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MC GINNIS & ASSOCIATES, INC.
COLUMBUS, OHIO (614) 431-1344

BEFORE THE PUBLIC UTILITIES COMMISSION

STATE OF OHIO

Westside Cellular, Inc.,)	
d/b/a/ Cellnet,)	
)	
Complainant,)	
)	
vs.)	Case No. 93-1758-TP-CSS
)	
GTE Mobilnet, Incorporated,)	
et al.,)	
)	
Respondents.)	

Continuation of the deposition of David Shanks, a witness herein, called by the Complainant for examination under the statute, taken before me, Maureen H. Hamby, Registered Professional Reporter and Notary Public in and for the State of Ohio, by agreement of counsel without notice or other legal formality, at the offices of Hahn, Loeser & Parks, 10 West Broad Street, Columbus, Ohio, on Tuesday, December 22, 1998, beginning at 9:35 o'clock a.m., and concluding on the same day.

VOLUME II

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1 APPEARANCES:

2 ON BEHALF OF THE COMPLAINANT:

3 Randy J. Hart, Esq.
4 Hahn, Loeser & Parks, LLP
5 3300 BP America Building
6 200 Public Square
7 Cleveland, Ohio 44114-2301
8 (216) 621-0150

9 ON BEHALF OF THE RESPONDENT AIRTOUCH CELLULAR:

10 Kathleen M. Trafford, Esq.
11 Porter, Wright, Morris & Arthur
12 41 South High Street
13 Columbus, Ohio 43215-6194
14 (614) 227-1915

15 ALSO PRESENT:

16 Michael A. Tricarichi,
17 Cellnet Cellular Service
18 - - -
19
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STIPULATIONS

It is stipulated by and between counsel for the respective parties that the continued deposition of David Shanks, the witness herein, called by the Complainant for examination under the statute, may be taken at this time and reduced to writing in stenotype by the Notary, whose notes may thereafter be transcribed out of the presence of the witness; that proof of the official character and qualification of the Notary is waived; that the witness may sign the transcript of his deposition before a Notary other than the Notary taking his deposition; said deposition to have the same force and effect as though the witness had signed the transcript of his deposition before the Notary taking it.

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1 DAVID SHANKS

2 of lawful age, having been previously first duly placed under
3 oath, as prescribed by law, was examined and testified further
4 as follows:

5 FURTHER EXAMINATION

6 BY MR. HART:

7 Q. Mr. Shanks, how are you this morning?

8 A. Okay.

9 Q. Okay. It has been a little over a week since we met. At
10 the last deposition, you and your counsel requested that you
11 be able to go back and do some calculations and that we will
12 come back here and talk.

13 Is that your understanding?

14 A. Yes.

15 Q. Can you tell me what you did when you went back to your
16 office, what is it you did with the information?

17 A. I went back to the files that produced the original work
18 papers and reviewed the calculations that were performed to
19 come up with those results and documented those in the work
20 papers that you were just recently given.

21 Q. Okay. When you say you looked at the filings and
22 produced the work papers, what did -- what years did you go
23 back to?

24 A. '93 to '96.

25 Q. Did you go back prior to '93 at all?

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1 A. No.

2 Q. Are there files for '91 and '92?

3 A. There are paper files. I do not know if there are still
4 soft copy files. I don't know if they are on site, off site.
5 I didn't look.

6 Q. Okay. The -- Give me an example of what would be in a
7 file you looked at in '93.

8 A. It would be the spread sheet file that contains the work
9 sheets that these were printed from.

10 Q. When you say "these", you mean --

11 A. The work papers that we have been talking about the first
12 time in what you -- it would be the work sheets that were
13 produced on page 1624, 1627, 1628, 1629, 1630, 31, 32, 33, 34.

14 Q. Okay. And the documents like those for the other years
15 in question?

16 A. That's correct.

17 Q. All right. Now, we have been given documents numbered --
18 well -- Kathy, did you renumber these to match the old
19 numbers?

20 MS. TRAFFORD: What you have been given is the new
21 numbers that start at -- the new numbers that start probably
22 at 24 --

23 MR. HART: The first one is 2657.

24 MS. TRAFFORD: If you look at the sheet that would
25 start allocation method, each year starts with a sheet called

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1 allocation method, and there is usually two pages. Those are
2 new numbers. Then you will see handwritten numbers in
3 parenthesis on the subsequent pages. Those are references
4 back to the original work sheets you received before.

5 I thought it would be less confusing if we kept the
6 same number. So the handwritten numbers are copies of
7 documents you already had before but in redacted form. They
8 have now been unredacted. Where you see a typed-in number,
9 that's a new document.

10 MR. HART: For instance, I have got -- in '94, I am
11 looking at one that says 1595.

12 MS. TRAFFORD: In '94?

13 MR. HART: There is a typed-in number. We would
14 have already gotten a 1595, I think.

15 MS. TRAFFORD: That's an old number. You are right.

16 MR. HART: It wasn't a written-in number.

17 MS. TRAFFORD: It must be for '94. I think in '94
18 the numbers got put on before the -- redacting the ones where
19 there is handwritten numbers, the original number document was
20 already redacted.

21 MR. HART: I guess my question, I just want to make
22 sure I can keep track of all of these.

23 Is there a way you can tell me what the new numbers
24 start with and what they end with?

25 MS. TRAFFORD: I sure can.

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1 MR. HART: Okay.

2 MS. TRAFFORD: The numbers are, start with '96, if
3 you start with 1996, 2657 is a number, is a new number. 2658,
4 2659 are new numbers, 2660 --

5 MR. HART: Attached to those are the original --
6 attached to those are the '96 -- what you are telling me are
7 original numbers which are handwritten numbers that are lower
8 than those?

9 MS. TRAFFORD: Right.

10 MR. HART: The next set you have given me, which I
11 have, it starts with 2661.

12 MS. TRAFFORD: Right.

13 MR. HART: Through, just those two, 2661, 2662, and
14 then you have handwritten ones.

15 MS. TRAFFORD: Then if you look at the very end of
16 that same document after handwritten 1634, you will see 2663.

17 MR. HART: All of the way to 2667, right?

18 MS. TRAFFORD: Right.

19 MR. HART: Okay. Then we pick up again with 2668.
20 Then that's where you tell me, after 26 --

21 MS. TRAFFORD: Goes 2668, 2669, and then it goes
22 back to 1594.

23 MR. HART: Okay.

24 MS. TRAFFORD: Then at the very end of that same
25 document you will see it picks up again with 2670.

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1 MR. HART: Okay. Wait a minute. Okay. 2670. Then
2 through 2674; is that right? Then the next set starts 2675
3 through ended 2679.

4 MS. TRAFFORD: Right. I think the easiest way to
5 identify it is starting -- anything that's 2657 or higher is
6 new. Anything that's lower than 2657 would be an unredacted
7 copy of something you previously received.

8 MR. HART: You have also given me -- the -- you sent
9 me some documents over the weekend, and the last number
10 that -- before you had sent me on December 17th, you sent me a
11 letter with Interrogatory 59.

12 MS. TRAFFORD: What was that number?

13 MR. HART: I just want to check these. Before that,
14 the last letter you sent me was December 5th. That letter
15 ended with 2609 on December 5th. Then you started up again
16 with 2610 in your December 17th letter, so I want to make sure
17 I am right.

18 The last number on the December 17th submission was
19 2656, and then -- you are right, then you picked up right with
20 the last number. I just wanted to make sure I was all clear
21 on numbering.

22 BY MR. HART:

23 Q. Now that we have got that taken care of. All right. We
24 were looking at the '95 data when we left the last time.

25 Do you remember that?

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1 A. Yes.

2 Q. Okay. And I had you looking at your allocated expenses,
3 do you recall?

4 A. Yes.

5 Q. And I asked you to -- I think I asked you to tie out the
6 joint venture number.

7 Do you remember that?

8 A. Yes.

9 Q. Okay. As we are sitting here, can you do that for me?
10 And what I would like you to do is try to walk me -- do it
11 yourself first, make sure you can do it, and then walk me
12 through it, okay, using the page numbers and the numbers that
13 we have got on the documents, so that when I am looking at
14 this next week, I can figure out what you did.

15 MR. HART: Did I just hand those to you or were
16 those yours?

17 MS. TRAFFORD: I have copies.

18 MR. HART: All right.

19 (Pause.)

20 THE WITNESS: In 1995, the joint venture expenses
21 were allocated according to the way they were allocated for
22 federal income tax purposes. They do not follow a straight
23 percentage distribution.

24 BY MR. HART:

25 Q. Okay. How do you come up with those numbers, the numbers

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1 that are there? What are you --

2 A. At the end of the year, I will take the general ledger.
3 And in 1995, we had 16 legal entities we had to file income
4 tax returns for, so I would take the general ledger and do an
5 allocation to get legal entity level income statements. As I
6 was accumulating the data for the PUC report, I would use
7 those entity allocations and those entity income statements as
8 a cross check as I was building the allocation by market.

9 And then for joint venture -- for 1995, for the joint
10 venture department, I simply put down what was done for the
11 federal income tax allocation.

12 Q. Okay. So you are starting with the total number of
13 687,552? I am looking at page 1624. I think we had a problem
14 doing this, like this the last time.

15 A. No. The 687,552 is not the beginning number. That is
16 the sum of the roll-up of everything that was allocated to
17 Ohio.

18 (Discussion between Ms. Trafford and Mr. Shanks.)

19 BY MR. HART:

20 Q. So you are starting with the \$1.3 million number,
21 1,304,038?

22 A. Right. You should look at page 1632.

23 Q. Okay.

24 A. 1632 is the summation for a given department, Department
25 60, of everything that was booked in the various markets that

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1 are identified on page 1628 through 1631.

2 Q. As income?

3 A. As income and expenses.

4 Q. Okay.

5 A. I mean, for a given department, expenses and income was
6 booked to various markets, and they are matrixized on these
7 pages. And then the sum, which is the column called total, is
8 a sum of everything that was booked from -- through Market 1
9 to Market 90.

10 Q. Okay.

11 A. And then based, for the most part, in most cases, based
12 on the map that was identified on the new pages that we give,
13 they were allocated to either Kentucky, Indiana, Michigan, the
14 sales and service center, legal entity or Ohio, with a further
15 split between wholesale and resale.

16 Q. So you take the 1,304,038 as your total?

17 A. Right.

18 Q. And the Ohio portion of that is going to be -- is that
19 687,552?

20 A. Yes.

21 (Discussion between Mr. Hart and Mr. Tricarichi.)

22 BY MR. HART:

23 Q. So you start with total -- 1,304,038, and you are
24 breaking out of that the Ohio portion, which is, as we just
25 said, 687,552. How do you get the Ohio portion out of that?

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1 What are you doing, just adding up markets?

2 A. That's correct. Well, the 687,552 is the sum of the
3 amount that's allocated to Ohio wholesale of 230,551, the
4 amount that's allocated to Ohio retail of 382,290, plus the
5 amount that's allocated to Ohio 74,711.

6 Q. How are allocations done?

7 A. Well, the allocation to Ohio COSSCO was based upon what
8 was allocated for federal tax purposes to that legal entity
9 and then was split amongst the three states that COSSCO had
10 presence in based on percentage of revenues.

11 Q. Go ahead.

12 A. The amount that was allocated to the Ohio wholesale and
13 retail were the amounts that were allocated to the legal
14 entities that represent the telephone carriers and then was
15 split based on percentage of revenues wholesale to retail.

16 Q. Can you -- Using this, if I have got the total here,
17 1,304,038, and starting with that number, can you do the
18 calculations that would put me into each of these boxes, Ohio
19 wholesale, Ohio retail and Ohio COSSCO?

20 A. For joint venture for 1995, no, I can't.

21 Q. For joint venture for any of the years, can you?

22 A. Yes.

23 Q. For which year?

24 A. I would say 1996.

25 Q. What causes you the problem in '95?

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1 A. 1995, I allocated -- again, I allocated it according to
2 what was booked for federal income tax purposes. I did not go
3 back and determine why it doesn't follow the particular
4 percentage allocation method.

5 Q. I guess my question is, even assuming that you used
6 whatever you used for your federal income tax purposes,
7 wouldn't you still be able to use that formula and tie me off
8 the number?

9 A. If the percentages used for federal tax purposes were the
10 same, yes, but in 1995, for an unidentified reason, they
11 weren't.

12 Q. So you are telling me you don't know what the percentages
13 that you used for your federal income tax purposes were, so
14 that's why you can't calculate the number?

15 A. I didn't go back and recreate that number, no.

16 (Discussion between Mr. Hart and Mr. Tricarichi.)

17 BY MR. HART:

18 Q. If you look at page 1632.

19 A. Okay.

20 Q. On page 1632, allocated for joint venture, 060 account
21 for the amount that you have allocated Ohio wholesaler
22 230,551 --

23 A. Right.

24 Q. -- and then if you look at page 1624 flows right into
25 Ohio wholesalers 230,551, right?

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1 A. Right.

2 Q. Then you have got on page 1632 allocated Ohio retail, you
3 have got 382,290 --

4 A. Right.

5 Q. -- which is different than the 457,001. I am trying to
6 understand the difference. In other words, Ohio wholesale
7 flows right into where Ohio retail didn't?

8 A. Because Ohio retail is a combination of the accounts
9 allocated to Ohio retail and allocated to COSSCO Ohio.

10 Q. Wouldn't that be more -- Okay. So you are taking the
11 382 -- 382,290 and adding that to 74,711?

12 A. Correct.

13 Q. Okay. All right. And just so I am clear, for '95, we
14 don't -- you just don't know what percentage that you used for
15 your tax calculations and, therefore, you can't tie me into
16 the number for the joint venture?

17 A. That's correct.

18 Q. How did you determine that you used your tax calculation
19 numbers in coming up with the joint venture numbers for '95?

20 A. Looking at the contents of those sales, they are not a
21 straight percentage formula. They are not a straight A times
22 B type formula. There are hard numbers coded in there.

23 And in -- As I was looking at some of those, I recognized
24 that the hard numbers represent items that were booked based
25 on a federal income tax allocation. That was the only other

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1 source that I used when I prepared these work papers.

2 So there was a -- there was an assumption to tie back to
3 the entity allocations as these -- as the work papers for PUC
4 purposes were being prepared, and I was using that as a cross
5 reference.

6 Q. Was the '95 year the only year you did that?

7 A. Only year I did what?

8 Q. Used the tax calculation.

9 A. No. I will tie back to all of those through '96.

10 Q. Why can you tell me into '96? Just because you happen to
11 know the amount you used for tax calculation in 1996?

12 A. In '96, the income tax allocation worked out to being
13 able to use the same percentage. It was a separate percentage
14 calculation.

15 Q. Of the revenue?

16 A. Correct.

17 Q. Let's -- For the purposes of this deposition, can you
18 tell me the formula, and maybe we can have -- maybe you can
19 give your counsel the number that I can plug in and I don't
20 have to take your deposition on that, but if the numbers add
21 up, I can make it work myself.

22 A. I'm sorry. I don't understand.

23 Q. I would -- You told me the only missing element is the
24 percentage that you used for your tax calculation in '95, but
25 you said it is in the sell, so if you go back to your

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1 database, you should be able to tell me the number you used to
2 do the calculation, right?

3 A. It would be a hard number times -- in the case of an Ohio
4 wholesale -- times the percentage that was being applied to
5 the Ohio wholesale of -- whatever, of 37.62 percent.

6 Q. Okay. So let me, just so I understand what you are doing
7 here. You are starting with -- you know how much you booked
8 to Account 060, right --

9 A. That's correct.

10 Q. -- in your ledger?

11 A. That's correct.

12 Q. And what does that consist of?

13 A. Senior management expenses.

14 Q. And you know at the end of the year in '95 that you
15 had -- you had 1.3 million booked in to your ledger for the
16 060 account?

17 A. Correct.

18 Q. Okay. Now, you are using some formula to break out
19 what's Ohio in the first instance, right? The first thing you
20 are doing is taking out your states.

21 A. Correct.

22 Q. So you are using a formula off the 1.3 million to come up
23 with \$687,000 to go total Ohio.

24 A. I was looking at the total amount of the expenses that
25 were booked to the various legal entities for tax purposes and

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1 that accumulation, given the fact that certain entities are
2 wholly within a given state, would be allocated to that state;
3 certain instances, such as COSSCO, that are in more than one
4 state, I will take the total amount that was -- that was
5 booked to that legal entity and do an allocation amongst the
6 three states for that entity.

7 Everything that is -- that was booked to Ohio carrier
8 legal entities were summarized, and then that total was split
9 between Ohio retail based on the percentage of revenues that
10 were used throughout.

11 Q. All right. Is the percentage that you are using to --
12 well, so what you are saying, to come up with the 687,552
13 number as total Ohio, you are looking -- are you looking at
14 ledgers for each of the legal entities?

15 A. The 687,000 number is simply the sum of the amount that
16 was booked to Ohio carrier legal entities, plus an allocated
17 portion of the amount that was booked to COSSCO that was
18 allocated to Ohio.

19 Q. When you say the amount booked to Ohio legal entities, is
20 that -- that's all one ledger, right?

21 A. That's all in one ledger, right.

22 Q. It is done on an account-by-account basis, the accounts
23 are broken up based on what market they are in?

24 A. That's correct.

25 Q. You are taking out the accounts that are Ohio accounts --

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1 A. No. No. I was taking the -- I was taking the amounts
2 booked to Department 60, and in a given department, that
3 expense was allocated primarily to COSSCO and to the market
4 that was the dominant market in that -- for that market. I'm
5 sorry, for the dominant legal entity.

6 Q. So you are looking at the -- you are looking at the
7 ledger, and you are pulling out -- I just want to make sure I
8 am clear -- all of the 060, and then within the 060 there are
9 amounts that show you what came from each market aside from
10 COSSCO?

11 A. There were amounts that were booked to 060 departments
12 that were booked to each market. And however -- whichever
13 market they were booked to, they were allocated for federal
14 tax purposes usually to the primary legal entity for that
15 market and to COSSCO.

16 Those percentages, in this particular instance, were
17 probably not consistent with the percentages that were used
18 here. Once that work was done, whatever was allocated to the
19 Ohio carrier legal entities were summarized, and that amount
20 is the total that was split between Ohio wholesale and Ohio
21 retail. The sum of the amount that was allocated to COSSCO
22 was then allocated between COSSCO Ohio, COSSCO Michigan,
23 COSSCO Kentucky. That was the amount allocated to Michigan,
24 legal entities were allocated to Michigan, and then there was
25 an allocation for some of the -- some of the amounts to

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1 Kentucky and Indiana.

2 Q. Where would the formulas be for all of those different
3 allocations that you are doing? How would we be able to tie
4 out the number?

5 A. Well, they will be either in this work sheet or they
6 would be taken from the work sheets that I used to prepare for
7 federal tax purpose allocations.

8 Q. You say you can do this for '96. Maybe I will take you
9 through '96, and then you can run through the calculation, and
10 we can go back to '95. I am not following how you go back to
11 '95.

12 (Discussion between Mr. Hart and Mr. Tricarichi.)

13 BY MR. HART:

14 Q. The '96 data that I was just given, the '96 data,
15 starting with page 2657 -- Is this a new sheet, this 2657? Is
16 this something I have had before?

17 MS. TRAFFORD: Right.

18 BY MR. HART:

19 Q. Tell me what 2657 is telling you.

20 A. That is telling you that the total net income on page
21 1668 does not equal the total net income on page 1675.

22 Q. Why wouldn't it be equal?

23 A. Because there was a mistake made on 1668 where Department
24 265 and Department 900 use tax was not included in the
25 formulas to roll-up to the totals on page 1668.

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1 So the new page 2657 is a reconciliation showing the
2 amount of net income that was originally reported on page 1668
3 backing out the additional department expenses that should
4 have been there, but weren't, to get back to the revised net
5 income that's the true net income that shows up on 1675.

6 Q. Are you saying that the document that I have here as
7 1668, is this the same document that I had before, 1668, only
8 now I have got Michigan, Kentucky, Indiana; is that right?

9 MR. HART: It is the same, Kathleen?

10 MS. TRAFFORD: It should be, yeah.

11 MR. HART: It is the same.

12 BY MR. HART:

13 Q. So what you are saying is before I was showing total net
14 income --

15 (Discussion between Mr. Hart and Mr. Tricarichi.)

16 BY MR. HART:

17 Q. So you are saying that the revised net income for '96
18 would be -- for the total Ohio, 116,751,872 as opposed to
19 117,365,864.

20 A. Correct.

21 Q. The -- Do you know how this relates to the restated
22 numbers we have got?

23 A. No, I don't.

24 Q. When you did -- did you prepare page 2657?

25 A. Yes, I did.

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1 Q. Tell me how this came about. How did you decide to redo
2 this or to do this page? What was the thought process?

3 A. Well, the thought process was when I started to
4 accumulate the mapping for the various departments, one of the
5 first things I did was to make sure that the net income on the
6 summary sheet tied out to the net income on the supporting
7 sheet, and in this instance it didn't.

8 Q. So you are trying to tie out to the 117,365,864 number?

9 A. Yes. Naturally, I was trying to tie out the 267,161,611
10 number, which is total. And again, if you look on page 1675,
11 the total income of 26 -- is different at 266,236,553. I had
12 to go find the error. And it turned out there were two
13 departments that didn't -- were not included on page 1668.

14 Q. Okay. All right. Now, let's go through. Did you do any
15 corrections at all based on that number? Other than this
16 summary sheet, did you do anything else?

17 A. No. I just laid in the two rows for the two departments
18 as they show up on the supporting schedules.

19 Q. Okay. Is there any relationship between Department 265
20 and Department 900?

21 A. No; other than the fact they weren't included.

22 Q. What is 265?

23 A. 265 is Customer Operations Fraud.

24 Q. Okay. They are on the next page?

25 A. That's on page 2658.

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1 Q. 900 would be --

2 A. 900 is a lot of different types of items, and part of
3 that is use tax, and that is identified on page 2660.

4 Q. And you are saying that the amount of 296,357 is just use
5 tax?

6 A. That's correct.

7 Q. Okay.

8 A. Now, if you want to trace the allocations of those two
9 departments back, you should find those on page 1674 for
10 Department 265, about the middle of the page.

11 Q. Right.

12 A. And then the 900 use tax is on page 1675 towards the
13 bottom.

14 Q. Okay. And page 1674, this is the original page 1674, so
15 you didn't put the number into this document, correct?

16 A. No.

17 Q. Okay. So you actually did the math then, you ran down
18 the math, and you saw that you were off by -- on the allocated
19 Ohio wholesale you were off by 317,635?

20 A. No. Again, I was looking at total net income. I saw
21 that I was out approximately \$900,000 and went back to try to
22 determine why, and it turns out it was these two departments.

23 Q. How did you determine that it was these two departments?

24 A. Well, I went back and checked the formulas that are
25 making up page 1668.

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1 Q. And you saw they were missing?

2 A. I saw there were two rows missing.

3 Q. All right. Let's move on.

4 Now, we have got the '96 data which my original doesn't
5 have a base number on, but it is 1668. Let's go back to joint
6 venture.

7 Take me through how you get there.

8 A. All right. Total joint venture expenses booked in a
9 general ledger appear on page 1674, and there are \$1,071,416.
10 Net is the sum of all joint -- that's the sum of all joint
11 venture expenses that were booked on all markets.

12 Q. Okay. Go ahead.

13 A. The allocation for joint venture was to split those
14 amongst everything based on a percentage of revenues. And if
15 you look on page 1669 --

16 Q. Bear with me.

17 A. -- you will see -- you will see a table of revenue
18 percentages. If you look at Column A, that's labeled New Par
19 Wide. It is the first column after the revenues.

20 Q. Got you.

21 A. There is a calculation of revenues for different -- for
22 the given legal entities to the total and then summarized at
23 the bottom between the states by the states. If you take the
24 total joint venture expenses of 1,071,416 and multiply that by
25 Ohio of 45.76 percent, and then multiply that result by 37.15

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1 percent, you will get the Ohio wholesale amount of 182,139.

2 Q. Then if you do the same thing in place of 31.75, you are
3 using 62.85 percent to get Ohio retail?

4 A. Right.

5 Q. Okay. Let me make sure I can do the math here. We are
6 going to start on page 1674.

7 Do you want to do it first?

8 A. No. I just checked wholesale and retail.

9 Q. Works?

10 A. Yes.

11 Q. Okay. I just want to make sure I can do it, then. When
12 you start on 1674 and you are coming up with a joint venture
13 number of 1,071,416 --

14 A. Yes.

15 Q. -- which you are getting out of your general ledger?

16 A. Yes.

17 Q. Okay. Then what you are doing is you are calculating --
18 you are taking all of your revenues for all markets?

19 A. Correct.

20 Q. And you are adding them up, and they come out to 962 --
21 962,601,961?

22 A. Yes.

23 Q. Then you are breaking out, you are taking your revenues
24 that you have for each of the markets, and you are comparing
25 it with the total we just stated of 962, and you are coming up

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1 with a percentage?

2 A. Correct.

3 Q. Okay. Then you are grouping your market, for instance,
4 Detroit, Flint, Lansing, Muskegon, Grand Rapids, that would
5 all be in Michigan, right?

6 A. Correct.

7 Q. Okay. The Ohio markets are listed as well. So you are
8 taking all of your Ohio revenue, and you are coming up with a
9 percentage of Ohio revenue to the total, which is 45.76
10 percent?

11 A. Correct.

12 Q. Which is in dollar amounts. So you take the 45 -- you
13 take 1,071,416 and you multiply that by 45.76 percent?

14 A. Correct.

15 Q. 45.76 percent. I'm sorry. That gives you 4,902 -- no --

16 A. 490,280.

17 Q. Okay. And then you are multiplying that times 37.15
18 percent --

19 (Discussion between Mr. Hart and Mr. Tricarichi.)

20 BY MR. HART:

21 Q. The 490,280 is 45.76 percent of the total?

22 A. Of one million --

23 Q. 1,071,416.

24 A. Yes.

25 Q. Does this number have COSSCO in it?

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1 A. Does which number?

2 Q. The 490,280?

3 A. No.

4 Q. So you are adding COSSCO in later?

5 A. Yes. If you look down both -- farther down below on page
6 1669, there are percentages for COSSCO for the states.

7 Q. On what page?

8 A. Page 1669. You will see Ohio 45.76 about four lines
9 down.

10 Q. 6.03 percent you are using for COSSCO Ohio?

11 A. That's correct.

12 Q. So you are taking 6.03 percent of the total?

13 A. One million -- and that's the amount that's allocated to
14 COSSCO Ohio.

15 Q. 1, 071,416.

16 (Discussion between Mr. Hart and Mr. Tricarichi.)

17 BY MR. HART:

18 Q. Now, you are telling me you did something different in
19 '95? Obviously '96 works. Okay. So we have got one step of
20 the way. Tell me about '95. Why wouldn't '95 work the same
21 way?

22 A. Well, again, the allocation that was done for federal tax
23 purposes was different than looking at the entire pie and
24 doing one percentage.

25 Q. Let me step back for a second. If you were going to go

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1 back to '95 and use '95 methodology for '96, can you tell me
2 where the numbers would change?

3 A. No. I would have to look at what was -- I would have to
4 verify against what were the results on the federal tax work
5 papers. I don't know what those are.

6 Q. So you are telling me for '95 you are not just taking the
7 total, the total joint venture number of 1,071,416 and
8 applying that against a separate percentage of revenue?

9 A. In 1995, that's not what was done, no.

10 Q. Okay. Can you -- If I have somebody that needs to look
11 at these numbers and tell me what you did was correct or
12 incorrect, is there any way to tell that person what numbers
13 you are starting with, what are you guys doing in the first
14 place?

15 A. In '95?

16 Q. I can figure out '96. You just did it for me. I am
17 trying to be able to give these numbers to somebody and have
18 them either verify that you did them right or tell me you did
19 them wrong, and I can't do it without the formula. You just
20 gave it to me for '96.

21 Is there any way I can do that for '95 that you know of?

22 A. No. Because the formula doesn't work for '95. It was
23 what was allocated for the -- based on legal entities for
24 federal tax purposes.

25 Q. Wouldn't the -- this is all done on a computer database,

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1 right?
2 A. Yes.
3 Q. Wouldn't the sell have the numbers that were being used?
4 A. Yes.
5 Q. It would be a hard number, right?
6 A. In '95, it does.
7 Q. And you are telling me -- I am correct that you are
8 telling me that if I have the hard number, you can't tell me
9 how you got to that particular hard number?
10 A. That's correct.
11 Q. So that's the problem?
12 A. That's correct.
13 Q. So just telling me the percentage wouldn't do me any good
14 because I can't get to that underlying information how you got
15 to that percentage?
16 A. That's correct.
17 Q. Let's do -- Tell me, if you can, for '96 -- we will stay
18 in '96. Let's go to the next column, which is Customer
19 Operations Carrier. It says Department 20; is that right, is
20 it Department 20?
21 A. It is really Department 200s.
22 Q. Okay. Does that work the same way?
23 A. You are looking at page 1668?
24 Q. Yes.
25 A. 1668 is a summary of Department 200s that appear on page

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1 1674.

2 Q. Okay.

3 A. And in order to determine the allocation for a given
4 department within that range you will need to look at page
5 2658 to see how a particular department was allocated.

6 Q. Okay. Bear with me for just a second. 2658 you said?

7 A. Yes.

8 Q. Go ahead.

9 A. So the line item on page 1668 for Department 200s,
10 Customer Operations, is the sum of Department 200, 205, 210,
11 230, 245, 255, 265. And depending on which particular
12 department you are looking at, the allocation for that
13 department is identified on page 2658.

14 Q. How does that work?

15 A. So each department was analyzed and allocated
16 accordingly. Those results were summarized, and those
17 summarized totals appear on page 1668.

18 Q. Why don't you just walk me through. If we know that we
19 have got -- Let's see. We have a total for your 200s? I can
20 add up your 200s on page 1674, right?

21 A. Yes.

22 Q. If you add all of those up, you get 43 million; is that
23 right?

24 A. Right.

25 Q. 43,965,057 million, is that where you are?

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1 A. If you include Department 265, yes. 265 is not included
2 on the original 1668 because of the error we found.

3 Q. Okay. That was the -- that was that \$317,000 number.

4 So you are telling me that it would be 43,965,057, but if
5 you want to tie into the numbers we have got here, we will
6 back out --

7 A. Department 265.

8 Q. -- 265. So 625,081, right?

9 A. Right.

10 Q. All right. That leaves us with 43,334,676.

11 A. Correct.

12 Q. That's your starting point. That's the total for your
13 200s?

14 A. Correct.

15 Q. Now, give me the Ohio.

16 A. Well, Ohio would be the sum of the allocations to Ohio
17 for each of those departments.

18 Q. Are those here? Are those listed here?

19 A. Yes.

20 MS. TRAFFORD: It might help if we go back to 2658,
21 maybe, and have David explain how the road map works.

22 BY MR. HART:

23 Q. That's what I want him to do. That's where you were
24 taking me, anyway, 2658?

25 A. Right.

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1 Q. Go ahead.

2 A. To get the Ohio total, it is the sum of three columns
3 that are allocated to Ohio wholesale, allocated to Ohio retail
4 and allocated to COSSCO Ohio.

5 Q. I don't see the COSSCO part on 2658.

6 A. 26 -- Okay. I'm sorry. I was going back to the numbers.
7 On 2658, if you look at a particular department,
8 Department 200, Customer Operations/Administration, that
9 department was allocated, first of all, to the state of the
10 market where the expenses were booked. And then there was a
11 determination as to whether those expenses were allocable to
12 the carrier or center activity, center being COSSCO.

13 If any of those expenses were allocable to the carrier,
14 were they allocable to the wholesale side or the retail side.
15 And it is going to be one or the other or both or neither if
16 it is straight center type expenses.

17 If there was a percentage of revenue allocation used, I
18 have identified which column was used, and then there may or
19 may not be an additional note.

20 Q. Just so I have this straight, you have got your
21 allocating to -- you are allocating expense to either the
22 carrier or wholesale/retail?

23 A. I am first allocating expenses to a state.

24 Q. To a state. Okay. So what you are do is you are going
25 back, we have by state, right? 1674.

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1 A. 1674 is the results of those allocations.

2 Q. Are you -- is that a percentage of revenue like we did
3 with the last expenses?

4 A. Well, for the 200, the note says that Market 20 is
5 allocated to Michigan. So if you would look on page 1672 --
6 I'm sorry -- on page 1670, there is 1,216,899 that was booked
7 to Market 20.

8 Q. Okay. So that tells you what, it tells you what was
9 allocated to Michigan?

10 A. That tells me that of those expenses booked to Market 20,
11 we allocated all of those to Michigan.

12 Q. How do you do that? How do you do allocation to
13 Michigan?

14 A. Market 20 is a Michigan administration department. And
15 for this particular department, there were expenses booked to
16 both a Michigan administration department and an Ohio
17 administration department.

18 Q. And is that in the general ledger like that?

19 A. Yes.

20 Q. How does it show up in the ledger? How would that be?
21 Would there be one account that would be Ohio, one account
22 that would be Michigan?

23 A. Well, there would be one market that would have a series
24 of accounts booked to this department that would be booked to
25 Market 20, and then there would be a series of accounts that

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1 part of the account number would be a Market 90
2 identification.

3 Q. Where it says Market 20 allocated to Michigan, Market 90
4 allocated to Ohio, that's in -- is this this 192 account,
5 Department 192?

6 A. Market 20.

7 Q. I am not following across. Maybe I am missing the line
8 here. Hang on.

9 Maybe my eyes are off here. All right. 192 has nothing
10 next to it. So you are saying you are taking 200 Customer
11 Operations/Administrative and you are allocating -- all of
12 Market 20 goes to Michigan, all of Market 90 goes to Ohio,
13 Kentucky and Indiana?

14 A. That's correct.

15 Q. You are saying within your, then, general ledger it will
16 have Market 20 as a separate account?

17 A. That is a separate segment of the account number, yes.

18 Q. Separate segment of Account No. 200?

19 A. Yes.

20 (Discussion between Mr. Hart and Mr. Tricarichi.)

21 BY MR. HART:

22 Q. I mean, if we go back to the general ledger for Michigan,
23 we will find that number?

24 A. There is no general ledger for Michigan.

25 Q. If we will go back to that general ledger, we will find

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1 that amount you allocated to Michigan as an amount that's set
2 up just for Michigan?

3 A. You would find --

4 Q. In other words, you are not finding some kind of
5 percentage to get to that?

6 A. No. If you -- if you looked at all of the accounts that
7 were booked to Market 20, to Department 200, they would total
8 the 1,216,899.

9 Q. All right. So that's not -- you are not using any kind
10 of formula to arrive at that, that's straight out of the
11 general ledger?

12 A. That's correct.

13 Q. Then what you are doing, you are taking Market 20, you
14 are putting it to Michigan, and Market 90 you are allocating
15 to Ohio, that's 100 percent?

16 A. No. I am allocating Market 90 to Ohio, Kentucky and
17 Indiana.

18 Q. How do you break out Ohio, Kentucky and Indiana?

19 A. Well, for this market it was using Revenue Column E which
20 shows up on page 1669.

21 (Discussion between Mr. Hart and Mr. Tricarichi.)

22 BY MR. HART:

23 Q. So all right. I just want to make sure I have got what I
24 have here.

25 You are starting out with a total, if we just take -- if

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1 we take Department 200, Customer Operations/Administrative,
2 you are going to the general ledger, and you are finding that
3 Market 20, everything in Market 20, 100 percent of Market 20
4 should be allocated to Michigan.

5 A. That was the assumption we used, yes.

6 Q. Okay. And within the general ledger you take 100 percent
7 of Market 90 and you are breaking that out based on Ohio,
8 Kentucky and Indiana?

9 A. Correct.

10 Q. Okay. And in order to do that, you are using the
11 percentages that you have got in Column E on page 1669?

12 A. Correct.

13 Q. Well, when you use Column E, are you using the
14 percentage -- if you use Column E going down, on the upper
15 part of Column E, you have got 38.78 percent, 38.67 percent,
16 .67. Do you see those?

17 A. Yes.

18 Q. Are you using the bottom ones or top ones?

19 A. Bottom ones.

20 Q. So you are using Ohio 95.37 percent, Kentucky .67 -- or
21 is that Indiana, Indiana is .67 percent, Kentucky is 3.96
22 percent?

23 A. Correct.

24 Q. Right? All right. So, again, you are use -- just taking
25 your revenues for the market just like we did before with the

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1 joint venture, you are taking your revenues for the market and
2 coming up with a percentage?

3 A. Yes.

4 Q. Then you are going to take that total and allocate it
5 based on those percentages?

6 A. Correct.

7 Q. All right. Then do you take -- then do you take that
8 number and multiply it by the wholesale/retail percentages
9 that you have on page 1669?

10 A. If that department was determined to be applicable to the
11 wholesale and the retail carrier, yes.

12 Q. If it was both, you would then apply the wholesale/retail
13 percentages?

14 A. Correct.

15 Q. And if it was one or the other, you would just do 100
16 percent?

17 A. Correct.

18 Q. Okay. Then you would add all of those up and the number
19 would come in to -- well, you would add -- you would do that
20 calculation for each of the 200 accounts, right?

21 A. Correct.

22 Q. And then that number would come in to the -- the total
23 would come into your Department 200 accounts?

24 A. That's correct.

25 Q. Okay. Can we do this for one year and see how this

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1 works? I know it will be a little bit tedious, but I want to
2 make sure I know how it works.

3 A. Okay.

4 Q. Because I think I understand what you are doing here.

5 A. Okay. We agree that the total of the 200s is 43,334,676.
6 It shows up on page 1669.

7 Q. 43 million --

8 A. -- 334,676. And I am working backward in the allocation.
9 I am taking the total and showing you how it was arrived.

10 Q. Okay. Now, this isn't taking into account --

11 A. That missing department.

12 Q. -- the change that we have got on 2657?

13 A. We can. I mean, the -- we can do it either way.

14 Q. But if I do it, if I do it using the new number, I can't
15 tie out to an actual number that I have got on paper because
16 you didn't add it back into the --

17 A. That's correct.

18 Q. Let's use the number I have got. I can always add in the
19 315,000, or whatever we are talking about.

20 So we are starting -- If we take the first item, would be
21 Account 200, right?

22 A. Yes.

23 Q. You are taking Market 20, you are giving that to
24 Michigan. How do we go from there? Where is that?

25 A. Well, where is it?

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1 Q. Yeah. That's in the papers I have got, right, Market 20?

2 A. If you look on page -- oh. That is on page 1670.

3 Q. Okay. That number is 1,206 -- 1,216,899. So we will do
4 this. There is how many accounts, 1, 2 -- seven different
5 accounts, right?

6 A. Correct.

7 Q. So let's do this for each of the accounts, and then we
8 should be there.

9 So this is Account No. 200, Customer
10 Operations/Administrative. All right. So you are taking out
11 Michigan, which is 1,216,899.

12 A. Correct.

13 Q. Right? Now, Ohio would be -- you are going to take
14 Market 90, okay, which is 1,808,025, right?

15 A. Yes.

16 Q. Market 90 for Department 200 Customer
17 Operations/Administrative. So that would -- we are going to
18 start with that. That would be Ohio, Kentucky and Indiana?

19 A. Correct.

20 Q. Correct? You are taking --

21 (Discussion between Mr. Hart and Mr. Tricarichi.)

22 BY MR. HART:

23 Q. 43,334,676 was for all 200 accounts?

24 A. Correct, with the exception for Account 265.

25 (Discussion between Mr. Hart and Mr. Tricarichi.)

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1 BY MR. HART:

2 Q. The total for the 200 account, do we have that, is that
3 listed as total?

4 A. Yes, that's on page 1674. The total is 3,024,924.

5 Q. Okay. We took out the Michigan portion which was in 20.

6 A. Yes.

7 Q. I'm sorry, which was in -- Is that right?

8 A. Yes.

9 Q. Department 20? We took out --

10 (Discussion between Mr. Hart and Mr. Tricarichi.)

11 BY MR. HART:

12 Q. 1,808,025 is Market 90?

13 A. Yes.

14 Q. That's Ohio, Kentucky and Indiana?

15 A. That's correct.

16 Q. You are taking that number, and then you are applying
17 your percentages of revenue to that number to break out Ohio,
18 Kentucky and Indiana.

19 And those are the percentages that are on -- if you bear
20 with me, if somebody wants to show --

21 MS. TRAFFORD: 1669.

22 BY MR. HART:

23 Q. 1669. Okay. So you are using 95.37 percent of that
24 number to give you your Ohio number?

25 A. Correct.

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1 MR. TRICARICHI: 1,724,313.

2 THE WITNESS: 1,724,313.

3 BY MR. HART:

4 Q. So that would be 200. If you are saying if I do the same
5 calculation for each of the various items, I should get to the
6 same pot?

7 A. It depends.

8 Q. If depends on allocation, right?

9 A. Depends on allocation. And there is one adjustment that
10 was made for bad debt that was used to adjust to the
11 allocation for federal tax purposes.

12 Q. Okay. Let's do this. What I want to do is take each of
13 the 200s, and let's just get Ohio. Let's get the total for
14 Ohio, and then we will do allocations between wholesale and
15 retail.

16 A. Okay.

17 Q. We have already done 200. Let's do 205, which is
18 Customer Care.

19 MS. TRAFFORD: Just a suggestion. It might be
20 easiest if you go ahead and do the Ohio wholesale/retail right
21 now. Then you will see the number right there. I don't think
22 we have the total Ohio.

23 MR. HART: What do you mean? We do have allocated
24 to Ohio total, don't we?

25 THE WITNESS: Well, it doesn't show on page 1674.

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1 For Department 200, that was further split between wholesale
2 and retail.

3 BY MR. HART:

4 Q. So let's do the wholesale and retail right now. All
5 right. So the wholesale would be -- you should take your
6 1.724 million, 1,724,313, and you are going to multiply that
7 times 37.15 percent, correct?

8 A. Correct.

9 Q. Using the scientific calculator it doesn't allow you to
10 do percentage. You have to put them in as numbers.

11 So you are showing 640,582?

12 A. Correct.

13 Q. Is that right? Does that tie up? 640,582 for your
14 wholesale. Okay.

15 (Discussion between Mr. Hart and Mr. Tricarichi.)

16 BY MR. HART:

17 Q. How do you get to the 37.15 percent and 62.85 percent?

18 A. That's the percentage of total Ohio revenue of
19 440,522,089 split between the wholesale revenue reported to
20 the PUCO of 163,673,454 and the retail portion is the
21 remainder.

22 Q. Wait a minute.

23 (Discussion between Mr. Hart and Mr. Tricarichi.)

24 BY MR. HART:

25 Q. Mike's problem is if we do a revenue, if we take total

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1 revenues and we take the percentage of wholesale to the total
2 and percentage of retail to the total, we get 67 percent and
3 33 percent, which is off of what you have, but that's because
4 we don't have COSSCO in it?

5 A. That's why, because we are adding COSSCO into it.

6 Q. When we take it out to determine expenses, some of the
7 expenses come out to the 33 and 67?

8 A. It would depend on which department the expenses --

9 Q. I can tell you which ones.

10 A. Okay.

11 Q. Joint Venture, Human Resources, Information Services.

12 A. And those three that you just listed were allocated on a
13 revenue column that included COSSCO, because those types of
14 expenses apply to both carriers and the service centers.

15 Q. So you are saying that -- All right. So I think I
16 understand what you are saying.

17 You are taking -- you took the joint, as we just did the
18 general venture, we added COSSCO into that number?

19 A. That's correct.

20 Q. So these numbers don't have COSSCO in them.

21 (Discussion between Mr. Hart and Mr. Tricarichi.)

22 BY MR. HART:

23 Q. Let me just stop for a second. If we show Ohio wholesale
24 customer operations, we are showing Ohio wholesale as 6
25 million -- Let's go to one we have got. Let's go to one

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1 that's 3367. Let's go to Human Resources for a second. Human
2 Resources, Department 400s.

3 A. Uh-hum.

4 Q. We are showing 606,358 for wholesale and 1.2 million,
5 1,241,128 for retail.

6 A. Yes.

7 Q. Is that what you have?

8 A. One page 1668, yes.

9 Q. Those percentages would be 33 and 67 to the total. The
10 total of that is 1,847,486.

11 A. Okay.

12 Q. All right. Then if you go to the next one, which is
13 Information Services, you have the same thing, you have Ohio
14 wholesale for those are for the 600 account, Ohio wholesale
15 3,138,394 and Ohio retail at 6,422,984, for a total of
16 9,561,378. The percentages of wholesale to the total and
17 retail to the total are 33 and 67 just like the ones above
18 that.

19 A. Yes.

20 Q. And you have got other ones that work out to the exact
21 same percentage.

22 A. Yes.

23 Q. Why would that happen? Why would they work out to that
24 percentage if --

25 A. Because the expenses that were made -- that were included

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1 for that series of departments were allocated to all entities,
2 carrier, COSSCO, and both retail and wholesale. Everything
3 was included in terms of the allocation. The customer
4 operations numbers were attributable only to the carrier. So
5 we only use the percentages of the carrier to allocate those
6 expenses.

7 (Discussion between Mr. Hart and Mr. Tricarichi.)

8 BY MR. HART:

9 Q. What does carrier refer to?

10 A. Carrier refers to the legal entities that were the
11 telephone operating companies. COSSCO was a separate legal
12 entity that operated the store front operations.

13 Q. All right. So carrier doesn't equate to wholesale?

14 A. No.

15 Q. And you are taking your carrier expenses and for some of
16 them you are putting them into both wholesale and retail?

17 A. That's correct.

18 Q. For others you are just putting them in either retail or
19 in wholesale?

20 A. Correct.

21 (Discussion between Mr. Hart and Mr. Tricarichi.)

22 BY MR. HART:

23 Q. So carrier -- Is Mike right? Carrier is wholesale and
24 retail, less COSSCO, and where it says both, it means
25 everything?

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1 MS. TRAFFORD: You are on page --

2 BY MR. HART:

3 Q. 2658. If you take the 200s, you are showing certain
4 things are carriers -- Well, for the 200s, they are all
5 carriers, but just above that, for instance, market wireless
6 data --

7 A. Right.

8 Q. -- it says both. So carrier is the entire --

9 A. Is the telephone company.

10 Q. Is everything less COSSCO?

11 A. Yes.

12 Q. Can you -- Is that accurate?

13 A. It is the back door way of getting to the same answer,
14 yes.

15 Q. Both would be everything, including COSSCO?

16 A. That's correct.

17 (Discussion between Mr. Hart and Mr. Tricarichi.)

18 BY MR. HART:

19 Q. Let's go back to the 200s because I would like to tie
20 this out. I am sure you will be happy with that as well.

21 So we figured out 200. Let me just give Mike the
22 percentage so he has got those.

23 You are using 37.15 for your wholesale percentage and
24 62.85 for your retail percentage?

25 A. Correct.

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1 Q. So the next thing we do, if we know that -- you know that
2 640,582 is your wholesale part of the 200 account of the total
3 1,724,313.

4 A. I'm sorry, say that again.

5 Q. You started with 1,724,313 in your Ohio amount for 200,
6 200 account. And we already calculated wholesale amount based
7 on percentage you had given me of 37.15 equals out to 640,582?

8 A. Correct.

9 Q. Which is what you have got on your sheets, right?

10 A. Correct.

11 Q. The retail portion of that would be the remainder?

12 A. It would be 62 --

13 Q. 1,083,731?

14 A. Yes.

15 Q. Okay? All right. So that's the 200. So if we go to 205
16 next, right, that's the next account?

17 A. That's correct.

18 Q. 205, you don't automatically just take out 20, right?

19 205 you are taking out Markets 1 through 20 are allocated to
20 Michigan?

21 A. Yes.

22 Q. And 40 through 90 are allocated to Ohio, Kentucky and
23 Indiana?

24 A. That's correct.

25 Q. Right? So if you add up your 205 accounts, the total for

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1 all of your 205 accounts is 17,343,969, right?

2 A. Yes.

3 Q. And you are taking out Accounts 1 through 20?

4 A. Markets 1 through 20.

5 Q. Markets 1 through 20 out of there. It is a number of
6 numbers. Hang on. The first number is 1,611,681, and then
7 you back out 139,281.

8 (Discussion between Mr. Hart and Mr. Tricarichi.)

9 BY MR. HART:

10 Q. No. I'm sorry. You are adding up Michigan ones?

11 A. Yes.

12 Q. Yeah. That should give you your Michigan total, which
13 should equal 8,018,745. Okay. We have got 8,018,745 is the
14 part you had to Michigan.

15 A. Yes.

16 Q. Right? All right. That leaves Ohio, would be Ohio,
17 Indiana and Kentucky would be the remainder, which is 9352 --
18 9,325,224.

19 A. Yes.

20 Q. Okay. And you are taking that and you are multiplying it
21 by your Ohio percentage, which was 95.37 percent?

22 A. Yes.

23 Q. That gives you your Ohio total, right?

24 A. Yes.

25 Q. Which is -- where do you have it?

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1 MR. TRICARICHI: Well, this would be wholesale
2 number, 303,923.

3 BY MR. HART:

4 Q. The wholesale number would be 3,303,923?

5 A. Yes.

6 Q. The retail would be 5,589,543.

7 A. Yes.

8 Q. That ties out to what you are showing here, right?

9 A. Yes.

10 Q. "Here" being page --

11 A. "Here" being page 1674.

12 Q. Yeah.

13 MR. TRICARICHI: Do the next.

14 BY MR. HART:

15 Q. 1674. Okay. All right. Then you take your 210 account,
16 which is Customer Administration?

17 A. Yes.

18 Q. And you are doing that allocation exactly the same as the
19 one you did before. You are taking Market 1 through 20 as
20 Michigan and Market 43 through 90 as Ohio?

21 A. Yes.

22 MR. TRICARICHI: Base number.

23 BY MR. HART:

24 Q. Total of 210 would be 1,391,846.

25 A. Yes.

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1 Q. And Michigan total should be 603,043?
2 MR. TRICARICHI: Give me the individual ones or not?
3 MR. HART: You can add them up.
4 MR. TRICARICHI: 603 --
5 MR. HART: 603,043.
6 THE WITNESS: That's correct.
7 BY MR. HART:
8 Q. Okay. Which leaves you the remainder for Ohio, right?
9 A. Yes.
10 MR. TRICARICHI: 788,803?
11 MR. HART: I'm sorry?
12 THE WITNESS: It would be Ohio --
13 BY MR. HART:
14 Q. Ohio, Indiana and Kentucky?
15 A. Right.
16 MR. TRICARICHI: 788,803.
17 BY MR. HART:
18 Q. Is that what you are, 788,803?
19 A. Yes.
20 Q. You multiply that again times the 95.37 percent?
21 A. Yes.
22 Q. And then you multiply that times 37.15 for wholesale and
23 62.85 for retail?
24 A. Yes.
25 Q. Okay. And totals should be -- do you have totals yet?

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1 MR. TRICARICHI: Hang on.

2 BY MR. HART:

3 Q. 274,473 for wholesale?

4 A. Yes.

5 Q. 472,809 for retail?

6 A. Yes.

7 MR. TRICARICHI: That's right.

8 BY MR. HART:

9 Q. There's four more, but let me see -- let's skip -- Wait a
10 minute. The accounts receivable at 245 is identical to the --
11 to the -- you are taking Market 20 to Ohio Market 90 -- I'm
12 sorry -- Market 90 to Ohio Market 20 to Michigan.

13 A. That's correct.

14 Q. Before, when we did Market 90, I thought that was Ohio,
15 Indiana and Kentucky. Didn't we take --

16 MR. TRICARICHI: It was.

17 THE WITNESS: It was.

18 BY MR. HART:

19 Q. Why is it for accounts receivable only Ohio?

20 A. I don't know. It was only allocated to Ohio. It could
21 be reasonably assumed that some of it should go to Indiana and
22 Kentucky.

23 Q. Do you know how much of that would go over?

24 A. No. It would be --

25 Q. Would you be able to use --

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1 A. You would use the same formula.

2 Q. So you should be able to come up with the amount you
3 would have to take out of there?

4 A. Right.

5 Q. Okay. If you take Account 245, Bad Debt Other, that's a
6 different formula than what we have been using, right?

7 A. That's correct.

8 Q. Okay. Take me through that calculation.

9 A. Well, the allocation for Bad Debt Other corresponded to
10 the amounts that were booked to the various legal entities,
11 and there was a \$124,000 adjustment between the Michigan
12 carrier and Ohio carrier retail to reconcile it back to those
13 legal entity allocations.

14 Q. All right. So what you are doing is you are taking the
15 amounts as they exist in the general ledger without any
16 formula and you are taking the portions that relate to Ohio?

17 A. I am taking the amounts that were allocated to the legal
18 entities for federal tax purposes.

19 Q. Where is -- where does that show up in this?

20 A. It doesn't.

21 Q. So for '96 I can't calculate bad debt?

22 A. No.

23 Q. And how do you know that that relates to some formula
24 using your tax calculations?

25 A. By looking at the spread sheet, by looking at the sell on

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1 the spread sheet.

2 Q. But that would just give you a hard number, right?

3 A. Right.

4 Q. How do you know that that hard number relates to some tax
5 calculation? Just looking at the hard number, you wouldn't
6 know the formula that that hard number came from, right?

7 A. Just looking at that hard number, no, you wouldn't.

8 Q. You don't have any data that gives you that formula as we
9 are sitting here today, do you?

10 A. Not as we are sitting here today, no.

11 Q. At your office did you have that data?

12 A. I have got the work papers for the federal tax
13 allocations, yes.

14 Q. The spread sheets that you have used, that you looked at,
15 did you bring those with you?

16 A. No.

17 Q. The -- I thought when we spoke about '95 you told me that
18 we couldn't tie in to the number for the joint venture because
19 we wouldn't know what the formula was based on, you would only
20 have a hard number that would give you what you used for your
21 tax calculation but we wouldn't be able to have any
22 information that would tell us how you got to that number.

23 Is that true?

24 A. Yes.

25 Q. Is that not the same thing with respect to your bad debt

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1 for '96 in the 245 account?

2 A. No. It would be the same reason.

3 Q. All right. Well, I am a little confused. I thought just
4 a second ago when I asked you that you said that you -- I was
5 under the impression there would be a hard number that would
6 be your percentage that you are using and that that came off
7 of some tax calculation that had been done but that there was
8 no way to go back and figure out what the tax calculation was
9 and it could give me that percentage?

10 A. Well, you would need to go into the work papers for the
11 allocation for federal tax purposes to determine what that
12 was.

13 Q. Does that exist?

14 A. For '96, yes.

15 Q. What about for '95?

16 A. Yes.

17 Q. How far back do we go?

18 A. '94.

19 Q. Do you know how many different accounts that we can't tie
20 out because of that issue?

21 A. Not off the top of my head, no. And it would be
22 identified in this allocation method as the state allocation
23 method would be the legal entity or there would be an
24 adjustment amount identified.

25 Q. Do I have one of those allocation method sheets for every

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1 year?

2 A. Yes.

3 Q. I do? Hang on.

4 MR. TRICARICHI: What's he talking about
5 "adjustment"?

6 BY MR. HART:

7 Q. The adjustment that you are referring to is, for example,
8 if we use the 245, you did an adjustment of 124,000 to that
9 account?

10 A. That's correct.

11 Q. Right? That was -- that's not an adjustment that you
12 just made, is it? That was an adjustment that was done at the
13 time, right?

14 A. That was an adjustment that was done at the time.

15 Q. Okay. Do you know what the basis for the adjustments
16 are?

17 A. To reconcile it back to the allocated income statement
18 for federal tax purposes on a legal entity basis.

19 Q. Do you know why there would be any discrepancy?

20 A. I didn't go back and research why there was an
21 adjustment, no.

22 Q. Okay.

23 MR. TRICARICHI: Can we take a second?

24 MR. HART: Let's have a break for a second. It is
25 11:00 o'clock.

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1 (Recess.)

2 BY MR. HART:

3 Q. Mr. Shanks, I will not have you go through the rest of
4 the numbers on 200s. I can figure them out from here.

5 I do -- I would like to know, the expenses that we just
6 went through, no matter which expense we went to, at some
7 point we were coming back to an allocation based on
8 percentages of revenue.

9 A. Yes.

10 Q. Is that true?

11 A. For the most part, yes.

12 Q. Okay. Is there any that aren't based that way, any of
13 the allocated expenses that aren't based on a -- at least at
14 some point on a percentage of revenue?

15 A. You mean the expenses that are listed on page 1668 under
16 the heading Allocated Expenses?

17 Q. Yes.

18 MR. TRICARICHI: Is there any one of those that
19 aren't allocated?

20 THE WITNESS: Department 245, Bad Debt Other. Some
21 of the 300 accounts that were allocated wholly to the center
22 to COSSCO. Property tax reduction and market in Department
23 700.

24 BY MR. HART:

25 Q. Let me ask you a question. Are you looking at the --

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1 your summary sheet or your allocation methodology sheets, the
2 beginning?

3 A. Yes.

4 Q. And you are looking to see -- in the wholesale/retail
5 carrier activity you are looking to see whether it is retail
6 or both or wholesale?

7 A. I am looking at all these, of those columns.

8 Q. All three of them?

9 A. Yes.

10 Q. Carrier center activity, wholesale/retail, active, and
11 what's the other one?

12 A. State allocation, carrier center activity,
13 wholesale/retail carrier activity and revenue percentage.

14 Q. Those tell you whether something is being allocated as a
15 percentage of revenues?

16 What is it that tells you, looking at those, whether
17 something is or is not based on revenues at some point?

18 A. Well, again, you would look at, first of all, how it was
19 allocated among the states. If it was labeled as a state of
20 the market, it is basically a Market 1 through Market 20 goes
21 to Michigan, Market 40 through 90 goes to Ohio, possibly
22 Indiana and Kentucky.

23 After that, you look at whether that activity is
24 attributable to the carrier center. If it is attributable to
25 the center, there is no allocation of revenues unless it is

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1 wholly within COSSCO which may be to the state of the market
2 or there may be a piece allocated to Kentucky.

3 If it goes to the carrier, there's the next column tells
4 me whether it was allocated to the wholesale or retail 100
5 percent or a percentage. And if there was some percentage of
6 revenue used, which percentages were used is identified in the
7 revenue percentage column, used column.

8 Q. So you are saying that if you go back to 1668 and you
9 look at your allocated expenses, you have broad categories
10 listed here, Joint Venture, Customer Operations, Department
11 200s.

12 A. Right.

13 Q. As we know, just by going through that last one, Customer
14 Operations Carrier, Departments 200s, that's made up of a
15 number of different items, correct?

16 A. Correct.

17 Q. So would I be correct in saying if you took the totals
18 for each of the items as they are listed on 1668, you know, in
19 the aggregate, that these categories that you have here, the
20 total -- if I can take Ohio total for any one item, or any
21 particular group of items, that at least a portion of that
22 number is going to be allocated based on revenues, because you
23 just went through 200s and you said at least there might have
24 been one within the whole group that was not, is there any
25 category of information that doesn't have any of these

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1 components that are based on revenues?

2 A. If I am understanding your question correctly, I don't
3 believe so, but that would be identified on the allocation
4 method sheet that starts on page 2658.

5 (Discussion between Ms. Trafford and Mr. Shanks.)

6 THE WITNESS: An example of one that's not is
7 included in the region expenses, Department 300s.

8 BY MR. HART:

9 Q. Department 2 what?

10 A. Department 363. Central Region Service Centers on page
11 2658.

12 Q. What about 360?

13 A. 360 would be an allocated expense between wholesale and
14 retail.

15 Q. Based on revenues?

16 A. Based on percentage of revenues.

17 Q. All right. Here is what I am trying to understand. I
18 understand that if you take page 2658 and 2659 and 2660 you
19 have, under "Name", you have got a number of different items,
20 different accounts.

21 A. Yes.

22 Q. Right? Okay. Any one of those might not be based on a
23 percentage of revenues. There might be one or more accounts
24 that are not allocated based on a percent of revenues,
25 correct?

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1 A. Yes.

2 Q. Okay. What I am trying to understand, if you took all of
3 your 300s, which you do, you group your 300s together on page
4 1668 and you list all of your 300s as region expenses,
5 correct?

6 A. Correct.

7 Q. A portion -- if I go to page 1668, at least a portion of
8 the 300s, if your total Ohio for all of your 300s is
9 91,525,444?

10 A. Yes.

11 Q. Your allocation method here of 79 million to retail and
12 12 million to wholesale, at least some component of that is
13 going to be based on a percentage of revenues, correct?

14 A. Yes.

15 Q. That's what I am trying to understand. I understand if
16 you go through, the component pieces are making up the total,
17 that one or more of those components might not be based on a
18 percentage of revenues, but I am trying to understand -- all I
19 am trying to understand is if you just take the total, at
20 least some component of each one of the items that are listed
21 under allocated expenses will be based on a percentage of
22 revenues?

23 A. Yes.

24 Q. Okay. In the expenses, let's take the '96 data, where
25 would concessions be booked? Where would I see concessions

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1 coming through?

2 A. Well, it would be included in the departments that they
3 were booked to.

4 Q. What do you mean?

5 A. Well, this allocation is based upon department level
6 expenses, and the assumptions that we used were directed at
7 those departments. In rare circumstances, we went and looked
8 at activity at the account level, such as depreciation, to try
9 and do our allocation, but, in general, we looked at the
10 function of the department and did our allocation based on the
11 function of that department.

12 So depending on where concessions were booked at a
13 department level, they are going to be allocated according to
14 the road map that we used for that department.

15 Q. Are you telling me that if you look at all of your
16 expenses allocated and direct, you can't point to me what
17 percentage of any amount is concessions or what the total
18 amount of concessions are for any given year?

19 A. No.

20 Q. Is there any way I can calculate that based on the
21 numbers we have got?

22 A. No.

23 Q. The information you have in front of you or any other
24 financial data that you have given me?

25 A. No.

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1 Q. Who makes the determination as to where concessions are
2 going to be booked?

3 A. That I don't know.

4 MR. HART: Do you know?

5 MS. TRAFFORD: You might wait for Pat Bennett. I
6 sent you the concession chart. Pat did that.

7 MR. HART: Which concession chart?

8 MS. TRAFFORD: That was the fax I sent you last
9 night.

10 MR. HART: Maybe I missed it. This is everything I
11 got from last night. I brought it with me. Maybe --

12 MR. TRICARICHI: This is the stuff we brought --

13 MR. HART: Is this it?

14 MR. TRICARICHI: No. This is the stuff from '95.

15 MS. TRAFFORD: It was the very last page of the fax.

16 BY MR. HART:

17 Q. I have got it all right here. You are telling me you
18 don't know where the concessions are booked?

19 A. No, I don't.

20 Q. The -- Do you know what departments get concessions? You
21 said that depends on what department the concessions come
22 from; is that what you told me?

23 A. Correct.

24 Q. Would Customer Care would be a department that gets
25 concessions?

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- 1 A. Conceivably; I would presume so.
- 2 Q. If Customer Care gives concessions -- let's say Customer
3 Care wants to retain an account or has a problem with an
4 account and needs to give a concession, for whatever reason,
5 the number would be booked -- the amount of concessions would
6 be booked through Customer Care's accounts?
- 7 A. If that department gave the concession, I would say yes.
- 8 Q. Would that -- would that be then allocated on a
9 wholesale/retail basis?
- 10 A. Yes.
- 11 Q. Okay. If Customer Care was dealing with a retail
12 customer in giving concessions and if we went back and saw no
13 amount of the concessions ever given to the wholesale
14 customer, would you know why they would -- they would allocate
15 that amount wholesale/retail?
- 16 A. Based on guidance that we were given that was an
17 appropriate and reasonable method to use.
- 18 Q. Guidance from whom?
- 19 A. Well, in '96 it would have been from Greg Gorelick.
- 20 Q. He told you to do it?
- 21 A. Yes.
- 22 Q. Is there an amount, if you give away a phone as a
23 concession, is that listed anywhere, piece of hardware?
- 24 A. Is it listed anywhere?
- 25 Q. Is that accounted for, does that show up anywhere?

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1 A. Well, it would be included in -- it would be included in
2 the total, I would imagine. Where, I am not positive.

3 Q. All right. You booked COSSCO revenue as -- that all
4 relates to equipment, does it not?

5 A. Equipment installations, rental phone revenue.

6 Q. If a phone is given away, let's say it is not a
7 concession but it is part of a plan that the phone -- there is
8 no charge for the phone or there is one penny for the phone,
9 small amount, is there a corresponding expense that shows up
10 somewhere, that shows the difference between what the phone
11 cost and what you received?

12 A. Between what the phone cost and what we -- sounds like a
13 gross margin.

14 Q. Let's take '96 as an example. You are showing revenue
15 for COSSCO?

16 MS. TRAFFORD: Can you -- can you tell us what page?

17 MR. HART: I am not sure, but I will ask. I think
18 it is page 1674.

19 BY MR. HART:

20 Q. Does that show me revenue for COSSCO?

21 A. Yes.

22 Q. That's 58,139,023 COSSCO Ohio?

23 A. Yes.

24 Q. Okay. Now, the cost of the -- the cost that you are
25 showing for COSSCO is 47 million?

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1 A. Yes.

2 Q. Okay. In '96, do you know what percentage of your phones
3 you were actually receiving cash for?

4 A. No.

5 Q. Okay. This you have got here showing revenues higher
6 than the cost of the equipment, right --

7 A. Yes.

8 Q. -- on page 1674. Did you actually receive -- is all of
9 that revenue, 58,139,023, is that all cash?

10 A. I don't know.

11 Q. Do you know what makes it up, what makes up that number?

12 A. It was everything that was booked to sales accounts to
13 Department 050.

14 Q. Okay. And would that be regardless of whether money was
15 actually received?

16 A. I would say so.

17 Q. If I am -- if I am going to one of your stores as a
18 customer and I get a phone for one penny or I get a free
19 phone, does anything show up in COSSCO revenue for that?

20 A. I don't know.

21 Q. Who would know that?

22 A. I would imagine Pat, Pat Bennett, or in '96, it would
23 have been Greg.

24 Q. If no money came in off of that, you are saying -- you
25 know of no expense item that is related to the difference

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1 between what you actually received for the phones and what it
2 costs you for the phones or what you booked as revenue?

3 A. I'm sorry. Right.

4 Q. Do you know of any expense item that would show you the
5 difference between what you received as revenue for the phones
6 and what it cost you for the phones?

7 A. No. That would be -- No. That would be gross margin.

8 MR. TRICARICHI: That's what you asked before.

9 MR. HART: Right.

10 (Discussion between Mr. Hart and Mr. Tricarichi.)

11 BY MR. HART:

12 Q. Is there any expense item that shows the difference
13 between what you booked as revenue for the phone and the cash
14 that you actually received for the phone?

15 A. I think -- Yes, I think so.

16 Q. Where would that be? What item would that show up in?

17 A. That would probably be a concession type of account,
18 expense account.

19 Q. If it was equipment, it would go through COSSCO, right?

20 A. It would depend on what departments those concessions
21 were booked to and then the allocation method that was used
22 for that department.

23 Q. You would expect to see it as some amount of concession,
24 correct?

25 A. I believe so, yes.

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1 Q. You are just not sure where it is?

2 A. No.

3 Q. Okay. And you think Pat Bennett would be the person that
4 would be more appropriate to answer that question?

5 A. I think he would know, yes. I think he would know better
6 than I would.

7 MR. TRICARICHI: Can we go off the record for a
8 second?

9 (Discussion held off the record.)

10 MR. TRICARICHI: All right. You are booking a \$10
11 million profit between the cost of goods sold and the amount
12 that you are selling the hardware for. He just testified to
13 that. Somewhere you need to be booking a very large number
14 that represents the number of phones that you gave away for
15 free during that period of time.

16 Our understanding is you give away a very large
17 number of phones for free, that it is a high percentage of the
18 total amount of phones that you "sell" through COSSCO. The
19 testimony we have gotten so far is that \$58 million, whatever
20 it was that he just stated, was all of the phones that went
21 through COSSCO, whether they were given away or not. A
22 percentage of those phones, a high percentage of those phones
23 were given away for free.

24 So we are assuming that we are dealing with \$58
25 million that was booked, we should see another number in the

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1 seven-figure range that would be a corresponding expense that
2 would be an expense of what those free phones were booked to,
3 whether they were booked to marketing, customer service or
4 wherever they are booked. There should be a very large
5 number. That's not it on that piece of paper on 2680.

6 MR. HART: Kathleen, I guess what Mike is saying is
7 the testimony that we have had so far is telling -- has said
8 that COSSCO was all of the equipment -- equipment that goes
9 out of your stores is going to COSSCO. And we know in the
10 later years, just what we know in the market, at least the
11 last two years, that more than half of your phones are either
12 going to be given away or highly subsidized, and we are
13 showing \$50 million as the total.

14 Then the question is, I am sure that you guys have
15 some expense item that is covering. If you gave away a phone
16 for free, let's say you gave one phone for free, you are going
17 to have to show some item in the expense account, in some
18 expense account to cover the value of that phone. That's --

19 MS. TRAFFORD: I suggest you ask Pat Bennett the
20 question.

21 BY MR. HART:

22 Q. Do you know that, by the way?

23 A. Uh-huh.

24 Q. Is that accurate what I have just said?

25 A. I think so.

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1 Q. There should be some number that would show up in the
2 expense account that would cover the value of the phones that
3 you are giving away?

4 A. Yes.

5 Q. Otherwise, if it is not in the expense account, you would
6 be overstating your revenue, right?

7 A. Yes.

8 Q. If that ultimately flowed through to your audited
9 numbers, your audited numbers would be off?

10 A. Right.

11 Q. Okay. Let's go back to '96. Before we do that, though,
12 you are telling me you have no knowledge of where either
13 concessions or the difference is between what you received for
14 equipment and what you booked as revenue for equipment, where
15 any of that would lie within the accounting that we have got
16 in front of us? You can't point me --

17 A. I don't know. I don't know which departments they were
18 booked to, no.

19 Q. If we go to the '96 now, go back to '96.

20 I just want to go through a couple of these departments
21 and see if I can understand what you are -- you were doing
22 with respect to some of the adjustments that you have got. I
23 am not going to mess around with the smaller ones, but some of
24 the large ones, I want to know if you can tell me.

25 Network Services, 500 account, on page 2659. Okay. You

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1 have got 148,279, increase to Ohio wholesale and corresponding
2 decrease to Michigan.

3 Do you know what that relates to?

4 A. That relates to a difference between the state
5 allocations that were done for PUCO purposes and how those
6 same numbers appeared to the legal entities for the various
7 states for federal tax purposes.

8 Q. Is that what each of the adjustments relates to?

9 A. Yes.

10 Q. So there is no adjustment that isn't related to that same
11 issue?

12 A. I don't believe so, no.

13 Q. And interest income, you have got a fairly large amount,
14 900 account on page 2660. It is a little over half a million,
15 588,078.

16 A. Yes.

17 Q. Do you see that?

18 A. Yes.

19 Q. Is that related to the same thing?

20 A. I believe so, yes.

21 Q. How do you know that to be the case? Did you go and
22 check that?

23 A. I checked it against the work papers we did for the
24 federal tax allocations, yes.

25 Q. On a line-by-line basis; so you went to look at the

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1 interest income number and it was off by 588,078?

2 A. It was off that amount when I originally prepared these
3 work sheets, yes.

4 Q. Is there something that I can relate this discrepancy to;
5 I mean, other than just to say one was based on your federal
6 tax calculation and one wasn't, can you tell me why
7 specifically the two would be different?

8 A. Specifically, no, I didn't go back and analyze why the
9 differences appeared.

10 Q. Is this -- was this the first time that you realized that
11 there were differences?

12 A. No. I think we have had differences in some of the other
13 years.

14 Q. I mean --

15 A. But the general assumption was to reconcile back to the
16 allocated income statements on a legal entity basis.

17 Q. When I say was this the first time you realized, I am not
18 referring to the first year. The document that I am looking
19 at that's got the allocation methodologies on it, 2659, for
20 instance, document 2659, that document wasn't prepared in '96,
21 was it? It has got a 12-98 date on it, so it was just
22 recently prepared?

23 A. That's correct.

24 Q. I guess what I am asking you, when you did these sheets
25 last week, is that when you first learned that you had needed

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1 some adjustment amount, or did you know that beforehand?

2 A. That's when I -- that's when, I guess, I identified the
3 amount of the adjustment.

4 Q. Okay. And when you identified the amount of the
5 adjustment, were you able -- you were able to identify that
6 you needed some adjustment to reconcile your federal tax
7 numbers with the numbers we have here?

8 A. That's correct.

9 Q. Is that true? But you didn't go the next step in
10 determining why you had some discrepancy between the two?

11 A. No.

12 Q. And that wouldn't exist -- the reasoning wouldn't exist
13 anywhere in any papers that you have?

14 A. The reasoning to -- for the adjustment?

15 Q. The reason why there would be a difference between the
16 two?

17 A. No.

18 MR. HART: I have nothing else for you. You are
19 free to go.

20 THE NOTARY: Mr. Shanks, you have the right to read
21 and sign the transcript of your deposition, or you may waive
22 that right.

23 MS. TRAFFORD: He will want to read it. We should
24 also, because it is all using confidential documents, we
25 should mark the whole thing confidential.

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1 MR. HART: I don't have a problem with that. I am
2 filing every transcript in this case as confidential, anyways,
3 so whether they are confidential or they are not, I am not
4 going -- I am just going to file a motion to file under seal,
5 and I am going to file them under seal. So, you know, if, for
6 whatever reason, you or GTE or Ameritech wants to have your
7 information made public, you can.

8 MS. TRAFFORD: We can choose to do it. I think that
9 would be a good idea.

10 (Signature not waived.)

11 - - -

12 (Thereupon, the deposition was concluded at 11:45
13 o'clock a.m. on Tuesday, December 22, 1998.)

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STATE OF OHIO,

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COUNTY OF _____,

)

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SS:

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6

David Shanks, having been duly sworn and
cautioned, deposes and says that:

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David Shanks

14

15

Sworn to before me and subscribed in my presence
this ____ day of _____, 1998.

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Notary Public

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My Commission Expires: _____.

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C E R T I F I C A T E

State of Ohio,)
County of Franklin,) SS:

I, Maureen H. Hamby, Registered
Professional Reporter and Notary Public in and for the
State of Ohio, hereby certify that the foregoing is a
true and accurate transcript of the deposition
testimony, taken under oath on the date hereinbefore
set forth, of

DAVID SHANKS
I further certify that I am neither attorney
or counsel for, nor related to or employed by any of
the parties to the action in which the deposition was
taken, and further that I am not a relative or employee
of any attorney or counsel employed in this case, nor
am I financially interested in the action.

Maureen H. Hamby,
Registered Professional
Reporter and Notary Public
in and for the State of
Ohio.

My Commission Expires:
October 28, 2003.

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