

1 COURT'S PERMISSION, I'M GOING TO RELEASE HIS FILE. ALTHOUGH IT
2 HAS BEEN IDENTIFIED, I WOULD RELEASE IT TO HIM BECAUSE I HAVE
3 TENDERED THESE DOCUMENTS, UNLESS THERE IS OBJECTION.

4 THE COURT: DO YOU ALL WANT TO HOLD IT?

5 MR. ROSEN: I HAVE NO OBJECTION.

6 MR. ABBOTT: NO OBJECTION.

7 THE COURT: YOU MAY TAKE IT WITH YOU THEN,

8 MR. BURROUGHS. THANK YOU.

9 (WITNESS EXCUSED FROM THE STAND)

10 THE COURT: WHO ARE YOU CALLING NEXT?

11 MR. MOYE: CALL MR. MILTON MCDONALD.

12 THE COURT: DID WE MESS IT UP ENOUGH FOR YOU WHERE
13 YOU --

14 ASK MR. MCDONALD TO COME IN, PLEASE.

15 THE CLERK: WOULD YOU RAISE YOUR RIGHT HAND.

16 DO YOU SOLEMNLY SWEAR THAT THE EVIDENCE YOU SHALL
17 GIVE IN THE CAUSE NOW PENDING BEFORE THIS COURT TO BE THE
18 TRUTH, THE WHOLE TRUTH, AND NOTHING BUT THE TRUTH, SO HELP YOU
19 GOD?

20 THE WITNESS: I DO.

21 THE CLERK: BE SEATED PLEASE. STATE YOUR NAME FOR
22 THE RECORD.

23 THE WITNESS: MILTON LAWRENCE MCDONALD.
24
25

1 MILTON LAWRENCE MCDONALD
2 BEING DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

3 DIRECT EXAMINATION

4 BY MR. MOYE:

5 Q MR. MCDONALD, HOW ARE YOU EMPLOYED, SIR?

6 A I'M AN ATTORNEY.

7 Q HOW LONG HAVE YOU BEEN AN ATTORNEY?

8 A TEN YEARS.

9 Q ARE YOU LICENSED TO PRACTICE IN GEORGIA?

10 A YES, I AM.

11 Q AND WHERE DO YOU PRACTICE?

12 A 4319 COVINGTON HIGHWAY, DECATUR, GEORGIA.

13 Q MR. MCDONALD, DO YOU HAVE ANY AREA OF SPECIALTY FOR YOUR
14 PRACTICE?

15 A REAL ESTATE.

16 Q DO YOU, IN THE COURSE OF THAT REAL ESTATE PRACTICE, DO YOU
17 CONDUCT REAL ESTATE CLOSINGS?

18 A YES, I DO.

19 Q ABOUT HOW MANY REAL ESTATE CLOSINGS HAVE YOU CONDUCTED
20 OVER THE COURSE OF THE LAST, WHAT, TEN OR SO YEARS?

21 A ROUGHLY FIVE TO SIX THOUSAND.

22 Q IS THAT THE MAJOR PORTION OF YOUR PRACTICE?

23 A YES, IT IS.

24 Q MR. MCDONALD, AT THE REQUEST AND UPON SUBPOENA BY THE
25 GOVERNMENT, HAVE YOU BROUGHT IN TO THE COURT A FILE RELATED TO

1 A PIECE OF PROPERTY AT 426 PAYTON ROAD?

2 A YES, I HAVE.

3 Q CAN YOU TELL US, MR. MCDONALD, WHAT RELATIONSHIP DID YOU
4 HAVE TO THE PROPERTY AT 426 PAYTON ROAD?

5 A I JUST DID THE CLOSING.

6 Q CAN YOU TELL US WHEN YOU DID THE CLOSING?

7 A I WOULD HAVE TO LOOK AT MY RECORDS AND --

8 Q WELL, IF THAT WOULD REFRESH YOUR RECOLLECTION, PLEASE DO
9 SO.

10 A ACCORDING TO MY RECORDS, JUNE 19TH, 1990.

11 Q ALL RIGHT. CAN YOU BY LOOKING AT YOUR RECORDS, IF THAT
12 WOULD REFRESH YOUR RECOLLECTION, TELL US WHO THE PURCHASER WAS
13 OF THE PROPERTY AND WHO WAS THE SELLER?

14 A ACCORDING TO MY RECORDS, THE PURCHASER WAS VIRGINIA C.
15 HIGH, THE SELLER ROBERT D. RICHARDSON.

16 Q AND CAN YOU -- WHEN THE CLOSING OCCURRED, CAN YOU TELL US,
17 MR. MCDONALD, WHO WAS PHYSICALLY PRESENT AT THE CLOSING?

18 A AGAIN, BASED ON MY RECORDS, MRS. HIGH AND MR. RICHARDSON.

19 Q IN THE RECORDS THAT YOU HAVE, THE FILE, IS THAT YOUR
20 ENTIRE FILE?

21 A YES, IT IS.

22 Q MAY I HAVE IT PLEASE, SIR?

23 FOR THE RECORD, MR. MCDONALD, I HAVE JUST MARKED THE
24 FILE YOU HANDED ME AS GOVERNMENT'S EXHIBIT 122. WOULD YOU TELL
25 US WHAT IS GOVERNMENT'S 122?

1 A IT IS THE CLOSING FILE FOR THE PURCHASE OF THE PROPERTY
2 LOCATED AT 426 PAYTON ROAD, ATLANTA, GEORGIA.

3 Q IN THE FILE, MR. MCDONALD, IS THERE A SETTLEMENT
4 STATEMENT?

5 A YES, THERE IS.

6 Q WOULD YOU TAKE THAT OUT, PLEASE, SIR.

7 THE SETTLEMENT STATEMENT THAT YOU HAVE IN YOUR FILE,
8 IS THAT A SIGNED COPY OF THE SETTLEMENT STATEMENT?

9 A YES, IT IS.

10 Q WAS IT SIGNED BY THOSE PARTIES WHO WERE PRESENT AND
11 INVOLVED IN THE TRANSACTION?

12 A YES, IT WAS.

13 Q AND WHO WERE THOSE PERSONS THAT SIGNED THE DOCUMENT?

14 A VIRGINIA C. HIGH AND ROBERT D. RICHARDSON.

15 Q AND DID YOU SIGN AS A WITNESS?

16 A YES, I DID.

17 Q I'M GOING TO HAND YOU BACK, MR. MCDONALD, WHAT YOU HAVE
18 JUST HANDED ME AND ASK YOU, SIR, WHAT IS GOVERNMENT'S 122-A?

19 A THAT IS THE SETTLEMENT STATEMENT THAT WAS COMPLETED AND
20 SIGNED AT THE CLOSING ON JUNE 19TH OF 1990.

21 Q MR. MCDONALD, LOOKING AT THE SETTLEMENT STATEMENT, SIR --

22 MR. MOYE: AND, YOUR HONOR, I WOULD TENDER
23 GOVERNMENT'S 122-A.

24 THE COURT: ANY OBJECTION TO IT?

25 MR. ROSEN: NO OBJECTION.

1 MR. ABBOTT: NO OBJECTION.

2 MR. MORRISON: NO OBJECTION.

3 THE COURT: LET IT IN.

4 BY MR. MOYE:

5 Q MR. MCDONALD, LOOKING AT GOVERNMENT'S 122-A, CAN YOU TELL
6 ME, SIR, WHAT WAS THE PURCHASE PRICE OF THE HOUSE?

7 A TWO HUNDRED THIRTY-FIVE THOUSAND DOLLARS.

8 Q AND WAS THE PURCHASE A CASH PURCHASE OR WAS THERE TO BE
9 SOME KIND OF PURCHASE MONEY MORTGAGE?

10 A IT WAS THE SELLER FINANCING THE \$235,000 PURCHASE PRICE
11 WITH THE SELLER CARRYING A NOTE FOR 200,000.

12 Q WAS THERE ANY FINANCIAL INSTITUTION THAT WAS INVOLVED AS A
13 LENDER IN THIS TRANSACTION AFTER THE TRANSFER OF THE PROPERTY?

14 A NO.

15 Q ON THE DATE -- WELL, LET ME ASK THIS, MR. MCDONALD. WHAT
16 WAS THE AMOUNT OF FUNDS THAT WERE TO BE DELIVERED BY THE
17 PURCHASER OR BORROWER AT THE CLOSING?

18 A THIRTY-ONE THOUSAND TWO HUNDRED NINETY-ONE DOLLARS AND
19 NINETY NINE CENTS.

20 Q AND DID YOU RECEIVE FUNDS IN THAT AMOUNT?

21 A I GOT TO LOOK AT MY RECORDS TO MAKE SURE.

22 WE ACTUALLY RECEIVED FUNDS TOTALING \$36,300.

23 Q AND CAN YOU TELL US IN WHAT FORM YOU RECEIVED THOSE FUNDS?

24 A CASHIER'S CHECKS.

25 Q HOW MANY CASHIER'S CHECKS?

1 A FIVE.

2 Q DO YOU HAVE IN YOUR FILE, COPIES OF THOSE CASHIER'S
3 CHECKS?

4 A YES, I DO.

5 Q DID THOSE COPIES OF CASHIER'S CHECKS THAT YOU HAVE, DID
6 YOU MAKE THOSE COPIES?

7 A YES -- WELL, MY SECRETARY WOULD HAVE MADE THEM.

8 Q THEY WOULD HAVE BEEN MADE UNDER YOUR DIRECTION?

9 A YES, SIR.

10 Q MAY I HAVE THAT, PLEASE?

11 A YES, SIR, IT IS STAPLED TO THE FRONT.

12 Q NOW I HAND YOU, MR. MCDONALD, GOVERNMENT'S EXHIBIT 122-B
13 AND ASK YOU, SIR, WHAT THAT DOCUMENT CONSISTS OF?

14 A THAT CONSISTS OF A DEPOSIT SLIP TO LIBERTY SAVINGS BANK
15 AND COPIES OF FIVE CASHIER'S CHECKS THAT WE RECEIVED AT THE
16 CLOSING.

17 Q AND THE DEPOSIT SLIP, WAS THAT MADE ON YOUR ESCROW
18 ACCOUNT?

19 A YES, IT WAS.

20 Q ALL RIGHT.

21 MR. MOYE: YOUR HONOR, I WOULD TENDER GOVERNMENT'S
22 122-B.

23 THE COURT: ANY OBJECTION FROM ANYONE?

24 MR. ROSEN: NO OBJECTION.

25 MR. MORRISON: NO OBJECTION.

1 THE COURT: LET IT IN.

2 BY MR. MOYE:

3 Q MR. MCDONALD, WOULD YOU TELL US ON THE FIVE, THEY ARE
4 CASHIER'S CHECKS?

5 A YES, THEY ARE.

6 Q THOSE CASHIER'S CHECKS, ON HOW MANY FINANCIAL INSTITUTIONS
7 ARE THEY DRAWN?

8 A TWO.

9 Q WHAT TWO ARE THOSE?

10 A THERE ARE TWO CHECKS DRAWN ON FIRST UNION AND THREE CHECKS
11 DRAWN ON FIRST ATLANTA.

12 Q WOULD YOU LOOK AT THE TWO CHECKS DRAWN ON FIRST UNION AND
13 TELL US WHETHER THEY WERE DRAWN AT THE SAME BRANCH OF THE FIRST
14 UNION BANK?

15 A NO, THEY WERE NOT.

16 Q AND THE THREE CHECKS, YOU INDICATED THEY WERE DRAWN ON
17 WHAT BANK?

18 A FIRST ATLANTA.

19 Q WERE THEY DRAWN AT THE SAME BRANCH, WAS EITHER ONE OF THEM
20 DRAWN AT THE SAME BRANCH?

21 A NO, THEY AREN'T.

22 Q WHAT IS THE DATE OR WHAT ARE THE DATES ON THE FIVE
23 CASHIER'S CHECKS?

24 A ONE FIRST UNION CHECK IS DATED JUNE 18TH, ONE IS DATED
25 JUNE 19TH. THE FIRST ATLANTA CHECKS, TWO OF THEM ARE DATED

1 JUNE 18TH AND ONE IS DATED JUNE 19TH.

2 Q WHAT IS THE AMOUNT OF THE TWO CHECKS ON FIRST UNION?

3 A ONE CHECK IS IN THE AMOUNT OF \$8,000, THE OTHER CHECK IS
4 IN THE AMOUNT OF \$5,000.

5 Q AND THE THREE CHECKS ON FIRST -- DRAWN AT FIRST ATLANTA
6 BRANCHES?

7 A ONE CHECK IS IN THE AMOUNT OF \$8,500, ONE CHECK IN THE
8 AMOUNT OF \$8,000, AND ONE CHECK IN THE AMOUNT OF \$5,000.

9 Q MR. MCDONALD, DID YOU RECEIVE THESE FIVE CHECKS AND
10 DISBURSE FUNDS FROM THESE CHECKS THROUGH YOUR ESCROW ACCOUNT?

11 A YES, I DID.

12 Q DID THESE FIVE CHECKS CONSTITUTE THE BASIS FOR THE
13 CLOSING?

14 A YES, IT DID.

15 Q MR. MCDONALD, WAS THERE A NOTE THAT WAS MADE THAT WAS
16 HANDLED IN THIS CASE?

17 A YES, THERE WAS.

18 Q THE NOTE WAS RUNNING FROM WHOM TO WHOM, SIR?

19 A FROM VIRGINIA C. HIGH TO DANIELE HOPE RICHARDSON TRUST
20 FUND.

21 Q DO YOU HAVE A COPY OF THE NOTE?

22 A YES, I DO.

23 Q AND IS THAT A SIGNED COPY OF THE NOTE?

24 A YES, IT IS.

25 Q I HAND YOU BACK THE DOCUMENT YOU HAVE JUST HANDED ME

1 MARKED GOVERNMENT EXHIBIT 122-C AND ASK YOU TO IDENTIFY THAT
2 FOR THE RECORD?

3 A THAT IS A COPY OF A NOTE THAT WAS PREPARED AT THE CLOSING
4 FOR THIS TRANSACTION.

5 Q AND THE VIRGINIA C. HIGH THAT IS -- WHOSE SIGNATURE
6 APPEARS ON THE BACK, DO YOU SEE HER IN THE COURTROOM?

7 A YES, I DO.

8 Q WOULD YOU IDENTIFY HER FOR THE RECORD, PLEASE?

9 A VIRGINIA IS SITTING AT THE TABLE, THE SECOND TABLE IN THE
10 MIDDLE.

11 MR. MOYE: YOUR HONOR, MAY THE RECORD REFLECT THE
12 WITNESS HAS IDENTIFIED THE DEFENDANT VIRGINIA C. HIGH?

13 THE COURT: ALL RIGHT.

14 MR. MOYE: I TENDER GOVERNMENT'S 122-C.

15 THE COURT: ANY OBJECTION TO 122-C?

16 MR. ROSEN: NO OBJECTION.

17 THE COURT: LET IT IN.

18 MR. MOYE: MAY I HAVE JUST A MOMENT, YOUR HONOR?

19 THE COURT: ALL RIGHT.

20 MR. MOYE: THANK YOU, MR. MCDONALD.

21 YOUR HONOR, I HAVE NO FURTHER QUESTIONS ON DIRECT
22 EXAMINATION.

23 THE COURT: MR. MORRISON.

24

25

1 CROSS-EXAMINATION

2 BY MR. MORRISON:

3 Q MR. MCDONALD, MY NAME IS BILL MORRISON. I REPRESENT
4 GEORGE HIGH.

5 THE CHECKS, THE FIVE CHECKS THAT YOU RECEIVED WERE
6 DRAWN ON -- FROM BANKS BUT DRAWN AT DIFFERENT BRANCHES. THAT
7 DIDN'T -- THERE WASN'T ANYTHING UNUSUAL ABOUT THAT TO YOU, WAS
8 THERE?

9 A NO.

10 Q THERE WASN'T ANYTHING ILLEGAL ABOUT IT, WAS THERE, AS FAR
11 AS YOU KNEW?

12 A NOT THAT I'M AWARE.

13 Q THERE WASN'T ANYTHING ABOUT THIS ENTIRE TRANSACTION THAT
14 YOU BASED ON YOUR LEGAL TRAINING FELT TO BE ILLEGAL, IS THERE?

15 A NO.

16 Q NOW, LET'S TALK JUST A LITTLE BIT ABOUT THE WAY THAT REAL
17 ESTATE DOCUMENTS ARE RECORDED AND WHAT THEY SHOW. IN THIS
18 PARTICULAR TRANSACTION WHEN THE PURCHASE WAS MADE BY VIRGINIA
19 HIGH, WHAT DOCUMENT REFLECTS THAT IN TERMS OF REAL ESTATE
20 RECORDS, PUBLIC RECORDS?

21 A THERE WOULD BE A WARRANTY DEED FROM THE SELLER TO THE
22 PURCHASER TO TRANSFER TITLE FROM THE SELLER TO THE PURCHASER,
23 AND THAT WOULD BE RECORDED IN THE LAND RECORDS OF THE COUNTY
24 WHERE THE PROPERTY IS LOCATED.

25 Q AND THAT IS A PUBLIC RECORD, IS IT NOT?

1 A THAT'S CORRECT.

2 Q THE FACT THAT VIRGINIA HIGH PURCHASED THIS PROPERTY IS
3 SOMETHING THAT ANYONE, A MEMBER OF THE JURY, A -- THESE FOLKS
4 OR ME OR YOU OR ANYONE CAN GO AND DETERMINE THAT JUST BY GOING
5 TO THE COUNTY WHERE THE PROPERTY IS LOCATED AND SEARCHING THE
6 DEED RECORD; IS THAT CORRECT?

7 A THAT'S CORRECT.

8 Q SO THERE IS NOT A SECRET AS TO WHO PURCHASED IT; CORRECT?

9 A NO, THERE ISN'T.

10 Q NOW, WHEN A PIECE OF PROPERTY IS TRANSFERRED FROM ONE
11 PERSON OR ENTITY OR OWNER TO ANOTHER, HOW IS THAT NORMALLY
12 EFFECTUATED IN TERMS OF THESE PUBLIC RECORDS?

13 A THE WARRANTY DEED OR THE QUITCLAIM DEED, WHICHEVER DEED IS
14 BEING USED AS CONVEYING THE PROPERTY, IS TAKEN DOWN TO THE
15 COURTHOUSE OR MAILED TO THAT PARTICULAR COURTHOUSE ALONG WITH A
16 TRANSFER TAX FORM AND THE APPROPRIATE AMOUNT OF FUNDS NECESSARY
17 FOR THE RECORDING, INCLUDING THE TRANSFER TAX AND THE AMOUNT
18 THAT IS NECESSARY FOR RECORDING.

19 Q SO IS IT A FAIR STATEMENT TO SAY THAT AS FAR AS REAL
20 ESTATE IS CONCERNED IN GEORGIA, WHO OWNS IT IS ALWAYS A MATTER
21 OF PUBLIC RECORD?

22 A YES.

23 Q NOW, IS THERE ANY WAY TO GO BACK AND UNDO OR REMOVE A
24 WARRANTY DEED OR A QUITCLAIM DEED FROM THE PUBLIC RECORDS IF A
25 PERSON WANTS TO?

1 A TO REMOVE IT?

2 Q TO ACTUALLY PHYSICALLY REMOVE IT SO THAT YOU WOULD NOT
3 KNOW THAT THAT PERSON EVER RECORDED IT?

4 A NOT LEGALLY, NO.

5 Q YOU CAN'T DO THAT, CAN YOU?

6 A NO.

7 Q YOU CAN CANCEL THE DEED?

8 A YOU CAN CANCEL A SECURITY DEED, BUT A WARRANTY DEED,
9 BECAUSE IT TRANSFERS TITLE, IS NOT SOMETHING THAT YOU CANCEL.
10 NOW, IT CAN BE AMENDED AFTERWARDS OR CORRECTED AFTERWARDS IF
11 THERE IS AN ERROR ON IT, BUT AS FAR AS REMOVING IT, NO.

12 Q NOW, THE FACT THAT IN THIS PARTICULAR CASE THERE WAS
13 SELLER FINANCING, THAT IS NOT UNUSUAL, IS IT?

14 A NO.

15 MR. MORRISON: THANK YOU.

16 THE COURT: MR. ABBOTT?

17 CROSS-EXAMINATION

18 BY MR. ABBOTT:

19 Q MR. MCDONALD, MY NAME IS MICHAEL ABBOTT. I REPRESENT
20 VIRGINIA HIGH.

21 TO MY KNOWLEDGE WE HAVE NEVER MET, HAVE WE?

22 A NOT THAT I'M AWARE.

23 Q BUT YOU HAD MET VIRGINIA HIGH PRIOR TO THE OCCASION THAT
24 WE ARE TALKING ABOUT TODAY, HAD YOU NOT?

25 A YES.

1 Q AND YOU HAD DEALINGS PERHAPS WITH VIRGINIA HIGH AND
2 CERTAINLY WITH HIGH REALTY PRIOR TO THIS, HAD YOU NOT?

3 A YES.

4 Q AND YOU HAD DEALT WITH THEM ON A NUMBER OF TRANSACTIONS
5 OVER THE YEARS, HAD YOU NOT?

6 A YES.

7 Q AND YOU WERE THEIR LAWYER AND YOU WERE THEIR CLIENT; IS
8 THAT CORRECT?

9 A I DID CLOSINGS FOR THEM. AS FAR AS ACTUALLY REPRESENTING
10 THEM, NO.

11 Q BUT YOU DID CLOSINGS FOR THEM?

12 A I DID CLOSINGS FOR THEM, YES.

13 Q THEY WOULD COME TO YOU BECAUSE YOU ARE, IN FACT, A
14 SPECIALIST IN THESE KINDS OF MATTERS, ARE YOU NOT?

15 A THAT'S CORRECT.

16 Q OKAY. DO YOU STILL HAVE THE CHECKS IN FRONT OF YOU THAT
17 MR. MOYE REFERRED TO THAT RELATE TO THIS TRANSACTION, THE
18 COPIES?

19 A I HAVE COPIES. THE COPIES ARE OVER THERE.

20 Q I BELIEVE YOU SAID THERE WERE FIVE CHECKS; IS THAT
21 CORRECT?

22 A THAT'S CORRECT.

23 Q DO YOU HAVE THEM IN FRONT OF YOU NOW?

24 A YES, I DO.

25 Q IS IT TRUE THAT, IN FACT, ONE OF THE PAYEES ON ONE OF THE

1 CHECKS DATED 6-19-90 AT FIRST ATLANTA IS MILTON MCDONALD?

2 A YES, IT IS.

3 Q OKAY. IN YOUR BUSINESS THAT IS NOT UNUSUAL THAT YOU WOULD
4 BE A PAYEE, IS IT?

5 A NO, IT IS NOT.

6 Q DID YOU DIRECT SOMEBODY TO MAKE YOU A PAYEE BEFORE THIS
7 CLOSING?

8 A NOT THAT I RECALL.

9 Q OKAY. SO YOU REALLY NEVER KNOW UNTIL THEY GET THERE WITH
10 THE FUNDS EXACTLY IF YOUR NAME IS GOING TO APPEAR ON A CHECK OR
11 NOT; ISN'T THAT TRUE?

12 A THAT'S TRUE.

13 Q BUT IF IT DOES, IT DOESN'T SURPRISE YOU?

14 A NO, IT DOESN'T.

15 Q AND IT IS NOT UNUSUAL. AND, IN FACT, THERE IS NOTHING
16 THAT YOU CAN REALLY DO TO PREVENT SOMEBODY FROM PUTTING YOUR
17 NAME ON IT EVEN IF YOU WANTED TO; ISN'T THAT CORRECT? WHEN
18 THEY GO TO THE BANK THEY CAN PUT YOUR NAME ON IT.

19 A THAT'S TRUE.

20 MR. ABBOTT: THOSE ARE MY QUESTIONS.

21 THE COURT: MR. ROSEN?

22 MR. ROSEN: JUDGE, I HAVE NO QUESTIONS OF THIS

23 WITNESS.

24 THE COURT: THE GOVERNMENT?

25 MR. MOYE: VERY BRIEFLY, YOUR HONOR.

1 REDIRECT EXAMINATION

2 BY MR. MOYE:

3 Q MR. MCDONALD, MR. MORRISON ASKED YOU A QUESTION, I THINK
4 HE PUT IT TO YOU THAT WHO OWNS A PIECE OF PROPERTY IS ALWAYS A
5 MATTER OF PUBLIC RECORD?

6 A YES.

7 Q YOU HAVE BEEN IN PRACTICE OF LAW FOR HOW MANY YEARS?

8 A TEN YEARS.

9 Q WOULD YOU EXPLAIN TO THE LADIES AND GENTLEMEN OF THE JURY
10 THE DIFFERENCE BETWEEN LEGAL OWNERSHIP AND BENEFICIAL
11 OWNERSHIP?

12 A LEGAL OWNERSHIP IS OWNERSHIP THAT YOU HAVE BY VIRTUE OF A
13 DOCUMENT THAT GRANTS YOU THE OWNERSHIP THAT IS A PUBLIC RECORD.
14 BENEFICIAL OWNERSHIP IS LIKE IF A PROPERTY IS OWNED FOR THE
15 BENEFIT OF SOMEBODY ELSE, THAT THE INCOME GOES TO THAT PERSON
16 OR COULD BE IN THE FORM OF A TRUST FUND OR WHERE, EVEN THOUGH
17 THE PROPERTY IS IN THE NAME OF ONE ENTITY, IT IS ACTUALLY FOR
18 THE BENEFIT OF SOMEBODY ELSE.

19 Q WOULD YOU TELL US, MR. MCDONALD, WHETHER YOU ARE FAMILIAR
20 WITH THE TERM OF, THE TERM NOMINAL OWNERSHIP?

21 A YES.

22 Q WHAT IS A NOMINAL OWNER?

23 A A NOMINAL OWNER IS A PERSON OR AN ENTITY THAT HAS A SLIGHT
24 OR HAS A PARTIAL OWNERSHIP IN A PIECE OF PROPERTY NOT THE FULL
25 OWNERSHIP OF IT.

1 Q ARE YOU FAMILIAR WITH THE TERM STRAW OWNER?

2 A STRAW OWNER OR STRAW BUYER?

3 Q YES.

4 A YES, I AM.

5 Q WHAT IS THAT TERM?

6 A STRAW BUYER IS A PERSON WHO PURCHASES A PIECE OF PROPERTY
7 STANDING IN FOR SOMEBODY ELSE, WHERE THE PROPERTY IS ACTUALLY
8 PURCHASED FOR THE BENEFIT OF SOMEONE ELSE BUT SOMEONE ELSE
9 STANDS IN THEIR PLACE.

10 Q IN THE CASE OF A STRAW BUYER, A STRAW PURCHASER, IS IT
11 COMMON OR UNCOMMON FOR THE ACTUAL OWNER -- ACTUAL OWNER'S NAME
12 TO APPEAR NOWHERE IN THE PUBLIC RECORDS?

13 A ON THE PUBLIC RECORDS, NO, THEY WOULD NOT APPEAR.

14 Q OKAY. IN THE CASE OF A NOMINAL OWNER, IS IT COMMON OR
15 UNCOMMON FOR THE INDIVIDUAL THAT OWNS THE, AS YOU INDICATE, THE
16 MAJOR PORTION OF THE PROPERTY, TO APPEAR NOWHERE IN THE PUBLIC
17 RECORD?

18 A THAT WOULD BE THE CASE, YES.

19 Q AND IN THE CASE OF BENEFICIAL OWNERSHIP AS OPPOSED TO
20 LEGAL OWNERSHIP, IS IT COMMON OR UNCOMMON FOR THE BENEFICIAL
21 OWNER TO APPEAR NOWHERE IN THE PUBLIC RECORD?

22 A NO, NOT ON THE PUBLIC RECORD.

23 MR. MOYE: THANK YOU, SIR.

24 THE COURT: MR. MORRISON?

25 MR. MORRISON: YES, I JUST HAVE ONE QUESTION.