23 A Yes.

24 Q Is that an attorney?

25 A No, he's a homeowner.

1 Q And then there is a place that appears
2 to be notarized; is that Carol Troutman?

3 A Yes.

4 Q Is that the wife of one of the
5 Troutman attorneys?

6 A She was -- actually yes, Andy's wife.

7 Q Andy's wife?

8 A Uh-huh.

9 Q Have you seen this before?

10 A In the court filings.

11 Q This was for 296 Little Buck Lane,
12 correct?

13 A Correct.

14 Q And then there was a separate one on
15 that same day for a separate parcel which was 310 Little
16 Buck Lane; do you see that?

17 A I do.

18 Q And have you seen that one in the
19 litigation?

20 A Yes.

21 Q They appear to have been recorded by
22 the designations up at the top?

23 A Yes.

24 Q Do you remember anything about these
25 transactions?

1 Q Here's another one very similar,
2 different property. I think Big Pine Point, that's
3 different than what we just looked at, right?

4 A Yes, that's correct, this is
5 different.

6 Q This is July 18, 2013, a special
7 meeting of the Deerfield Resort Homeowners Association
8 was called for purpose of discussion of the building
9 restrictions, again in reference to the ten foot setback
10 side line requirement and indication that this property
11 at 243 Big Pine Point, LaFollette, has the garage
12 located less than ten feet from the line and a variance
13 was granted; do you see that?

14 A I do.

15 Q Signed by your mother?

16 A Yes.

17 Q Now, this one I don't have any
18 indication that it was recorded. It may have been, but
19 what I found here it does not have a recorded stamp on
20 it; do you know if it was you recorded?

21 A I do not.

22 Q Do you have any reason to question
23 this variance and your mother's signature on it?

24 A That looks like her signature.

25 Q All right. Any recollection about it

1 at all?

2 A No.

3 MR. HURLEY: Let's make that the next
4 exhibit.

5 COURT REPORTER: Exhibit 37.

6 (Exhibit No. 37, filed.)

7 Q Did the Deerfield Resort Homeowners
8 Association, Inc. ever own a liquor license?

9 A There was a -- the restaurant had a
10 private club license when it was opened and I saw in one
11 of the court filings that that was in the name of the
12 Homeowners Association.

13 Q I'll show you a document and a
14 membership card. The document appears to be over the
15 signature of Paul. Does that look like your father's
16 signature?

17 A Yes, it does.

18 Q It says Deerfield Resort Homeowners
19 Association, Inc. intends to seek a license from the
20 Tennessee Alcoholic Beverage Commission to sell
21 alcoholic beverages to its members and guests for
22 consumption on the club's premises at the restaurant of
23 Deerfield, 7893 Deerfield Way, LaFollette, Tennessee.
24 In the event you receive a questionnaire from the
25 Tennessee Alcoholic Beverage Commission, please contact

1 the Deerfield office at, and it gives two telephone
2 numbers, so that we may assist you in completing the
3 questionnaire in compliance with the Federal Regulations
4 Commission. Your cooperation is appreciated.

5 Now, do you have any knowledge about
6 this communication?

7 A My recollection of this license was --
8 this was, of course, back in the day when it was almost
9 impossible to get a liquor license, especially in a
10 rural county like Campbell County, and there was an
11 extremely narrow definition of who would qualify. You
12 could only be a homeowners association and you had to
13 have, I think a golf course was one of the requirements.
14 It was obviously clearly the legislation was tailor made
15 for some other country club that wanted to get a
16 license.

17 Q Like maybe one our legislators
18 belonged to?

19 A Exactly. And so we were just trying
20 to follow the very narrow requirements and we had enough
21 of the infrastructure to qualify for it. And so we had
22 no choice but to apply under the Deerfield Homeowners
23 Association name.

24 Q So it was applied for under the
25 Deerfield Resort Homeowners Association, Inc. name?

1 A Yes.

2 Q And it was obtained, the license was
3 obtained in that name?

4 A Yes, it was.

5 Q And was held in that name for a period
6 of time?

7 A Correct.

8 Q And was it held in that name until the
9 restaurant closed?

10 A No. Dad sold the property to other
11 owners and they obtained a liquor license. By that
12 point you could do it by other means. And so they
13 obtained one in their own name.

14 Q So about how long was the liquor
15 license in the name of Deerfield Resort Homeowners
16 Association, Inc.?

17 A Ten years maybe, I'm not sure. I'm
18 not sure what year he sold the restaurant to the other
19 people.

20 Q And liquor was sold in the restaurant?

21 A Yes.

22 Q Generated revenue as a result of that?

23 A In theory it should have, but it did
24 not.

25 Q Well, the restaurant may not have.

1 Usually when you sell liquor it generates revenue.

2 A Well, it didn't.

3 Q Did he give it away?

4 A I think the bartenders did, yes.

5 Q Okay. Whatever revenue was generated,
6 who was the recipient of that revenue?

7 A That would have been the restaurant at
8 Deerfield.

9 Q And the restaurant at Deerfield was
10 owned by whom?

11 A That would have been Paul and
12 Madeline.

13 Q And have you ever seen financial
14 statements or income tax returns related to the
15 restaurant at Deerfield?

16 A I have not.

17 Q Do you know if they exist?

18 A I would not have any clue where to
19 even start looking for that. I would think that those
20 ceased in at least -- I noticed in one of the documents
21 on the filing that Madeline had used 1233 as an address,
22 so that was in 2008. So I am sure that this would be
23 prior to that year.

24 Q Prior to 2008?

25 A Yes.

1 Q All right. The Tennessee Alcoholic
2 Beverage Commission is a state agency and to the extent
3 that an application was made for a liquor license back
4 in that time, or even today, that's where you go to
5 submit your application.

6 A Okay.

7 Q And once an application is submitted
8 they may conduct an investigation and typically do into
9 the background of the proprietors or principals of the
10 entity that's seeking the license. Did you have
11 anything to do with any of that?

12 A I worked with Joe Coker to submit the
13 application and he gave us guidance on how to fill it
14 out. I don't remember any of the details at this point.

15 Q Did you have any understanding, by any
16 means, back at that time that the Tennessee Alcoholic
17 Beverage Commission might reach out to those persons who
18 were deemed to be members of the Deerfield Resort
19 Homeowners Association, Inc. to make inquiry or
20 questions about them about the purposes and intentions
21 of seeking a liquor license?

22 A Just by reading this letter.

23 Q Okay. Did you help compose this
24 letter?

25 A It doesn't look like I did. It was on

1 a typewriter. I would guess that Madeline probably put
2 this together.

3 Q And if a homeowner of Deerfield was
4 reached out to by the Tennessee Alcoholic Beverage
5 Commission, they might be asked questions and with two,
6 three, four or five hundred homeowners at that point, I
7 don't know what the number was, you might have some
8 people that didn't have a clue of how to properly answer
9 them. So I understand this communication basically
10 saying to those homeowners, if you're contacted as a
11 member of Deerfield Resort Homeowners Association, Inc.
12 by the Tennessee Alcoholic Beverage Commission, let us
13 know and we'll assist you in getting the answers to
14 them; is that kind of what this says?

15 A I'm not really clear on the question.

16 Q The purpose of the letter seems to be,
17 if you receive a questionnaire from the Tennessee
18 Alcoholic Beverage Commission, contact the Deerfield
19 office so that we may assist you in answering it, right?

20 A It sounds like yes, if they thought
21 they needed help in completing it that they should
22 contact them.

23 Q Then it says something that perplexes
24 me a bit. It says in compliance with the Federal
25 Regulations Commission. First of all, I'm not aware of

1 a Federal Regulations Commission. Secondly, typically
2 the federal government doesn't play a role in the
3 issuance of alcoholic beverage licenses. Do you know
4 what caused that reference to Federal Regulations
5 Commission?

6 A I do not. I don't know anything about
7 that.

8 Q Or what it was that your father was
9 seeking to have compliance with?

10 A I do not.

11 Q Okay. And then behind that is, or
12 with that is this sheet. It's got the membership card
13 on it, and part of the deal at that time was that you
14 had to be a member of the organization to be able to buy
15 the liquor, correct?

16 A Yes.

17 Q And so here we have a membership card
18 that was going to Dr. Timothy and Martha Lewis and it
19 says that there is full membership in Deerfield Resort
20 Homeowners Association, Inc. Based on your involvement,
21 was it your understanding that only members of Deerfield
22 Resort Homeowners Association, Inc. would be able to buy
23 liquor?

24 A No.

25 Q Anyone could come and buy liquor once

1 the license was obtained?

2 A They still had to become a member.
3 They could buy a membership, and so a lot of local
4 people did, guests for the weekend would. So it was
5 much more than just Deerfield residents.

6 Q I got you. So if I lived in Knoxville
7 and I was spending the weekend up there in somebody's
8 home, or I was in Knoxville and just driving through for
9 a visit and I decided I wanted a beverage of alcoholic
10 nature, I would go by the restaurant, buy a membership,
11 and then I could drink away?

12 A Exactly. But the card would look the
13 same.

14 MR. HURLEY: All right. Let's make
15 that the next exhibit, please, and that can be
16 collective with those two documents.

17 Do you want to stop at that point?

18 MR. HAWKINS: I think we should.

19 COURT REPORTER: Exhibit 38.

20 (Collective Exhibit No. 38, filed.)

21 VIDEOGRAPHER: We're going off. The

22 time on the camera is 6:12.

FURTHER DEPONENT SAITH NOT.
PAULA RAE LEJEUNE

Sworn to before me when

taken June 27, 2023.

Notary Public

My Commission expires: 7-2-2024

C E R T I F I C A T E

STATE OF TENNESSEE:

COUNTY OF SEVIER:

I, Todd Humble, Licensed Court Reporter and Notary Public, do hereby certify that I reported in machine shorthand the above testimony, and that the foregoing 374 pages were typed under my personal supervision and constitute a true and accurate record of the proceedings.

I further certify that I am not an attorney or counsel for any of the parties; nor a relative or employee of any attorney or counsel connected with the action; nor financially interested in the action.

This day of ,
2023.

Todd Humble, Licensed Court

Reporter and Notary Public

My commission expires: 7-2-2024