

In The Matter Of:
Warner Bros. Records v.
Crunk, et al.

30(b)(6) Tommy Phillips, IV
August 6, 2014

Q&A Reporting Services, Inc.
Certified Court Reporters
Suite D-517, 2221 Peachtree Road, NE
Atlanta, GA 30309
*404.233.3300 ** Admin@QAReporting.com*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

On behalf of Defendants Jonathan Lewis,
Venetia Lewis, Jarques R. Usher, Alphonce
Smith and Chris D. Henderson:

ALAN S. CLARKE, Esq.
MELISSA L. BONNINGTON, Esq.
Alan S. Clarke & Associates, LLC
3355 Lenox Road, Suite 750
Atlanta, Georgia 30326
(404) 816-9800
aclarke@entertainlaw.com

On behalf of the Defendants Crunk, Inc.
and Tommy Phillips, IV:

ROBERT J. KAUFMAN, Esq.
JOSHUA M. WEINER, Esq.
Kaufman, Miller & Forman
8215 Roswell Road
Building 800
Atlanta, Georgia 30350
(770) 390-9200
rjk@kauflaw.net

On behalf of Crime Mob:

TERRENCE WILLIAMS, Esq.
Minter & Associates
5398 East Mountain Street
Stone Mountain, Georgia 30083
(770) 879-7400

Also present: Ms. Venetia Lewis

* * * * *

1

2

INDEX TO EXHIBITS

3

4 Defendant's
5 Exhibit

Description

Initial
Reference

6

Number 1 Recording artist agreement 49

7

Number 2 Crime Mob agreement 117

8

Number 3 Photocopy of check 130

9

Number 4 Outside producer agreement 174

10

Number 5 Notice of special meeting 186

11

Number 6 Minutes of 4-5-05 meeting 188

12

Number 7 Affirmation letter of executive 218

13

order

14

Number 8 4-26-05 letter to Ms. Smith 223

15

Number 9 Amendment to recording agreement 238

16

Number 10 Settlement agreement 242

17

Number 11 9-11-09 letter from Warner Bros. 270

18

Number 12 Collective e-mails 278

19

Number 13 Collective e-mails 278

20

Number 14 Collective e-mails 278

21

Number 15 Collective e-mails 278

22

Number 16 7-9-05 letter to Patrick Sabatini 282

23

Number 17 Exhibit A, Letter of Direction 283

24

25

1 (THE FOLLOWING TRANSCRIPT CONTAINS QUOTED
2 MATERIAL; SUCH MATERIAL IS REPRODUCED AS READ
3 OR SPOKEN.)

4
5 - - -

6
7 (IN THE FOLLOWING TRANSCRIPT, A DASH [--]
8 IS USED TO INDICATE AN UNINTENTIONAL OR
9 PURPOSEFUL INTERRUPTION OF A SENTENCE; AN
10 ELLIPSIS [...] IS USED TO INDICATE HALTING
11 SPEECH OR AN UNFINISHED SENTENCE IN DIALOGUE, OR
12 AN OMISSION OF WORD(S) WHEN READING WRITTEN
13 MATERIAL.)

14
15 - - -

16 (Thereupon, the court reporter disclosed that she
17 was there on behalf of Q & A Reporting Services, Inc.
18 In compliance with Article 10.B of the Rules and
19 Regulations of the Board of Court Reporting of the
20 Judicial Council of Georgia and O.C.G.A. 15-14-37(a) and
21 (b), the court reporter discloses that she was retained
22 by Alan S. Clarke, Esq. to take down the proceedings.
23 Q & A Reporting Services, Inc. will charge the
24 attorney(s) the usual and customary rate for the
25 transcript and will be paid by the attorney(s) upon
their receipt of the transcript.)

1 MR. CLARKE: We're on the record now. My
2 understanding is that we will reserve all
3 objections except as to the form of the question.
4 Is that acceptable?

5 MR. KAUFMAN: Yes. And obviously as to
6 matters of privilege. But that will be fine.

7 MR. CLARKE: All right.

8 TOMMY PHILLIPS, IV,
9 being first duly sworn, was examined and testified as
10 follows:

11 MR. CLARKE: This is the case of Warner Bros.
12 Records, Inc. versus Crunk, Inc., Jonathan Lewis,
13 Venetia Lewis, Jarques Usher, Alphonse Smith, Chris
14 D. Henderson, Brittany N. Carpenter, Tommy
15 Phillips, IV and Darryl Richardson in the United
16 States District Court for the Northern District of
17 Georgia. It is Civil Action File Number
18 1:13-CV-03790.

19 Today we are here taking the deposition of
20 Defendant Tommy Phillips, IV as well as the
21 30(b)6 deposition of Crunk, Inc., taken pursuant
22 to notice and agreement of counsel.

23 EXAMINATION

24 BY MR. CLARKE:

25 Q Mr. Phillips, as you know, I'm Alan Clarke;

1 and I'm here representing those defendants that are
2 known as Crime Mob. You've heard me say that we are
3 taking what is known as a 30(b)6 deposition which means
4 that we will be taking both your personal deposition as
5 well as that of Crunk, Inc. Are you understanding that?

6 A Yes, sir.

7 Q I'm going to ask you, and I appreciate your
8 answering out loud, as you know, we'll be asking you a
9 serious of questions today, and the court reporter is
10 here taking down your answers so that your answers will
11 need to be spoken out loud rather than nods of the head
12 or shakes of the head or uh-huhs and huh-uhs and that
13 kind of thing so that we can preserve this for a record
14 to be used in the case. And are you comfortable with
15 that?

16 A Yes, sir.

17 Q Are you under the influence of any medications
18 or otherwise that would inhibit your ability to hear me
19 or to answer my questions here today?

20 A No, sir.

21 Q Have you read the list of areas that we're
22 going to discuss that were provided to you with regard
23 to Crunk, Inc.?

24 A Yes, sir.

25 Q Are you the best person to discuss those

1 particular areas?

2 A It depends on the question.

3 Q Did you review the topics that we said that we
4 were going to be discussing? I believe counsel has
5 provided you with a copy of our 30(b)6 notice to look
6 at.

7 A As I said, I read it; but to answer your
8 question again, it's depends on your specific question
9 as far as the topics go.

10 Q If these are the topics, the ones that were
11 provided to you, would you be the best person able to
12 answer questions regarding those topics?

13 A In some circumstances, yes.

14 Q And if you were not, then I would ask you to
15 tell me that you're not in best person and to identify
16 who the best person would be.

17 A Sure.

18 Q Have you had your deposition taken before?

19 A When we had the warrant hearing when you were
20 the lawyer for Crime Mob did you depose me?

21 Q Today I'm going to ask you the questions. And
22 rather than you asking me the question --

23 A I've been deposed before, yeah.

24 Q How many times?

25 A Maybe once or twice with you and Kendall, I

1 think.

2 Q So here today just to refresh your memory as
3 far as depositions go, as we said, I'm going to ask you
4 a serious of questions. If you need me to clarify them,
5 let me know. If you have an answer that is regarding
6 Crime Mob that is different from your answer that would
7 be regarding Tommy Phillips, if you would, let me know
8 that as well. You may be answering on behalf of Crime
9 Mob, you may be answering on behalf of yourself. So if
10 you will state that clearly for the record as we go
11 through, I'll try and make it clear who I'm asking
12 about.

13 A Sure.

14 Q What did you do to prepare for today's
15 deposition?

16 A Slept good. I met with my lawyers yesterday.

17 Q Did you go through documents in this case?

18 MR. KAUFMAN: Object to the form to the extent
19 he reviewed documents with counsel that would be
20 subject to privilege.

21 Q (By Mr. Clarke) And I won't ask you about
22 what you talked about with your attorney. In
23 preparation for today did you look at some documents?

24 A Yes, sir.

25 Q What is your full name?

1 A Tommy Phillips, IV.

2 Q Is that your birth name, given name?

3 A That's the name that my mother and father told
4 me that was my name.

5 Q Do you go by other names?

6 A Yes.

7 Q What other names have you gone by?

8 A Yahemed.

9 Q Could you spell that for the court reporter,
10 please?

11 A Y-A-H-E-M-E-D.

12 Q Are there other names that you've gone by?

13 A Serious.

14 Q Could you spell that for the court reporter?

15 A S-E-R-I-O-U-S.

16 Q Have you gone by any other names?

17 A T.

18 Q Is that the letter?

19 A Yes.

20 Q Have you gone by any other names?

21 A T-pot, my nickname from my parents.

22 Q How would you spell that?

23 A T, dash, P-O-T.

24 Q Have you gone by any other names?

25 A TP-4.

1 Q Is that the letter T, the letter P and number
2 4?

3 A Sometimes TP-4. Sometimes TP-IV, four, the
4 Roman numeral four in the number.

5 (Brief interruption, at which time Mr.
6 Williams entered the deposition.)

7 MR. KAUFMAN: Excuse me. Can we identify
8 these folks on the record so we know who's here for
9 the court reporter?

10 MR. CLARKE: Absolutely. We have present this
11 morning Venetia Lewis who is a defendant in this
12 matter, and Terrence --

13 MR. WILLIAMS: Terrence Williams on behalf of
14 Kendall Minter.

15 MR. KAUFMAN: Thanks.

16 MR. CLARKE: Can you spell Terrence?

17 MR. WILLIAMS: T-E-R-R-E-N-C-E.

18 MR. CLARKE: Great. Thank you.

19 Q (By Mr. Clarke) Mr. Phillips, we were
20 going through some of your various names that you
21 have gone by. What other names have you gone by?

22 A Mr. Phillips.

23 Q Have you ever gone by the name Tom or used it
24 in e-mails?

25 A Sure, yeah, Tom.

1 Q Have you ever gone by the name Lord Serious?

2 A No.

3 Q How about AntiPope, one word?

4 A No, not one word.

5 Q Two words?

6 A Not two words.

7 Q Have you ever gone by the name AntiPope in any
8 form or fashion in use with other words or by itself?

9 A As a part of an album, a mixtape, yeah. I do
10 music.

11 Q And what was that name?

12 A AntiPope Serious Lord of Crunk.

13 Q What e-mail addresses have you personally used
14 since the time when you signed Crime Mob?

15 A Crunk Pro Se.

16 Q Does that have a --

17 A A meaning?

18 Q No. I'm sorry. A domain name, Crunk Per Se
19 at --

20 A CrunkProSe@Yahoo.com. I started that when I
21 sued Kendall.

22 Q Is that Crunk, P-R-O, S-E?

23 A Right. P-R-O, S-E, Pro Se. I was pro se when
24 I sued Kendall.

25 Q Are there any e-mail addresses that you have

1 used since signing Crime Mob?

2 A SeriousLordofCrunk@Yahoo.com.

3 Q What other names?

4 A CrunktheMovie@Gmail.

5 Q Are there any other e-mail addresses?

6 A No, sir.

7 Q Does Crunk have any e-mail addresses that it
8 uses separate and apart from the ones you've already
9 identified?

10 A We had a domain name, so it was like
11 CrunkIncorporated.com. And then we had like different
12 names and stuff like that, so it would be
13 Serious@CrunkIncorporated.com.

14 Q Were there any others, other e-mail addresses
15 at CrunkIncorporated.com other than Serious?

16 A Not to my recollection. That was like 2003,
17 2004. I have to really -- I haven't used it in about
18 ten years, so I don't think so. Not for me personally,
19 no.

20 Q How about for any other employees or
21 representatives of Crunk?

22 A If anything, it would be
23 Bingo@CrunkIncorporated.com.

24 Q Who is Bingo?

25 A A DJ.

1 Q Was he an employee of Crunk or a contractor
2 with Crunk?

3 A He was a shareholder.

4 Q When was he a shareholder?

5 A In the conception. Well, when we formed the
6 company.

7 Q What was his given birth name?

8 A I want to say Harry Bing, II. I think it's in
9 the complaint, the one -- the suit that I was -- with
10 Kendall. It's in that.

11 Q How old are you, Mr. Phillips?

12 A Thirty-nine.

13 Q What is your current occupation?

14 A I'm a producer, a publisher, a writer and a
15 businessman. I own a company.

16 Q When you say producer and writer, is that
17 music producer and music writer?

18 A Yes, sir.

19 Q As a businessman owning companies, what
20 companies do you own?

21 A Crunk, Incorporated.

22 Q Do you own any other companies?

23 A I own d/b/a's of Crunk, Incorporated, if
24 that's considered a business separate.

25 Q What d/b/a's does Crunk, Incorporated operate

1 under?

2 A Worldwide Platinum Publishing.

3 Q If you would, let me finish my question so the
4 court reporter doesn't hear us talking on top of each
5 other. That would be helpful.

6 A Sorry about that.

7 Q Could you answer that one more time as far as
8 a d/b/a that Crunk operates under?

9 A You want me to answer now?

10 Q Yes. What was that answer?

11 A Worldwide Platinum Publishing.

12 Q Is that a music publishing company?

13 A Yes.

14 Q What other d/b/a's does Crunk operate?

15 A Hold on one second. That would be at BMI.

16 The next one is Heiress, Lordess and Friends. That
17 would be ASCAP. The other one is Intellectual Thinking
18 Music. That would be BMI.

19 Q Does Crunk operate a SESAC company?

20 A No.

21 Q Has it ever?

22 A No.

23 Q Are those companies that you just listed that
24 are ASCAP and BMI music publishing companies the only
25 music publishing companies that Crunk has ever done

1 business as?

2 A Yes.

3 Q What is your educational background for what
4 you do as a businessman, writer and music publisher?

5 A Went to Morehouse College and studied business
6 finance.

7 Q Where is Morris College?

8 A Morehouse College.

9 Q Oh, I'm sorry. Morehouse College. I thought
10 you were saying Morris.

11 A Morehouse, M-O-R-E-H-O-U-S-E, College. Sorry
12 about that.

13 Q Did you graduate?

14 A No, sir.

15 Q What was your major?

16 A If I graduated?

17 Q No. Did you have a major?

18 A Business finance.

19 Q What was your first experience training in the
20 music business?

21 A I used to write when I was younger, 14, 13,
22 14.

23 Q When did you start producing?

24 A Producing?

25 Q Music as a producer.

1 A You mean actually making the beats?

2 Q When did you start working as a producer in
3 the studio?

4 A When I was 13, 14.

5 Q Is that when you started song writing as well?

6 A Yes.

7 Q What does your --

8 A I mean, I wrote poetry when I was younger,
9 like middle school, if that -- you know, that's
10 considered. I wrote songs. I don't know if you
11 consider that. But I been writing since I was young.

12 Q What is your experience running a record
13 label?

14 A I been running one for ten years.

15 Q Is that Crunk?

16 A Yes, sir.

17 Q Have you ever run or worked for any other
18 record labels?

19 A I worked for BME for a brief period. I worked
20 for Midnight Marauders, worked for Ruff Ryders.

21 Q When did you work with BME?

22 A Somewhere between 2001, 2003.

23 Q What was your position with BME?

24 A I was manager for Lil Scrappy.

25 Q If I call him Scrappy, you'll know who I'm

1 talking about?

2 A His name is Darryl Richardson, just so you
3 know who I'm talking about. He's another defendant in
4 the case.

5 Q When you were Scrappy's manager, that was an
6 employed position by BME?

7 A No, sir.

8 Q Okay. So when you were working for BME, what
9 did you do for BME?

10 A I managed Scrappy.

11 Q So you worked for the -- were you Scrappy's
12 personal manager?

13 A Yes, sir.

14 Q And that was from the time approximately 2001
15 to 2003 that you were Scrappy's manager?

16 A No.

17 Q When were you Scrappy's manager?

18 A I don't want to misquote the year. Can I get
19 his contract?

20 Q You can just state to the best of your
21 recollection when you started.

22 A I don't want to speculate. I can just go to
23 the contract. I think I have it with me.

24 Q We can move on.

25 A Okay.

1 Q But the contract would accurately reflect your
2 time?

3 A Sure. I think you have it from the lawsuit
4 with Kendall if you defended Kendall.

5 Q If we don't have a copy of it --

6 A It's definitely in there because, of course,
7 it's pro se. I know I put it in there, so it's
8 definitely in there.

9 Q For this lawsuit we may need to get a copy of
10 that.

11 A I was just saying you can go to your office.
12 You know, if it's filed way, it might be helpful to you.

13 Q Thank you.

14 A No problem.

15 Q So were you manager for Lil Scrappy after you
16 started Crunk?

17 A Yes.

18 Q When did you stop being manager for Scrappy?

19 A Somewhere around 2004, something like that.

20 Q What was the reason you stopped managing
21 Scrappy?

22 A His mother wanted to manage him.

23 Q The second record label that you mentioned,
24 Midnight --

25 A Marauders.

1 Q -- Marauders?

2 A I worked with them during college.

3 Q What was your position with Midnight
4 Marauders?

5 A Street team. I would dress stores. Just like
6 I'll go around and pass out flyers, stuff like that.

7 Q And what else? What did you say after that?

8 A Dress stores, which means I would go into the
9 store and put up posters, do in-stores, stuff like that
10 with the artist and service records.

11 Q And you did that during college?

12 A Yes, up until about '98, '99, something around
13 like that.

14 Q What was your position with Ruff Ryders?

15 A Same thing, street team. I did that after
16 Midnight Marauders.

17 Q It was after college?

18 A Yes. I left college like around '98.

19 Q How long did you work with Ruff Ryders?

20 A About a year and a half, two years, something
21 like that.

22 Q After you stopped working with Ruff Ryders did
23 you start work with BME?

24 A Not immediately, but I had done business with
25 them as far as doing parties prior to actually managing

1 Scrappy. That's how I knew them. And John went to my
2 high school. We both went to Douglass.

3 Q When you stopped managing Scrappy is that when
4 you left the employment of BME?

5 A I was never employed by BME.

6 Q Okay. I thought you said that you were an
7 employee of BME.

8 A No. You might want to check the transcript.

9 Q I will do that. Were you ever an employee of
10 BME?

11 A No. I was Scrappy's personal manager like we
12 said about ten minutes ago.

13 Q As far as your --

14 A I actually hired BME because they were
15 promoters in the city. I've used them for parties and
16 such like that prior to managing Scrappy. So that's how
17 I knew them. Plus John went to my high school.

18 Q What is John's last name?

19 A Smith.

20 Q What other artists other than Scrappy have you
21 managed?

22 A Crime Mob.

23 Q Have you managed any other artists?

24 A Christopher Bell. He's a member of G's Up,
25 another group that I started, G's Up.

1 Q Have you managed any other artists?

2 A In my music career, of course, yeah.

3 Q What other artists have you managed in your
4 music career?

5 A Without contracts, I would say Mel Johnson.

6 Q Who was that first name?

7 A Mel Johnson. He's a singer. Used to write
8 for India Arie.

9 Q Anyone else?

10 A Not of any significance.

11 Q When you say you started G's Up --

12 A G's Up.

13 Q What do you mean you started them?

14 A G's Up was Scrappy, Christopher Bell and two
15 other guys. And I put them in a group because Scrappy
16 didn't want to be in Trillville.

17 Q Trillville?

18 A Right.

19 Q T-R-I-L-L-V-I-L-L-E?

20 A I'm not sure.

21 Q I think it's one L actually.

22 A I think it's two L's.

23 Q Never mind.

24 A It might be four L's, and it's

25 T-R-I-L-L-V-I-L-L-E. I'm not sure.

1 Q What did you do when you put G's Up together?

2 A Scrappy wanted his own little group to like,
3 you know, portray him having people with him kind of
4 like, you know, like a team. He didn't have that. He
5 wasn't in Trillville. He was just featured on the
6 record.

7 So I think he was a part of some group
8 called SWAT Team at one point. And that didn't work
9 out. So I had songs out. He heard one of my songs,
10 and he was like, oh, I like that, G's Up, that's what
11 we're going to call ourselves. So I was like, okay,
12 well, G's Up is cool, you know; get everything
13 together, and I'll manage everybody and we can go
14 from there.

15 Q Did you obtain a national record company deal
16 for G's Up?

17 A Not for the group G's Up. But they were
18 instrumental in writing for Scrappy. All of them wrote
19 and participated on Scrappy's first and second album.

20 Q Did you work to obtain Scrappy's record deal?

21 A Yes, yes.

22 Q Were you the one who actually obtained the
23 record deal for him?

24 A No, it was a group effort.

25 Q What are your duties now on a day-to-day basis

1 as a businessman and producer?

2 A For Scrappy?

3 Q No, now just in general. You said you're a
4 businessman, you're a record producer, you're a song
5 writer.

6 A I make beats, I maintain publishing, sign
7 licenses, check internet to make sure nobody's stealing
8 from me, watching my intellectual property, that sort of
9 thing. Kind of like watch dogging what I've earned type
10 of thing.

11 Q When you say you watch your intellectual
12 property, what intellectual property does Crunk or do
13 you personally own that you watch?

14 A Songs.

15 Q Songs recorded by certain artists or written
16 by certain composers?

17 A Both?

18 Q What artists does Crunk have the rights to?

19 A Crime Mob.

20 Q What other artists does Crunk have the rights
21 to?

22 A My own personal music and music that I've
23 written for Scrappy. I think that would be separate
24 from Crunk, but I maintain it together because I'm one
25 person.

1 Q So you wrote some songs or co-wrote some songs
2 that were on Scrappy albums?

3 A Yes.

4 Q Is that the publishing that you maintain as
5 well, the songs that you wrote for Scrappy?

6 A Yes.

7 Q Is there any other publishing that you
8 maintain?

9 A Other than Crime Mob and Scrappy?

10 Q Other than Crime Mob and Scrappy.

11 A No.

12 Q When you say you sign licenses for music, what
13 music do you have the rights to that you sign licenses
14 for?

15 A My own personal music and Crime Mob's music.

16 Q Do you have cuts on artists other than
17 Scrappy?

18 A Yes.

19 Q What artists have you written for?

20 A DMX and Lil Jon.

21 Q And your songs that you wrote or co-wrote for
22 DMX and Lil Jon are on their albums DMX albums and --

23 A Movie soundtrack Never Die Alone. It's for
24 the movie soundtrack. It's called Go For Dat.

25 Q Was that DMX or Lil Jon?

1 A Lil Jon did the beat. DMX co-wrote it. You
2 know, he wrote but he also performed it. I'm also on
3 the hook, featured on the hook. So I wrote, and I also
4 performed on the song. It's called Go For Dat.

5 Q Any other cuts that you have that you have
6 performed on or written for artists?

7 A Other than that one song?

8 Q Other than that that we were speaking of.

9 A I wrote for Crime Mob.

10 Q Other than that are there any others?

11 A Other than Jon, Crime Mob and Scrappy and DMX?

12 Q Right.

13 A Not in the mainstream. But I've worked with,
14 you know, people just in the studio, that sort of thing.

15 Q As far as commercial releases, we've already
16 discussed all the commercial releases?

17 A Right.

18 Q What is the address of Crunk, Inc. currently?

19 A Crunk, Incorporated?

20 Q Yes.

21 A 2794 Ben Hill Road.

22 Q And if I say Crunk, you'll know that I mean
23 Crunk, Incorporated, or I'm telling you that's what I
24 mean. Who are Crunk's current officers?

25 A I own all the shares, and I'm a single

1 officer.

2 Q When you say all of the shares, you own a
3 hundred percent of Crunk?

4 A Right. Crunk was initially my company, and
5 when I incorporated there were other people. But I own
6 a hundred percent now.

7 Q Other than you are there any employees
8 currently?

9 A No. I mean, I hire people as I need them as
10 far as attorneys.

11 Q But no employees other than you?

12 A No. I hire people as I need them.

13 Q When was Crunk created?

14 A 2003 it was incorporated. But prior to that
15 it was just a name of my management company.

16 Q So it was you doing business as Crunk?

17 A Right.

18 Q That was when you managed Scrappy?

19 A Yes. And that's credited. If you look on his
20 album, it says on the inside Serious Lord for Crunk,
21 Incorporated.

22 Q When you incorporated in 2003 who were the
23 shareholders of Crunk, Incorporated?

24 A Lee Beitchman, Harry Bing, Darryl Richardson
25 and myself. And you should have a copy of shares when

1 they were incorporated from our prior engagements,
2 lawsuits, those things. You should have that.

3 Q So there were shares, stock certificates
4 issued?

5 A I have to check with Lee on that. The only --
6 as far as like what the company had as far as assets,
7 the only assets --

8 MR. KAUFMAN: I don't think he asked that. He
9 just asked about the shares.

10 THE WITNESS: Oh, okay. Sorry.

11 Q (By Mr. Clarke) If there were stock
12 certificates, I don't think those were provided to
13 us. If you could check on that and let us -- if
14 you'll make a note of those things, please. What
15 were the percentage ownerships of Mr. Beitchman,
16 Mr. Bing, Mr. Richardson and yourself at the time you
17 created the corporation?

18 A Thirty, 30, 30, 10. Thirty would be for
19 myself, 30 for Harry Bing, 30 for Darryl Richardson, and
20 10 percent for Lee Beitchman.

21 Q What were the contributions of each of the
22 other gentlemen to the company as far as why they
23 obtained those particular percentages?

24 A Well, Bingo, who is Harry Bing, actually made
25 Scrappy's song Head Bussa.

1 Q Head Buster?

2 A Head Bussa, which is the song that Warner
3 liked, why they got picked up. And I had known him. I
4 dated his sister, and I had known him. That's how I got
5 introduced to Scrappy, was through Harry Bing. So they
6 were kind of having a rift. They were at odds because
7 Scrappy signed to BME without Bingo.

8 So in order for me to appease both of them,
9 at this time there was no Crime Mob being signed on
10 Warner or any of that sort of thing. It was just me
11 moving forward with the company. I gave Darryl 30, I
12 gave Harry 30, gave myself 30 and gave Lee Beitchman
13 10 with the understanding that I would be the
14 president and running business, period.

15 Q Mr. Beitchman was the attorney for Crunk?

16 A He was the attorney for Crunk, not me
17 personally but for Crunk.

18 Q Was he also the secretary of Crunk,
19 Incorporated?

20 A I have to go back in the history to see if he
21 was that.

22 Q Do you remember if he was the secretary at
23 some point?

24 A I'm not sure. I'm not sure.

25 Q Do you know who the secretary for Crunk was?

1 MR. KAUFMAN: At what point?

2 MR. CLARKE: I'm sorry. I'll clarify.

3 Q (By Mr. Clarke) When you set up the
4 company in 2003 who was the secretary?

5 A If you'd allow me to go online and check the
6 records, I could check the records. I don't want to
7 misquote myself.

8 Q What were the assets of Crunk, Incorporated
9 when you created the company?

10 A At the time the only assets was Crime Mob,
11 which was my group, and I was managing. And, you know,
12 a little money that I would put in for whatever we
13 needed here and there, corporation fees, such like that.
14 I was the only one paying for everything.

15 Q Did you ask any of the other shareholders for
16 funds to pay for anything for the company?

17 A They were supposed to pay you money before
18 they were issued shares.

19 Q What money were they supposed to pay?

20 A I don't want to misquote myself, but I know I
21 have the initial sheet somewhere.

22 Q I don't know that we have received that, so if
23 we could get that as well.

24 A It's online if you want to go into the
25 incorporation records for the Georgia Secretary of

1 State. You can go online and research.

2 Q What was the purpose? Why did you
3 incorporate?

4 A Because I was moving forward with business
5 with Warner. They were impressed. They had asked me
6 several times to bring them a group, and they wanted me
7 to have my own label.

8 Q They, being Warner?

9 A Warner.

10 Q What were they impressed by?

11 A I guess my leadership qualities, skills, what
12 I'd done for Scrappy, what I'd done for BME.

13 Q What had you done for BME?

14 A I managed Scrappy. Scrappy was signed to BME.
15 Maybe that's why we keep crossing wires. Darryl
16 Richardson who was Lil Scrappy was signed to BME when I
17 met him. He had already signed to them, some crazy
18 deal. When I came aboard I renegotiated the deal, and I
19 also negotiated the deal with BME with Warner. Do you
20 understand?

21 Q The distribution?

22 A Was that clear enough?

23 Q The distribution deal for BME?

24 A For Scrappy. I don't know, you know, what
25 other business they had going on as far as their

1 personal distribution. I have no idea about that. I'm
2 only talking about his solo career and what he had going
3 on with Warner through BME. I was his personal manager.
4 That's it.

5 Q You said when you created Crunk, Inc. you were
6 managing Crime Mob; is that correct?

7 A I didn't say that.

8 Q So when you created Crunk, Inc. you were not
9 managing Crime Mob?

10 A Right. What I said -- we can go back in the
11 transcript. What I said was that I was managing
12 Scrappy, and it's noted on his album which came out
13 before Crime Mob's.

14 Q When you created the corporation Crunk, Inc.
15 in 2003, I asked you what assets there were. Can you go
16 over that again? What assets were there in 2003 when
17 you created Crunk, Inc.?

18 A Remember, I told you before it's a difference.
19 There was a Crunk, Incorporated before there was an
20 incorporated Crunk, Incorporated. It was a name, just a
21 name from my management company, but it was not
22 incorporated.

23 Q So you just called it Crunk, Inc.?

24 A Absolutely. I thought I had specified that
25 earlier. I think I did a good job of it, but if you

1 want me to I can have the court reporter read back to
2 you so you can be clear because --

3 Q I'm with you.

4 A Okay. Cool. And if I'm not mistaken --

5 MR. KAUFMAN: Wait a minute on. Let me him
6 ask a question.

7 THE WITNESS: Sorry.

8 Q (By Mr. Clarke) Did Mr. Beitchman,
9 Mr. Bing and Mr. Richardson put any money into Crunk,
10 Inc.?

11 MR. KAUFMAN: Let me object to the form. Can
12 you specify as to the time? Initially, at any
13 point in time?

14 MR. CLARKE: At any point in time.

15 Q (By Mr. Clarke) I think we had already
16 asked --

17 A I don't know if I could say yes or no to that.
18 We might have needed pencils. Lee might have bought
19 them.

20 MR. KAUFMAN: Just so we're clear here, he
21 asked for money, not other things of value. You're
22 talking money, cash, currency?

23 Q (By Mr. Clarke) Funding. Did they help
24 fund the company?

25 A No, no, no, no, no, no.

1 Q What were the initial activities of Crunk once
2 you created Crunk, Inc., once you created Crunk, Inc.,
3 the corporation?

4 A After 2003?

5 Q Right. You created it, you became the
6 president, I believe you said. What did the four of you
7 do in business as Crunk, the corporation?

8 MR. KAUFMAN: Object to the form.

9 A I'm not sure if I understand.

10 MR. KAUFMAN: Just so that I'm clear, are you
11 asking what the four individuals did or are you
12 asking what the corporation did?

13 Q (By Mr. Clarke) What did the four
14 individuals do as the corporation. What did the
15 corporation do next after it incorporated? That may
16 be a better question.

17 A Touring with Scrappy, touring with Crime Mob,
18 and I was trying to get them signed to a major label.
19 Crime Mob, when I say they.

20 Q When did you meet the members of Crime Mob?

21 A The first person that I met was Lil Jay. I
22 met him at a club in Decatur. I had a show with
23 Scrappy.

24 Q That's Jonathan Lewis?

25 A Right.

1 Q What happened after you met Jonathan Lewis?

2 A He said he had some songs he wanted me to
3 listen to; he was in a group, Crime Mob, blah, blah,
4 blah.

5 Q Did you listen to the songs?

6 A Not initially, no.

7 Q What happened next in your relationship with
8 Crime Mob?

9 A I saw Lil Jay when we got back from out of
10 town because we were back and forth from Burbank to
11 Atlanta. And when I say we, I mean Darryl and myself.
12 I ran into Lil Jay walking towards Scrappy's house.

13 Q He was walking towards Scrappy's house?

14 A Right.

15 Q Did he know Scrappy?

16 A I presume he knew him. I can't speak to how
17 well he knew him or anything like that. They lived in
18 the same area. I don't know if he knew him. Depends on
19 what you mean by know. Did he know he was Lil Scrappy,
20 had he heard his song on the radio? You know, how he
21 knew him I don't know. But, you know, he definitely saw
22 us driving and was like, hey, hey, hey. So, you know, I
23 guess at that time I didn't know Lil Jay like that so...

24 Q Crime Mob was a group at that time; is that
25 correct, a musical performing group?

1 A I think they were like gangs, to be honest
2 with you. Venetia's here. She could answer that
3 better. She's in the group.

4 Q Did they provide you with music to listen to?

5 A At what point in time?

6 Q At that point we're talking about when you met
7 Lil Jay. You met the members of Crime Mob. You said
8 Lil Jay wanted you to listen to some music?

9 A Right.

10 Q Did you listen to some music?

11 A As I said, not right then.

12 Q At some point did you listen to some music?

13 A Obviously.

14 Q When you listened to the music --

15 A I'm sorry. I didn't mean to say obviously.

16 Q No problem.

17 A But I did listen to them because I eventually
18 signed them to Warner; so yeah, I did listen to the
19 music.

20 Q You liked what you heard; is that correct?

21 A When I heard it initially I liked the
22 potential because what it sounded like -- when I first
23 heard it and what it sounded like after I took them in
24 the studio is two different things.

25 Q So you took the members of Crime Mob into the

1 studio, and you produced them yourself?

2 A In PatchWerk.

3 Q Excuse me?

4 A In PatchWerk.

5 Q What do you mean by that?

6 A Well, before when I initially got, you know,
7 to the point where I was dealing with them, their music
8 was kind of like not mixed, off -- just straight off of
9 a computer, no master, no technical work being done, no
10 real money being spent. No major budgets. No one had
11 given them \$225,000 to go and do anything. They were
12 just, you know, working out of, you know, a shabby home
13 studio. You know, computer type stuff.

14 Q So you took them when you saw their potential.
15 Did you take them to your studio?

16 A When I first sat down and listened to the CD
17 that Lil Jay gave me, I think we were out of town
18 listening to it on the tour bus. I was like, I like
19 this, this is kind of cool, but it sounds crappy. So
20 when we got back to Atlanta it just so happened that
21 Crime Mob was performing at the same show Lil Scrappy
22 was performing.

23 Q Where was that?

24 A It was two clubs in the same area. It's been
25 a long time, but one is called the Aquarium, one is

1 called the Atrium. I can't remember which one it was.

2 Q Did you go to see them at that show?

3 A I did not go to see them because I was there
4 with my artist Lil Scrappy. They happened to be
5 performing there.

6 Q And you saw them?

7 A And I saw them.

8 Q At some point you decided to sign them to
9 Crunk; is that correct?

10 A I signed them for management. Not to Crunk.
11 At first it didn't say Crunk. I just signed them Tommy
12 Phillips because like I said, initially it was no
13 incorporated Crunk. It was just that was -- it was
14 like -- to tell you how it happened, there was a show
15 when I grew up called Kids Incorporated that used to
16 come on.

17 And, you know, I was dealing with Scrappy
18 and his little group G's Up, and they were young, so
19 I was like, this is going to be Crunk, Incorporated;
20 we're going to be Crunk kids. Everything is cool.
21 You're going to be the Crunk kids. It was that type
22 of vibe.

23 So I had not gone and gone downtown and
24 incorporated or anything like that. I had my
25 publishing company. Worldwide Platinum was already

1 incorporated. I had other things incorporated
2 already, other businesses I was dealing with. I just
3 hadn't gotten to the point because we were just a
4 revolving name at that point.

5 Q Why did you decide to sign them as their
6 manager?

7 A Because I felt like I could grow them. Lil
8 Scrappy was a producer. He was the first person that I
9 met. I felt like I could groom him, you know, make him
10 into like a super producer, is what they were going --
11 saying at that time. I felt like musically je was
12 hearing something, you know.

13 And I felt like I could bring out the best
14 in him because like I said, he was -- he might have
15 had 100 beats, but I chose each -- each song that
16 went onto the first Crime Mob album, I chose each one
17 of those songs and structured them how I heard them
18 in my vision in my eyes, what I saw. So it was more
19 of the potential that he had. And I felt like I
20 could grab that, turn it into something marketable.

21 Q And that's why you signed the group Crime Mob
22 to your management?

23 A At first, I didn't know how many people. To
24 my knowledge it was like a gang. That's how it was
25 brought to my attention, Crime Mob is a gang. It was at

1 Cedar Grove and all of these other places. They were a
2 gang, and it was a lot of people in the Crime Mob and --
3 you know. But he --

4 Q How many individuals did you sign as manager?

5 A Initially I signed five people.

6 Q Who were those five?

7 A Chris Henderson, who is one of your clients,
8 criminal defense clients; Jarques Usher who's another
9 one of your criminal defense clients; Venetia Lewis;
10 Jonathan Lewis; and Brittany Carpentero.

11 Q Is she known as Brittany Carpenter?

12 A No, not to my knowledge. She's Brittany
13 Carpentero from the beginning that I met her. When I
14 met her mother, her name was Brittany Carpentero. I
15 don't know if she has aliases. I don't know if she has
16 a fake I.D. She could be doing -- I don't know.

17 I don't know if she was even in the gang
18 Crime Mob when I met them. I think she was just in
19 the same neighborhood. But like I said, it was
20 brought to my attention that they were a gang; and,
21 you know, they were trying to change their lives and,
22 you know, they wanted to do the music thing and, you
23 know, they were doing shows, they were committed to
24 this. And, you know, like I said, I already had
25 something going on very structured with Scrappy, very

1 structured with Warner.

2 Q And you didn't have a problem signing them
3 even though you were told they were a gang?

4 A Well, it took me a long time to finally decide
5 to sign them. What I did was initially sign Lil Scrappy
6 and manage him as a producer. I didn't sign anybody
7 else from Crime Mob at that time.

8 Q So you had a separate contract with Lil
9 Scrappy?

10 A I had a management contract with Lil Scrappy.
11 Then I in turn signed management contracts with each
12 member that was the group Crime Mob.

13 Q When did you sign them as a group to Crunk as
14 a recording artist?

15 A November 15, 2003.

16 Q Why did you decide to sign them as a group to
17 Crunk?

18 A I saw a performance. It was probably about
19 2,000 kids. Everybody knew their song. The kids seemed
20 to like it. I was like, okay, we'll I'm going to try to
21 make some money with this.

22 Q Crunk, Inc., the corporation existed at that
23 time, correct?

24 A November 15, 2003, yes.

25 Q Did you discuss Crime Mob with the other

1 owners of Crunk, Inc. before signing them?

2 A They were already in my group when I
3 incorporated. And I can tell you what could be really
4 helpful to you, because we've had so many run-ins with
5 each other in court. If you go back to the transcript
6 where I took the warrant out on the group members for
7 fraud and stealing, if you go back to that transcript
8 where you called Kendall as a witness, if you go back to
9 that a lot of these facts are in there. I don't know if
10 you read over it, but you can go back, and I can read
11 out of it because Kendall was very clear, he had --

12 Q Today we're just asking you your recollection.
13 We have documents that have been provided by your
14 attorneys, and some of those I'll be asking you about as
15 well.

16 A Okay.

17 Q What do you remember about the nature of your
18 contract with Crime Mob? What was that deal?

19 A Which one? Which contract?

20 Q The recording deal with Crunk.

21 A The original contract or the long form with
22 Warner?

23 Q The November 15th, 2003 you mentioned.

24 A Okay. What specifically would you like? I
25 didn't write it so --

1 Q Who wrote it?

2 A Lee Beitchman to my knowledge. I don't know
3 if he wrote it.

4 Q Did you get it from Lee Beitchman?

5 A Right. I obtained it from Lee Beitchman, and
6 I presented it to all the parents, not the kids. I
7 presented it to each one of the parents of Crime Mob
8 because they minors, and by Georgia law we had to do
9 things a certain way.

10 The only adult at the time frame was
11 Jonathan Lewis because he was 18. And that's why I
12 initially just signed him under management because he
13 was 18; and, you know, I didn't -- all the other
14 stuff when he was saying they were -- I didn't want
15 to deal with them. But on the back of that is the --
16 are the signatures along with the parents, the kids
17 and the Social Security numbers on the first
18 contract.

19 MR. CLARKE: Can we go off the record for just
20 a second?

21 MR. KAUFMAN: Yes.

22 (A brief recess was taken.)

23 Q (By Mr. Clarke) Mr. Phillips, you have
24 named the individual members of Crime Mob that Crunk
25 signed?

1 A Let me stop you. Alphonse Smith is an
2 additional member. He's the sixth member. He was in
3 jail at the time when I got all the paperwork together.
4 When he got out of jail I didn't even know who this guy
5 was. He was running up on me. He's a little guy, kind
6 of tall, whatever. He's saying he's in Crime Mob. I
7 didn't know who he was, blah, blah, blah. So eventually
8 I added him to the roster so he would not be left out.
9 But originally it was five people. Then it became six
10 with Alphonse being the last person.

11 Q Let's go through each name, and you can give
12 their performer names so that if we refer to them as
13 their given name or their performer name, we'll have
14 that on the record who they are. Jonathan Lewis?

15 A That was my idea. Can we put that down that I
16 was trying to help you?

17 Q We can absolutely credit you with that.

18 A Thank you.

19 Q Jonathan Lewis?

20 A Jonathan Lewis, do you want me to spell his
21 name or do you have it?

22 Q We've got the spellings.

23 A He's going to go by either Lil Jay or Jon Jon.

24 Q Venetia Lewis?

25 A Venetia Lewis, you got her spelling, too.

1 Okay. She's going to go by Princess or NeNe.

2 Q And Venetia Lewis, to your knowledge, is the
3 sister of Jonathan Lewis?

4 A To my knowledge.

5 Q Jarques Usher?

6 A His name is going to be either M.I.G., capital
7 M, capital I, capital G, with little dots separating
8 between it, like M, dot, I, dot, G, dot, like that. Or
9 Jarques Migraine.

10 Q Chris Henderson?

11 A Chris Henderson will be Killer C, C Killer or
12 KC.

13 Q Brittany Carpentero?

14 A Brittany Carpentero would be Diamond or Little
15 Diamond.

16 Q And Alphonse Smith?

17 A Alphonse Smith would be Psycho or Psycho Blac.
18 And I think black he spells it like B-L-A-K or something
19 like that. I don't know. He changes it.

20 Q We were speaking about the recording artist
21 agreement drafted by Mr. Beitchman which --

22 A I didn't say -- I obtained it from Lee. Lee
23 could have -- I don't know. I just want to be specific
24 because, you know, I don't want anyone saying that I
25 didn't say. I obtained it from Lee.

1 Q Did you give certain terms to Mr. Beitchman to
2 make sure that they were in agreement with you?

3 A Absolutely not. I'm not a contract lawyer.
4 You know, I'm --

5 Q So whatever the terms were, they were given to
6 you in this contract?

7 A To be honest with you, when I first got the
8 contract I didn't even read it.

9 Q But you gave it to the parents of Crime Mob?

10 A Right. After I took time to read it I gave to
11 them. But when I first got it, I mean, I just had it.
12 It was just sitting around. I didn't take it from him
13 and just go sign them. It was a time process of me
14 having to decide do I really want to go, you know, deal
15 with these people. I didn't know them. I had no idea
16 who they were. I didn't know anything about them.

17 Q And you decided to do it?

18 A I decided to do it.

19 Q Did you yourself negotiate on your behalf?

20 A Negotiate what?

21 Q The contract with the Crime Mob members or
22 their parents.

23 A I didn't negotiate anything as far as like --
24 but terms or something?

25 Q Right.

1 A Like I said, the contract is -- it was
2 complete without signatures. I got that from Lee, and I
3 put it on my desk. After I read through it I thought it
4 was very fair. It seemed to be a 50/50 deal between the
5 company and the group. And I presented it to -- I began
6 to present it to the parents.

7 Q Was there any back and forth with the parents
8 about the terms or did they just sign it?

9 A No. When I gave the contract to the parents I
10 gave each one of them a copy; you need to let a lawyer
11 look at this, y'all discuss it, I think it's fair. I
12 showed them where it was 50/50, and I left it alone.

13 Q To your recollection what was the 50/50?

14 A Co-publishing agreement. Can I have a copy of
15 it?

16 Q The co-publishing agreement?

17 A I was going to tell you the page number.

18 Q We'll ask you about that a minute. What else
19 was 50/50?

20 A Publishing and also, you know, royalties
21 after, you know, recoupment of advances and that sort of
22 thing. The money was supposed to be split 50/50, only
23 after recoupment, only after recoupment of specifically
24 advances, recording costs, any expenditures as far as
25 clothing, rent, which I'll read out of the contract.

1 Q What were your duties according to this
2 contract to the best of your knowledge?

3 MR. KAUFMAN: Let me just try to get some
4 clarification. When you say "your," do you mean
5 his personal or do you mean Crunk, Inc.?

6 MR. CLARKE: I will clarify.

7 MR. KAUFMAN: He's not a party to the --

8 MR. CLARKE: Right. Exactly.

9 Q (By Mr. Clarke) What were the duties of
10 Crunk according to the recording contract that you
11 presented to the members of Crime Mob?

12 A I would feel better reading it to you. So if
13 you could provide me the contract, I can go through it
14 with you.

15 Q We can do that. I was just asking your
16 independent recollection if you had an understanding of
17 what your duties were.

18 A I have an understanding of it, but if you want
19 me to tell you specifically what they were --

20 Q We'll get there. What was your basic
21 understanding of what Crunk was supposed to do according
22 to the contract?

23 A I mean, it was a number of things. That's why
24 I'd like to read. I don't know if you're familiar with
25 recording contracts. And I don't want to mislead you in

1 any way, and it might be better if I read it to you, and
2 I could help you better understand it. If you're
3 familiar with recording contracts --

4 Q I'm familiar with recording contracts.

5 A I didn't know if you had done any before.

6 Q I've done them before, yes. So what were your
7 duties?

8 A One of the major duties was putting out their
9 music to the marketplace. Another was advancing their
10 music as far as to the fans, to the public, not
11 necessarily just placing it to be bought but promoting
12 it, drumming up, you know, business for them. Also
13 recording, choosing songs, maintaining money as far as
14 reserves, maintaining, publishing administration, in
15 some cases power of attorney, which I don't know if
16 we've invoked today, but I don't know if there's a need
17 to. Drumming up business as far as introducing them to
18 other people, that sort of thing. Just almost like a
19 general contractor. Are you familiar with housing and
20 building and stuff?

21 Q Remember, I'm asking the questions today.

22 A Okay. Okay. I just wanted to make sure you
23 understand because I don't have any kind of knowledge of
24 what, you know -- I don't know what kind of law you
25 practice. I know you do criminal law because you

1 represented a couple of the guys, but I don't know.

2 Q When you said you had power of attorney, what
3 was your understanding of what power of attorney you
4 had?

5 A At the time very limited, so...

6 Q I'm showing you what's been marked as
7 Defendant's Exhibit Number 1. And I guess we've got a
8 little issue with the fact that we're both defendants in
9 this. So we may want to --

10 MR. KAUFMAN: My attitude is we just keep
11 running it --

12 MR. CLARKE: If we can do that, that's totally
13 acceptable.

14 MR. KAUFMAN: And this is the first
15 deposition. As you know, I'm new in the case here.
16 So we're starting with one, first deposition.

17 MR. CLARKE: Welcome.

18 MR. KAUFMAN: Thank you. I'll let you know
19 later on if that's a good thing or not.

20 (Defendant's Exhibit Number 1 was marked.)

21 Q (By Mr. Clarke) What does Exhibit 1 appear
22 to be?

23 A It appears to be a copy.

24 Q Of what?

25 A It appears to be a copy of the original

1 contract between Crime Mob and Crunk.

2 Q The contract that we've been discussing?

3 A I don't know because we've talked about
4 several contracts for management to Warner.

5 Q The first regarding artist agreement between
6 Crunk and Crime Mob; is that right?

7 A Well, I mean, I had a management contract.

8 Q The first recording contract between --

9 A The management contract also covered
10 recording.

11 Q So the management contract was for your
12 management as well as your recording services?

13 A My recording services? I didn't -- I'm not
14 following you.

15 Q Let's just stick to this contract then. If
16 you'll look on page 22, is that your signature or does
17 it appear to be a copy of your signature?

18 A It appears to be.

19 Q And looking in the following page, page 23,
20 does that appear to be the signatures as you recall
21 them, the signatures of the Crime Mob members and their
22 parents and their Social Security numbers?

23 A Yes.

24 Q So how long --

25 MR. KAUFMAN: Let me just interject this: If

1 this is going to be filed with the Court and you've
2 got Social Security numbers --

3 MR. CLARKE: We'll redact them.

4 MR. KAUFMAN: Standing order.

5 MR. CLARKE: It actually was somebody's
6 Exhibit F. I believe that was from Mr. Phillips'
7 answer.

8 MR. KAUFMAN: Okay. I would note just there's
9 a standing order from the Court you can't have
10 Social Security numbers non-redacted. So if we can
11 just remember to do that in the event this gets
12 filed.

13 MR. CLARKE: That is acceptable to us. This
14 I'll represent to you was attached as Exhibit F to
15 Mr. Phillips' original answer to the complaint.

16 THE WITNESS: Actually I think I put in a copy
17 of the original that I put in the lawsuit against
18 Kendall.

19 MR. KAUFMAN: Well, as I said, I'm new in the
20 game. I think just for all sorts of reasons aside
21 from the fact there's a standing order of the Court
22 not to have Social Security numbers out there
23 unredacted and so forth. We'll just agree to
24 redact it in some form before it gets filed.

25 MR. CLARKE: Absolutely. As I said this was

1 an attachment.

2 MR. KAUFMAN: Not a problem.

3 Q (By Mr. Clarke) What was the term of the
4 agreement? How long a period did you sign Crime Mob
5 for?

6 A If you could read -- could you read it to me,
7 please, the terms? It should be on page 1. If you
8 could read it to me I'll make sure it's appropriate.

9 Q I'm just asking you the term of the agreement.

10 A Yes. I think it's on page 1, if you could
11 read the term.

12 Q I'm asking you if you will state what your
13 understanding is of the term of the agreement. How long
14 did you have Crime Mob signed for?

15 A Sure. On page 1 it says term, the term hereof
16 the term shall consist of an initial period the first
17 contract period. I'm sorry. I'm going to start over
18 because there are like A's and ones and stuff.

19 Q I'm not asking you to read the agreement. I'm
20 just asking you what the term of the agreement with
21 Crime Mob was. For how long did you have and the
22 artists signed?

23 MR. KAUFMAN: Hang on. Let me just object to
24 the form to the extent it calls for a legal
25 conclusion. You can answer to the best of your

1 understanding.

2 Q (By Mr. Clarke) And thank you. I'm asking
3 for your understanding of what the -- how long you
4 had them signed for.

5 A My understanding is going to be what's written
6 here, what everybody signed to. And I feel more
7 comfortable reading it for you because anything else
8 could be just my opinion, speculation. I don't want to
9 that. What I'd rather do is read what's agreed to, and
10 then as a lawyer you can tell me if I'm wrong.

11 Q You can answer it how you want. I'm just
12 asking you what your understanding is of how long a
13 period you had the Crime Mob members signed to.

14 A Okay. It says on page 1, 1, section term, A,
15 the term hereof, the term shall consist of an initial
16 period, the first contract period. B, you hereby
17 irrevocably grant to the company five separate
18 consecutive options to extend the term for a second,
19 third, fourth, fifth, sixth contract period
20 respectively, subject to paragraph 1 A above. Each such
21 option shall deemed to be exercised by company unless it
22 shall give you written notice to the contrary at any
23 time prior to that date, to the date that -- then
24 current contract period would otherwise expire.

25 C, the first contract period shall commence

1 on the date hereof and shall continue until date
2 here -- and then the number 12 -- months after the
3 delivery to company of the minimum recording
4 commitment for each contract period.

5 Each subsequent contract period shall
6 commence on date following the date of expiration of
7 the immediate -- immediately proceeding contract
8 period and shall continue until the date 12 -- then
9 the number 12 -- months after delivery to company of
10 the minimum recording commitment for such contract
11 period.

12 Now, that is the term for the exclusive
13 recording artist agreement; but there's also a term
14 in the Warner contract. And I can read that to you.

15 Q We'll get to the Warner contract.

16 A But the terms -- I don't know if the terms
17 were identical.

18 Q I'm asking about this particular contract,
19 Exhibit 1 that we're looking at.

20 A Sure.

21 Q Who was to pay for the recording costs for
22 recordings of Crime Mob?

23 A That depends. If the company didn't have a
24 distributor the company would. If the company got a
25 distributor, then the distributor would give the funds

1 to the company, then the company would pay for it.

2 Q Was part of your role to find a distributor
3 for Crime Mob?

4 A Yes. And I did that.

5 Q When did you do that?

6 MR. KAUFMAN: Let me just interject an
7 objection. When you use the word you, do you mean
8 him personally or do you mean Crunk, Inc.? If you
9 can clarify that, I think that would be helpful.
10 And I assume all of these questions that call for
11 legal conclusions -- I don't want to interrupt you.
12 I'll just have a standing objection to the extent
13 it calls for a legal conclusion. He can give his
14 understanding. He's obviously not a lawyer.

15 Q (By Mr. Clarke) These questions regarding
16 the contract are regarding Crunk and your role as an
17 owner of Crunk. And I will say that all these
18 questions are about Crunk because the contract was
19 with Crunk, not with you personally. That was the
20 management agreement. So I'm going to be asking you
21 about Crunk.

22 A Have you read this contract?

23 Q I have read this contract.

24 MR. KAUFMAN: He can ask the questions.

25 THE WITNESS: Because I would go slower if he

1 didn't --

2 MR. KAUFMAN: No, no; he's fine. Thank you.

3 Q (By Mr. Clarke) Distribution, was part of
4 Crunk's role to find distribution. And I believe you
5 said yes. And when and how did that come about, the
6 finding of distribution for Crime Mob's albums?

7 A Warner asked me if I'd like to bring a group
8 to them and start a label with them prior to me signing
9 Crime Mob to Warner. The option was there because of
10 the work that I'd done with them for Scrappy and
11 Trillville and the work that I had done on the road and
12 just being a good leader. It took me a while to decide
13 to go ahead and bring Crime Mob into Warner, but I
14 eventually did that. And the deal was signed March 29,
15 2004.

16 Q And that was a deal between Crunk and Warner
17 Bros.?

18 A Right. Not Crime Mob. And I was the
19 principal, I think, on page 24 of the Warner Bros. deal.
20 If you could give me that contract I could show you
21 where it specifically says that I am the principal for
22 Crunk and I am to remain the principal for Crunk
23 throughout the term. Any change in principal would have
24 to be done by a court order.

25 Q According to Exhibit 1, the Crime Mob

1 contract, who was to pay -- well, we already talked
2 about who was to pay recording costs. Since you got the
3 distribution deal did that mean that Warner was going to
4 pay the recording costs for Crime Mob albums?

5 A You have to pull out the Warner contract.

6 Q Did Warner pay recording costs for Crime Mob
7 albums?

8 A Did they pay me to do that? Yes. Did I have
9 to reimburse them for that money that I paid? Yes.
10 That's why I said you can't really get into what Warner
11 did with my personal contract with Crime Mob because
12 this is not the Warner contract. There is a separate
13 contract. That's why I'm asking you if you read this.
14 Because there's a separate contract dated March 29, 2004
15 that is long form -- I'm sure you know what that is -- a
16 long form contract for Crunk for the services of Crime
17 Mob.

18 Q And I can just go ahead and tell you so that
19 we don't have to keep going through this, we will be
20 talking about that contract next. Right now we're
21 talking about this contract, Exhibit Number 1.

22 A There's no Warner information.

23 Q I will be asking you questions about this
24 contract.

25 A Okay. I was just saying, you was asking

1 something about information that's in another contract.
2 That's why I was trying to get you focused. You keep
3 skipping to the other contract. Nobody from Warner
4 signed this contract. So you're asking about Warner,
5 and I'm saying, well, go ahead and open up the Warner
6 contract, and we can discuss that. But you're talking
7 about this contract. Warner is not a party to this
8 contract.

9 Q What Crime Mob albums did Crunk release?

10 A Crime Mob and Hated on Mostly. The first
11 album was called Crime Mob. The second album was called
12 Hated On Mostly. The third album was the Greatest Hists
13 album, and it's called the Crunk Recordings.

14 (Brief interruption.)

15 Q (By Mr. Clarke) Looking at page 19 of
16 Exhibit Number 1, you'll see paragraph number 23
17 regarding merchandising rights.

18 A Right.

19 Q You see that?

20 A Yes.

21 Q What rights did you have, you being Crunk,
22 regard regarding merchandising under this contract?

23 A Okay. Section 23, merchandising rights, page
24 19, it is herewith understood and agreed by the parties
25 that all merchandising net profits shall be divided

1 equally between artist and company. All decisions
2 regarding the placement of merchandising with a
3 third-party or the cost of manufacturing, marketing and
4 distribution of merchandise by artist and/or company
5 shall require the mutual agreement of the parties
6 hereto, and neither party may act unilaterally with
7 regard to these merchandising rights.

8 Q According to this agreement, Exhibit 1, how
9 were you to split with Crime Mob any funds that came in?

10 A In this agreement?

11 Q Yes, sir.

12 A This is not void, is it?

13 Q What's that?

14 A That's not void, is it?

15 Q Again, I'm asking the questions.

16 MR. KAUFMAN: Just so we're clear, when you
17 say you, do you mean Crunk?

18 MR. CLARKE: All questions regarding this are
19 with regard to him as Crunk.

20 A I'm sorry. When I speak I just want to
21 speak -- if it's valid, I want to speak as if it is
22 valid. If you don't think it's valid, then I need to
23 know that, too.

24 Q (By Mr. Clarke) In this contract,
25 according to this contract -- let's take a step back.

1 A Okay.

2 Q Funds that you expended on behalf of Crime
3 Mob, how were you to be reimbursed?

4 A I can recoup advances, expenditures, recording
5 costs, anything that has to relate to putting a project
6 together or promoting the group. I can recoup that
7 through all royalties.

8 Q And that's in the contract, in this contract,
9 Exhibit 1?

10 A Yes. You want me to read it to you?

11 Q No. I'm just asking your understanding, you
12 being Crunk. When you say recoup, what do you mean?

13 A That means before -- specifically what it says
14 is before the artist is paid, all funds owed to the
15 company must be reimbursed first. That's called
16 recoupment.

17 Q And those would be the funds -- you've already
18 you explained what those were, the funds you spent on
19 behalf of Crime Mob?

20 A Right.

21 Q After those funds have been recouped, how was
22 additional income to be split between Crunk and Crime
23 Mob?

24 A Well, some money is to stay in reserves.

25 Q How much?

1 A Let's go to reserves.

2 Q Where is that in the contract?

3 A I'm going to read it to you. I don't like
4 to -- because I'm not a lawyer, so my best thing is just
5 to read it. When it comes to contract I don't want to
6 speculate or anything.

7 Q Where is that in this contract?

8 A I'll see. Okay. Can you go to page 6? And
9 let me know when you're there. You have to say yes
10 because she doesn't know that you're nodding. Sorry
11 about that. Okay. This will be under Section 9,
12 miscellaneous royalty provisions. What I'll do is I'll
13 read B and C just to let you know because that's going
14 to answer both of your questions. No royalty shall be
15 payable to you unless and until company has recouped all
16 advances and all recording costs if applicable. Do you
17 see where I'm reading?

18 Q I do see.

19 A I didn't know. You got to let me know.

20 Q Mr. Phillips, answer the question.

21 A Okay. If applicable. And all permissible
22 offsets hereunder, in connection with the master
23 recordings produced hereunder from the royalties payable
24 to you in respect of net sales of phonograph records
25 embodying such masters, and after such recoupment

1 royalties shall be computed and paid to you only on
2 those records sold by company or its licensees after
3 such recoupment.

4 No royalties shall be payable to you in
5 respect of phonograph records sold by company, the
6 distributor or its licensee, until payment for such
7 records or credit against an advance previously
8 received has been received by company in the United
9 States of America.

10 For accounting purposes sales of records
11 hereunder by any person other than company, e.g.,
12 company's licensees, shall be deemed to occur not
13 earlier than the same semi-annual accounting period
14 in which such person accounts to and pays company
15 therefor.

16 I'm not a lawyer, but I think what this is
17 saying is no royalties shall be paid to the group
18 until we get recouped our money. Now I'm going to go
19 on and read about the royalties and the reserves.
20 That would be Section C under miscellaneous royalty
21 provisions.

22 Company shall have the right to withhold a
23 portion of your royalties as a reserve for returns,
24 rebates, credits and exchanges equal to not more than
25 25 percent to be liquidated after the fourth

1 accounting period of company. The reserve
2 established by company and the liquidation thereof
3 shall be adjusted to match that of distributor, if
4 one is employed, based upon the customary policy for
5 artists signed directly to the distributor but not
6 less than the amount established by company.

7 Q Mr. Phillips, do you understand what
8 liquidation means?

9 A Can I finish? I have one more section, E. I
10 wasn't finished with my answer.

11 Q If you want to finish your answer, that would
12 be --

13 A The royalty payable to you hereunder includes
14 all royalties due you and any other person engaged by
15 you or deriving rights from you. Company shall not be
16 responsible for paying royalties due any producers,
17 mixers, remixers, engineer engaged by or on behalf of
18 you. Neither you nor artist shall be entitled to any
19 additional compensation as the producer or co-producer
20 of any masters.

21 Q Mr. Phillips, do you understand --

22 A Artist shall not be entitled to any additional
23 compensation.

24 Q Do you understand what liquidation means? You
25 were telling us about liquidation.

1 A I would understand it better if you gave me
2 the definition, because usually like in contracts they
3 have words defined. If you could define it in your
4 terms I'd have a better understanding.

5 Q You mentioned earlier you, being Crunk, could
6 hold back some reserves. Do you remember that, saying
7 that?

8 A Right.

9 Q Did you also understand that at some point you
10 have to pay out the reserves that you held back?

11 A To my understanding it says to be liquidated
12 in -- it's on page 9. Excuse me. I want to respeak.
13 Page 6, Section 9, miscellaneous royalty provisions, C,
14 it says, to be liquidated after the fourth accounting
15 period of company. Not the first, second or the third.
16 It would be the fourth. So that would with the fourth
17 quarter.

18 Q So your understanding of accounting periods is
19 quarters?

20 A It depends on whose accounting. I mean, what
21 do you mean? People do different accounting.

22 Q Was there not an accounting provision
23 directing -- for this contract dictating how the
24 accounting was to be done?

25 A There is, and it's under accounting. I can

1 take you to that if you want to read that.

2 Q How often were you, being Crunk, being
3 required by this contract to account to Crime Mob?

4 A That's listed under royalty accounting.

5 Q Okay. Without reading, what is your
6 understanding of how often you were to account to Crime
7 Mob?

8 A You're asking me from my memory?

9 Q I am asking you from your memory. You said
10 that's what you do for a living, Mr. Phillips.

11 A I didn't say I was a memory expert.

12 Q You said that you account and pay royalties
13 for a living as part of your company business. How
14 often were you required under --

15 A I was --

16 Q Excuse me. Let me finish my question. How
17 often under this contract were you required to pay
18 royalties to Crime Mob?

19 A Do you want me to answer?

20 Q I do.

21 A On page 7, Section 10, royalty accounting.

22 Q So you have no independent recollection or
23 understanding of how often you were to pay royalties to
24 Crime Mob according to this contract?

25 A I didn't say that.

1 Q Then please answer the question.

2 A I'm answering.

3 Q If you don't know, say, I don't know.

4 A I didn't say I don't know.

5 Q Okay. How often were you of your independent
6 recollection and understanding, how often were you
7 required by this contract to pay royalties to Crime Mob?

8 A Before I go any further, are you familiar with
9 Federal Rule 30(d)3?

10 Q Would you answer the question.

11 A If you're making me uncomfortable, I will
12 suspend this matter and we can go in front of a judge.

13 MR. KAUFMAN: Hang loose. He's --

14 A (Continuing) I'm answering by reading. If
15 you don't like that, that's your problem. But I'm
16 answering your question.

17 MR. CLARKE: Could you instruct your client to
18 answer the question?

19 MR. KAUFMAN: If your answer is just going to
20 be a recitation of Section 10A, if that's the
21 entirety of your answer, then all you need to do is
22 just say that. If there's something you want to
23 add to that, then you can go ahead and do that.

24 Q (By Mr. Clarke) Before we go into that --

25 THE WITNESS: Can I answer?

1 MR. KAUFMAN: Hang on.

2 Q (By Mr. Clarke) For the record, I just
3 want to make sure you understand that I have asked
4 you without reading if you have an understanding of
5 you how often you were to account to Crime Mob. Is
6 that a yes or no? Do you have an understanding of
7 how often you were to account to Crime Mob?

8 A Yes.

9 Q You have an understanding. What is your
10 understanding?

11 A I'm going to refer to Section 7 -- on page 7,
12 Section 10, royalty accounting.

13 Q All right. What is your understanding of how
14 often you were supposed to account to Crime Mob?

15 A My understanding is that it's listed under
16 royalty accounting.

17 Q And what was that understanding?

18 A The understanding that on page 7 there are
19 three sections, A, B and C, and information listed under
20 there specifically that was given to six parents, six
21 band members and their attorney.

22 Q The question is, how often were you supposed
23 to account to Crime Mob, you being Crunk?

24 A What I have to do is refer to Section 10 under
25 royalty accounting, page 7.

1 Q So that is correct. In other words -- and I
2 can move on. In other words, whatever Section 10 says
3 is what you are saying is how often you were supposed to
4 account?

5 A Not just Section 10. Hold on one second.
6 Hold on one second. Because if they don't ask for the
7 accounting properly then everything is final. So hold
8 on one second. It's not just Section 10, if you hold on
9 one second for me.

10 Q The question is --

11 A Yeah, I know the question. I'm good on the
12 question. I'm going through the contract because I'm
13 obligated -- that's why I asked you if it was binding,
14 because if it's valid then I'm obligated to this
15 contract. And I can't breach myself. You can't make me
16 breach myself, so I have to go to the contract.

17 Q Mr. Phillips, no one is asking that. I'm
18 simply asking a question.

19 A And I simply responded to you in the way that
20 I thought was best.

21 Q You have stated that you have an understanding
22 of how often you were required under this contract,
23 Exhibit 1, to account to Crime Mob. I have said, what
24 was your understanding of how often you were to provide
25 accountings to Crime Mob. What is your answer to that

1 question?

2 A I've answered the question, but I might add
3 something additional to it.

4 Q What was your answer, just for clarity?

5 THE WITNESS: Can you read back my answer,
6 please?

7 MR. KAUFMAN: Let me suggest this. It seems
8 to me -- and you'll correct me if I'm wrong -- his
9 answer is that that response would be consistent
10 with the provisions of 10A. He's also saying that
11 there may be other provisions in the contract that
12 may modify that or affect that in some way. And
13 that's what he's looking for now.

14 Q (By Mr. Clarke) So basically the contract
15 speaks for itself? Is that your answer, that the
16 contract -- if you were required to give an
17 accounting, your understanding of how you were
18 required to account is what's written in the
19 contract? You didn't have a different understanding
20 other than what's in the contract?

21 A Do I have a different understanding of --

22 Q -- how you were to account to Crime Mob.

23 A Other than this contract?

24 Q Right.

25 A I'm only bound in this contract.

1 Q Okay. That's fine.

2 A But the reason I was asking you to pause and
3 stay focused is because there is another contract. In
4 our business it's called a long form contract. See,
5 and --

6 Q Do you have a copy of the long form contract?

7 A Can I finish my statement? I don't want to
8 cut you off, and I don't want you to make me feel
9 uncomfortable by cutting me off. So what I'm going to
10 say is that this is the original contract, and I'm going
11 to give you a small breakdown of what that means. This
12 is prior to Warner, okay? But there is a long form
13 contract with different provisions inside of that
14 contract that might be different from this.

15 So you have to slow down, Mr. Clarke. You
16 have to slow down. I'm not an attorney, but I did
17 put my signature on these contracts, and I'm bound by
18 this. And I understand that you're an attorney, and
19 I respect that. I want that on the record. I've
20 dealt with Mr. Clarke on numerous occasions. I've
21 always been respectful to him as the transcript will
22 show from the prior criminal case that I had to bring
23 against his people.

24 Q Your understanding then or your testimony is
25 you have another contract, you being Crunk, have another

1 contract with the members of Crime Mob?

2 A That's not what I said.

3 MR. KAUFMAN: Let me object to the form of the
4 question. And, in fact, I don't like to get into
5 speaking objections, but I believe what Mr.
6 Phillips is saying that there may be other
7 contracts, Warner Bros. contract, a long form
8 contract that may modify the terms of Exhibit 1 in
9 some way. So you're going to have to look at the
10 contracts together in some manner in order to make
11 some determination as to what the terms and
12 provisions are. Do you have a copy of the long
13 form contract?

14 MR. CLARKE: We have -- as I stated
15 previously, we have a copy of the contract with
16 Warner and Crunk that is going to be Exhibit Number
17 2. We don't have a different --

18 MR. KAUFMAN: I just want to make sure that
19 everybody's got the universe of contracts. I don't
20 know if the reference to a long form contract meant
21 the contract that you made reference to earlier,
22 Warner Bros. contract.

23 MR. CLARKE: Neither do I, and that's what I
24 was trying to get out from Mr. Phillips.

25 THE WITNESS: That's what I was trying to ask

1 you, if you have knowledge about the business,
2 because that's what it's called, a long form
3 contract. I got that from Lee. He's a contract
4 attorney. And the contract that I did with Warner,
5 the distribution contract is called a long form
6 contract.

7 Q (By Mr. Clarke) Well, now we're on the
8 same page with that.

9 A This is not the long form contract. This is
10 what's called the short form contract which is the
11 original that was incorporated into the long form to
12 make it. Most of the terms in the long form contract
13 came from the short form contract which is the original
14 contract.

15 Q And what you're referring to as the long form
16 contract Crime Mob is not a party to; is that correct?
17 That's between Crunk and Warner? Is that correct?

18 A I don't want to say they're not a party
19 because I'm not a lawyer. I know I signed it on behalf
20 of Crunk.

21 Q And who else signed it?

22 A Warner.

23 Q And the members of Crime Mob did not sign it?

24 A Yes, they did sign it.

25 Q Oh, they did sign it?

1 A In some kind of capacity.

2 Q Would be an inducement --

3 A Their parents signed for them because they
4 were minors. And I think Kendall made a claim that
5 somehow that the contract was invalid or something when
6 I originally sued and you were the attorney. And, of
7 course, that was fraudulent because their patients
8 signed it. I don't know how he could even say that.

9 MR. KAUFMAN: Let me him just ask the
10 question -- we can move on.

11 Q (By Mr. Clarke) The accountings that we
12 were talking about that you were required to make,
13 what accountings did Crunk send to Crime Mob?

14 A Without Warner or with Warner?

15 Q What accountings did Crunk send to Crime Mob?
16 You can address that as with Warner, without Warner or
17 whatever you want to say. What accountings --

18 A We gave them -- to my knowledge, we gave them
19 one accounting late 2004 that was done by Nakita Avery
20 which is Lee Beitchman's assistant, and that was at the
21 request of Kendall Minter who was the attorney for Crime
22 Mob who you defended. You know him very well. I think
23 his associate is here.

24 THE WITNESS: What's your name, sir?

25 MR. WILLIAMS: Terrence.

1 A (Continuing) The guy Terrence is here for
2 Kendall. But Kendall asked Lee Beitchman for an
3 accounting. We gave him an accounting. I think better
4 what we could do is pull out the transcript and read
5 Kendall's testimony where he admits that he did get
6 information about an accounting. I know that very well,
7 too.

8 If you pull out the transcript from the
9 warrant hearing when I filed criminal charges against
10 Crime Mob for theft and other things where you were
11 the attorney, Crime Mob was there. You were their
12 attorney, and you also called Kendall as a witness.
13 And he admits in testimony that he got some form of
14 accounting from us. Let's pull that out, and we can
15 read it.

16 Q I don't know that we got a copy of that, so if
17 you'll put that on the list.

18 A Oh, no, you have that.

19 Q We have that?

20 THE WITNESS: Can you show him the original,
21 Josh, so he can be refreshed? Because he was
22 there. You were there. You were the lawyer, and I
23 got it transposed. I paid the lady to transpose
24 it.

25 MR. KAUFMAN: You mean transcribe.

1 THE WITNESS: I'm sorry. That's what I mean.
2 You guys have to tell me what's going on. But
3 that's important because you were asking me some of
4 these same questions in that warrant hearing. And,
5 you know, because the judge said --

6 Q (By Mr. Clarke) Just so that we can be
7 clear, Mr. Phillips, there may have been some things
8 in other proceedings, but we're just dealing with
9 this proceeding here today.

10 A Sure.

11 Q We're not dealing with criminal hearings
12 against members of Crime Mob. We may be dealing with
13 some of your criminal hearings if they're relevant,
14 if --

15 A This is relevant because Kendall was his
16 lawyer, and you asked --

17 Q But we don't have copies of that. We're just
18 dealing with what you --

19 A You've had copies. You have copies. And the
20 reason I said that is because, again, I'm trying to keep
21 you focused, Mr. Clarke. Because what you asked me for
22 is when did we give the group accounting. And I said,
23 well, we gave the group accounting at the request -- way
24 before the fourth quarter term when we were supposed to
25 give it to them.

1 We gave it to them upon demand from Kendall
2 Minter in late 2004. It was done by Nakita Avery who
3 was the assistant to Lee Beitchman. She put all the
4 facts together. This was done late 2004. Kendall
5 got it. I don't know if Kendall was happy with it,
6 but he definitely got it.

7 And the reason I brought up the testimony
8 is because Kendall speaks about that on the
9 transcript at the warrant hearing when I filed
10 charges against the group for fraud and theft and
11 that sort of thing. That's why I said pull it out
12 because Kendall is not here. His assistant is here.
13 But his words are very valid. He said in there that
14 I paid -- you should read that. We gave it to you.

15 That's why I asked you anything you put in
16 front of me -- I asked you not to be personal with
17 you. I asked, have you read this. Because if I'm
18 going to engage with you on something like a contract
19 or something like that that I'm familiar with, I
20 don't want to have an advantage over you because I
21 know it. I know that transcript and I know
22 Kendall -- you called him has a witness, and he
23 speaks for at least 10 or 15 minutes about the
24 accounting. You were his lawyer.

25 MR. KAUFMAN: Let him ask his questions.

1 Q (By Mr. Clarke) Other than the accounting
2 provided in late 2004 that you've been speaking of,
3 did Crunk provide any other accountings to Crime Mob?

4 A All the contracting came directly from Warner
5 as of 2005 to Crime Mob. I think you got a copy of that
6 from Warner and ASCAP. I don't know if you're skipping
7 over evidence; but, I mean, you've got that so -- I
8 signed Crime Mob on March 23rd, 2004 to Warner.

9 Q So yes or no, and you can explain. Yes or no,
10 did Crunk provide any other accountings to Crime Mob
11 other than the one in 2004 that you mentioned? Yes or
12 no?

13 MR. KAUFMAN: Let me object to the form. Do
14 you mean directly or indirectly via Warner Bros. or
15 what are you seeking specifically?

16 MR. CLARKE: Did Crunk itself provide any
17 accounting.

18 MR. KAUFMAN: So did it directly provide an
19 accounting?

20 MR. CLARKE: Right.

21 MR. KAUFMAN: You can answer yes or no.

22 Q (By Mr. Clarke) And then I'll ask
23 indirectly. So directly did you, Crunk, provide any
24 accountings to Crime Mob other than the one?

25 A I cannot speak -- I cannot answer that

1 truthfully because I was not the attorney. Leron Rogers
2 would know, Uwonda Carter would know. Unfortunately I
3 sued both of them for breach and fraud, so I don't know
4 how helpful they'll be with you. I think you were
5 involved in one of those cases as well. But I was not
6 the attorney, and I was not the accountant. I'm sorry.

7 Q So it was your understanding that it was the
8 attorney or the accountant's job, not your job to
9 provide that?

10 MR. KAUFMAN: Objection. Objection to the
11 form of the question.

12 Q (By Mr. Clarke) Who was the accountant for
13 Crunk?

14 A When?

15 Q Let's start from the beginning, 2003.

16 A Nakita Avery did the accounting, like I said.

17 Q Does she have a company, company name?

18 A She worked for Lee.

19 Q Is that Lee Beitchman?

20 A Lee Beitchman.

21 Q And she was an accountant who worked for Mr.
22 Beitchman that did accounting for Crunk; is that right?

23 A She was hired to do one thing. She did an
24 accounting because Kendall asked for it.

25 Q After Ms. Avery, who was the accountant for

1 Crunk?

2 A You'd have to ask Leron Rogers, and after
3 Leron Rogers you'd have to ask Uwonda Carter.

4 Q Now, those were the attorneys for Crunk, so
5 they would be the ones who were aware of the accountant
6 for Crunk?

7 A That's right.

8 Q And you were not involved in the hiring of the
9 accountant for Crunk or anything regarding the
10 accountant for Crunk?

11 A No. Sorry.

12 Q Did you ever personally prepare any
13 accountings for Crunk? Let's start with Crunk.

14 A Me?

15 Q Yes.

16 A I'm not an accountant.

17 Q Do you keep the books for Crunk?

18 A At one point I kept the check stubs that I
19 wrote.

20 Q When was that?

21 A 2004.

22 Q So you did that for one year?

23 A I did that after we opened up a bank account
24 for about one year. You know, as it relates to Crime
25 Mob I kept up with that for one year. Of course, after

1 2005 as you know -- you should know if you read --
2 Warner was giving Crime Mob direct statements and
3 payments as of 2005. So I don't know why you would be
4 asking me anything after a year. I mean, unless you
5 have something else --

6 Q Where was the bank account opened for Crunk?

7 A Which bank, which one, which account?

8 Q You said there was an account opened the 2005?

9 A There was one account that I know about.

10 There was another account opened by Leron Rogers.

11 Q What account did you know about?

12 A SunTrust.

13 Q What account did you find about that Leron
14 Rogers opened?

15 A One was at Bank of America, and he said --
16 according to Leron in the suit that we were engaged
17 in -- I think you represented Kendall at that time -- I
18 found out that there was something called Mob Music that
19 the group went and did something with -- you know and
20 Kendall know that better than me.

21 Q I'm asking about Crunk. What bank accounts
22 did Crunk have?

23 A My personal knowledge, it was SunTrust. I was
24 the only signatory on it. And then somehow there was
25 another one opened. I don't know anything about that.

1 You have to check with Leron. I know you know him well.
2 I think he works over at Vibe or something like that
3 now. He's no longer doing entertainment. After I sued
4 him I think he got out of that. But I know you know how
5 to track him down. You're cool with him, I know.

6 Q As far as music publishing you say that you're
7 in the music publishing business?

8 A Yes.

9 Q And I believe you've named some music
10 publishing companies?

11 A Yes.

12 Q Heiress, Lordess and Friends, that's Crunk's
13 ASCAP company; is that correct?

14 A Yes, sir.

15 Q And Intellectual Thinking Music is Crunk's BMI
16 company?

17 A Yes, sir.

18 Q Are you affiliated with ASCAP or BMI as a
19 writer?

20 A BMI as a writer, me personally.

21 Q You personally as a writer?

22 A Exactly. That would be called Worldwide
23 Platinum.

24 Q Worldwide Platinum is a --

25 A Publishing.

1 Q And that's your publishing for you as a
2 writer?

3 A For me, Tommy Phillips.

4 Q And that's a BMI company as well?

5 A Yeah. I think I gave you a list of those in
6 the beginning.

7 MR. KAUFMAN: Just so that we're clear, I
8 believe he testified that those were d/b/a's. I'm
9 not sure if they're actual companies.

10 THE WITNESS: Right. They're d/b/a's.

11 Q (By Mr. Clarke) And Heiress, Lordess and
12 Friend is Crunk doing business, correct? That's a
13 Crunk d/b/a with ASCAP as opposed to a Tommy Phillips
14 d/b/a?

15 A I'm kind of confused what you're asking.

16 Q Who does business as Heiress, Lordess and
17 Friends? Is that Crunk or is that Tommy Phillips?

18 A I think what I said earlier -- you might want
19 her to read it to you.

20 Q It doesn't matter what you said earlier. I'm
21 asking you now.

22 A Well, that's what I'm trying to find out. I
23 said it. If you're not understanding it maybe I can say
24 it a different way to help you remember it. Do you need
25 me to say it a different way? That's why I say I'm

1 confused. I've answered the question; but if you're not
2 understanding or forgetting or your memory is fading, I
3 can rephrase it a different way for if you need me to.
4 That's that I'm saying.

5 MR. CLARKE: If you can just ask him to
6 answer.

7 MR. KAUFMAN: What's the name of the --

8 MR. CLARKE: Heiress, Lordess and Friends
9 which is an ASCAP company. It's a d/b/a, and I
10 just want to know who owns it.

11 MR. KAUFMAN: For whom?

12 THE WITNESS: For Crunk.

13 MR. KAUFMAN: Crunk, Inc.

14 A Just to be specific, let me say this one more
15 time. At BMI we have a company. When I say we I mean
16 Crunk, Incorporated is a d/b/a called Intellectual
17 Thinking Music. There is another d/b/a at ASCAP called
18 Heiress, Lordess and Friends. Both of those d/b/a's
19 belong to Crunk, Incorporated. I have a personal d/b/a
20 called Worldwide Platinum Publishing at BMI for Tommy
21 Phillips, IV. I mean, the reason I thought you knew
22 those things, because they've been brought up in suits
23 you handled. I thought you were familiar with it. I'm
24 sorry.

25 MR. KAUFMAN: Alan, let me ask this: We've

1 been going two hours. Is now a good time for a
2 break? You want to take a five-minute break?

3 MR. CLARKE: If you need one. I wanted to get
4 through a little bit.

5 MR. KAUFMAN: Sure.

6 MR. CLARKE: Unless anybody --

7 MR. KAUFMAN: Let's plow on.

8 MR. CLARKE: Okay.

9 Q (By Mr. Clarke) Mr. Phillips, you
10 understand music publishing obviously because you're
11 in the music publishing business. You understand how
12 music publishing works?

13 A To some degree.

14 Q Can you explain the difference between the
15 writer's share of a composition and the publisher's
16 share of a composition?

17 A I mean, it depends on what you want me to
18 explain. If you explain it to me I'll tell you if you
19 understand.

20 Q Do you know the difference between the
21 writer's share and the publisher's share?

22 A I know they're two separate things; yes, sir.
23 I know that as far as this contract both of those would
24 be considered royalties. Am I right?

25 Q Well, again, I'm asking you your

1 understanding. My understanding --

2 A I'm trying to get on the same page with you.

3 Q I appreciate that.

4 A I think in this contract specifically it says
5 all royalties which would include writers and publishing
6 shares, I think. I can read that to you if you want me
7 to.

8 MR. KAUFMAN: Go ahead. He hasn't asked that.
9 Let him ask the questions.

10 Q (By Mr. Clarke) That might be a good idea.
11 Where does it --

12 A See, I'm helping you. You have to acknowledge
13 when I help you though. You have to say thank you.

14 Q I appreciate all the help I can get.

15 A I'm just trying to keep you focused, Alan.

16 Q Where in the contract, if you can show me,
17 does it say that Crunk or Crunk's publishing company has
18 the rights to the song writing royalties of the member
19 of Crime Mob? And when I say song writing royalties I
20 mean the writer's share, not the publisher's share.

21 A Maybe we should have -- never mind. Page 3,
22 Section 7, grant of rights. We want to read this
23 paragraph.

24 Q No, no. If you could just point to the part
25 that talks about the writer's shares of music publishing

1 royalties.

2 A And I'm going to just -- I'm going to read
3 because I know you said you have an understanding of the
4 music business. I'll just start right there.

5 Q Right.

6 A I'm sorry. Hold on one second. Let me get
7 this out. It says, company throughout the world free
8 from any claims whatever by you or any persons. I'll
9 start right in here. And company shall have the
10 exclusive right to copyright such master recordings in
11 his name as the owner and author thereof throughout the
12 world. And see, it says author thereof throughout the
13 world and to secure any and all renewals and extensions
14 of such copyrights. Solely for the purposes of any
15 applicable copyright law each and every master recording
16 recorded hereunder shall from the inception of its
17 creation and regardless of the state of completion
18 thereof be considered a work made for hire for company
19 within the meaning of United States copyright laws.

20 Q Right. And I appreciate that, Mr. Phillips.
21 Now, you've read about the master recording copyright.
22 I'm talking about the composition copyright. And you
23 understand there's a difference between the copyright
24 and a master recording and the royalties --

25 A What I'm doing there.

1 Q Let me finish my question -- and that there's
2 a copyright for a sound recording, a master recording,
3 and a copyright in a composition? You understand that,
4 correct?

5 A Let me just say if --

6 Q Do you understand there's a difference, yes or
7 no?

8 A I'm going to --

9 Q Yes or no?

10 A You're going to have to help me here. On page
11 12 it says --

12 Q Before we get to the contract -- excuse me,
13 Mr. Phillips. I'm asking the question, and it's yes or
14 no as the answer.

15 MR. KAUFMAN: He's entitled to ask for a yes
16 or no, and then you have the absolute right to
17 explain.

18 A If you can elaborate a little bit for me.

19 Q (By Mr. Clarke) Okay. Absolutely.

20 A Do you mean composition as far as this
21 contract?

22 Q No, sir. I'm just asking in general, just a
23 general understanding.

24 A I can only go by the definition of composition
25 in this contract which is listed on page 12 as it says

1 composition.

2 Q Do you understand --

3 A Because it says --

4 Q Let me finish my question. Do you understand
5 that that there's a difference between a copyright and a
6 master recording, a sound recording and the composition,
7 the written composition that is embodied in that
8 recording?

9 A Yes.

10 Q Okay. So as far as the composition, looking
11 at the composition, where in this contract does it say
12 that Crunk has the rights to the song writer's share of
13 royalties from a composition?

14 A Crunk has absolute right to any and all
15 royalties before we -- you know, until we recoup our
16 money. So we have a right to everything.

17 Q So you're saying that this contract gives you
18 the rights to the songwriter's share, the writer's share
19 of royalties?

20 A Is that royalty though?

21 Q Well, I'm asking you --

22 A To my understanding, writer's royalty is a
23 royalty. Am I right or am I wrong?

24 Q Where in the contract does it say that Crunk
25 has the rights to the writer's share of royalties?

1 A It says all royalties.

2 Q Where does it say that?

3 A Alan, you said you read it, man.

4 MR. KAUFMAN: Just show him where it is.

5 A (Continuing) It seems like you're not
6 reading. But let's start here first on page 12. Let's
7 get the definition of composition so everybody knows
8 what the word composition means.

9 Q That wasn't the question, Mr. Phillips.

10 MR. KAUFMAN: Just answer the question.

11 Q (By Mr. Clarke) Where does it say in here
12 that all royalties, including the writer's share --

13 A It says --

14 Q Excuse me. Let me finish my question. Where
15 does it say in this contract that all royalties
16 including the writer's share of music publishing
17 royalties belong to Crunk?

18 A Okay. You're going to let me talk? On page
19 14B it says -- you ready?

20 Q I'm ready.

21 A As used in this agreement the term control
22 composition means a composition embodied in a master
23 recording recorded or release hereunder which
24 composition is written. You want me to keep reading?

25 Q No, that's fine.

1 A Written, composed or acquired.

2 Q You're saying that 14B is what gives Crunk the
3 right to --

4 A I'm saying this is just --

5 Q Excuse me. I'm not finished. You're answer
6 is that paragraph 14B gives Crunk the right to the
7 writer's share of music publishing for the members of
8 Crime Mob?

9 A What I'll do is --

10 Q Is that your answer?

11 A It's just one of them. Because, Alan, if you
12 read the contract you know there are many provisions,
13 many warranties in this contract.

14 Q Whether I have read it or not -- and I have --
15 we have to get on the record your answers.

16 A Right.

17 Q So I need to know, where in this contract does
18 it state that Crunk has the rights to the writer's share
19 of music publishing?

20 A Okay. I will just --

21 Q You have said 14B I believe is your answer
22 thus far?

23 A What I'm going to do is -- I'll repeat that
24 answer, but what I'm going to do is just go through the
25 contract, and I'll note to you everywhere it says all

1 royalties. And I think all royalties is all royalties
2 because all royalties means all royalties. I think that
3 would include writer's royalties because writer's
4 royalties are royalties. So I'm going to go through and
5 just, you know, take my time and just read it to you
6 because that's what you're asking for. You want me to
7 read to you, so I'm going to read to you where it says
8 that.

9 Q I don't want you to read to me. I want you to
10 show me where in this contract --

11 A Wouldn't I have to read it to you if I showed
12 it to you, if it goes on record?

13 Q If you know where in this contract this
14 contract gives Crunk the rights to the writer's share of
15 music publishing royalties specifically.

16 MR. KAUFMAN: Other than what he's already
17 testified?

18 MR. CLARKE: Other than what he's already
19 testified to. Thank you.

20 Q (By Mr. Clarke) And if you don't know, you
21 can say you don't know or the contract speaks for
22 itself. But I'm asking if you know where in the
23 contract you have that right.

24 MR. KAUFMAN: Well, we certainly take the
25 position as we have all along the contract does

1 speak for itself. But to the extent he can give
2 you more specificity, he's welcome to do that.

3 THE WITNESS: He wants me to point it out.

4 Q (By Mr. Clarke) Maybe we can get --

5 A I think it speaks for itself. That's 7,
6 because that's what I read first. That's why I took my
7 time. I'm just trying to the maintain my calmness and,
8 you know, I'm just going to be calm. Because the first
9 thing I read was not what you said. It was on page 3 --
10 7, grant of rights. I told you work made for hire.
11 What does work made for hire mean?

12 Q Right. And we talked about that stating the
13 master recordings. I'm asking you just to clarify so
14 that you understand about the compositions --

15 A I just read the definition of composition as
16 it relates to this contract though, Alan.

17 Q Right.

18 A I know because I just read it to you what
19 composition means.

20 MR. KAUFMAN: We're going for a long time at
21 this rate. Let him ask the question, and you can
22 respond to it.

23 Q (By Mr. Clarke) Let's look at page 20
24 then. My understanding then is that --

25 A But I wasn't finished though. I wasn't

1 finished.

2 MR. KAUFMAN: If you want him to point out the
3 section -- you don't have to read them, but point
4 them out. You're welcome to go through the
5 contract for all the bases that you believe that
6 the company has the right to the writer's portion
7 of the royalties, which I assume would be
8 distributed after recoupment of expenses.

9 MR. CLARKE: Depends on what the contract
10 states.

11 THE WITNESS: What does it say?

12 MR. CLARKE: Where they have the rights in
13 general.

14 MR. KAUFMAN: Let me say this, if I may. It's
15 certainly your deposition, and you can take it in
16 any way you want. But I'm not sure -- again, and
17 I'm new in this case, but I'm not sure that there's
18 an issue about a contract interpretation. These
19 are legal questions that you're asking the rights,
20 duties and obligations as set out in the contract.
21 His understanding may be of interest to some folks;
22 but, I mean, the contract does speak for itself.
23 Is that what we're dealing with?

24 MR. CLARKE: If we can agree to that, then
25 that's fine.

1 MR. KAUFMAN: I think that's what the law
2 says. He's testified that he's acted, as I
3 understand it, consistently to the contract to the
4 extent that this contract is a stand-alone
5 contract. But, of course, I'm not suggesting he's
6 waiving any rights with respect to any other
7 contracts that might affect it, modify it,
8 integrate it or somehow make any alterations.

9 Q (By Mr. Clarke) And we can move on.
10 Looking at page 20, Mr. Phillips, you have stated
11 previously that the agreement was a 50/50
12 co-publishing deal; is that correct?

13 A Are we looking at page 20?

14 Q We are. Is it your understanding that you had
15 50 percent of music publishing rights of Crime Mob?
16 Your understanding that Crunk has 50 percent of the
17 publisher's share of the music publishing?

18 A What, are you asking me to read it to you or
19 are you saying that's where we are on this page? I see
20 where it says co-publishing. I see that. It says
21 Section 25, co-publishing, page 20. I see it. It's
22 Section C. I think what you're asking me to do is show
23 you that, so I'm going to read it to you. You hereby
24 irrevocably and absolutely assign, convey and set over
25 to company an undivided 50 percent interest in the

1 worldwide copyrights. Is that what you're talking
2 about?

3 Q That is. So that's your understanding, it's
4 50/50 co-publishing deal?

5 A It also says the copyright ownership interest
6 conveyed to publisher shall be one hundred percent for
7 the longest period allowed under U.S. copyright, meaning
8 that Crunk, Incorporated as the publisher would receive
9 a hundred percent of the money and then split it with
10 Crime Mob 50/50. That's what this says.

11 I think this is a valid contract. No judge
12 has deemed it invalid. It's nothing saying that this
13 has been quashed or, you know, voided or made invalid
14 anywhere. And the reason I said that is because if
15 you bear with me, Mr. Clarke, it says here on page
16 22, I think this is Section -- this is under
17 miscellaneous, page 22, G, it says, if any part of
18 this agreement shall be determined to be invalid or
19 unenforceable by a court or competent jurisdiction or
20 by any other legally constituted body having
21 jurisdiction to make such determination, the
22 remainder of this agreement shall remain in full
23 force and effect.

24 And I guess what I'm saying is this
25 contract is in full force and effect. And, you know,

1 you said you've read it. I don't know if you just
2 want to -- I'm not a lawyer. Like I told you at the
3 beginning, I didn't make this contract. The only
4 reason I'm familiar with the contract itself is
5 because I've dealt with you and Kendall, and I've
6 sued you guys a number of times. And we're under
7 settlement, and these same contracts were provided to
8 you then.

9 Q And we appreciate your being here and
10 answering questions today about the contract to this
11 lawsuit. If you could look at page 20 again, letter F
12 under 25, co-publishing.

13 A Right. It says from all --

14 Q No, let me ask a question. I haven't asked a
15 question yet. As you were about to say, it does say
16 from all royalties earned and received by company in the
17 United States from the exploitation of the compositions
18 throughout the world, the gross receipts, company
19 shall -- and if you look down at little number 2 it says
20 deduct and pay royalties payable to the writers of the
21 composition which you warrant and represent shall not
22 exceed 50 percent of gross receipts.

23 A Hold on. Wait, wait, wait one second now.
24 One second now. It says also deduct and retain all
25 out-of-pocket costs.

1 Q Right. I'm not asking about that provision.

2 A I don't want to skip over anything because one
3 feeds into another. It seems -- as it's written it
4 seems there's something that comes prior to that. Like
5 a prerequisite in college, you have to take the
6 prerequisite class before you go onto the higher grades.

7 Q You have three duties as a music publisher --

8 A There are three duties.

9 Q There are. Number 1, deduct and retain all
10 out-of-pocket costs, as you said, incurred by company.
11 So yes, you're to deduct your cost not to exceed ten
12 number. Number 2 is what I'm asking you about. To
13 deduct and pay royalties payable to the writers of the
14 compositions which you warrant and represent shall not
15 exceed 50 percent of the gross receipts.

16 Did you, you being Crunk, make payments to
17 the writers of the compositions for the Crime Mob
18 albums released on Crunk, Inc.?

19 A You mean after I recouped money?

20 Q Yes or no, and then you may explain.

21 A Yes, I did pay them.

22 Q Who did you pay as writers of the
23 compositions?

24 A I paid each member.

25 Q Each member of Crime Mob?

1 A Yes.

2 Q As writers of the compositions?

3 A Yes.

4 Q So you paid them their writer's royalties?

5 A No, I paid them an advance of \$1,000 for any
6 royalties that came in because at that time I had not
7 recouped all of the money.

8 Q Okay. So --

9 A And I paid Kendall as the lawyer for Crime
10 Mob -- Kendall echos that. And all of the remaining
11 money from the first album was sent directly to Crime
12 Mob, and Kendall also echos that in the transcript. He
13 was under oath. You were asking the questions, and he's
14 already said that Crime Mob -- excuse me -- that Crime
15 Mob was paid a certain amount of money and also received
16 the remaining money of the recording budget.

17 Q Just so that we can get through today, if you
18 will just not worry about other testimonies, other
19 hearings. We're just here today for your answers. And
20 your lawyers I'm sure have instructed you to that. So
21 let's just answer the questions as asked.

22 A I don't think you like how I'm answering the
23 question.

24 MR. KAUFMAN: No, no. Let him ask the
25 question.

1 Q (By Mr. Clarke) You have said you paid
2 \$1,000 to each member of a Crime Mob as an advance.
3 When did you do that, you being Crunk?

4 A It was it was either later 2004 or right at
5 2005 in the beginning.

6 Q And that was an advance against all their
7 royalties; is that right?

8 A Yes.

9 Q After you paid the \$1,000 -- well, did you pay
10 that in cash or check?

11 A I actually paid it in cash.

12 Q To all members of Crime Mob?

13 A Yes.

14 Q Did you ever write any checks to any members
15 of Crime Mob?

16 A I wrote the checks. They didn't want the
17 checks because they didn't have bank accounts. They
18 wanted cash. I gave them cash. And Kendall echoes that
19 in the transcript.

20 Q Did you write checks to Venetia Lewis and
21 Jonathan Lewis?

22 A Are they members of the group?

23 Q Did you write checks to --

24 A I think what I just said was I initially wrote
25 checks to everybody in the group. I said the group,

1 they did not want checks. They asked for cash. I gave
2 them cash.

3 Q So your testimony is that none of the members
4 wanted checks including Jonathan and Venetia, so you
5 paid Jonathan and Venetia \$1,000 in cash just like you
6 did the other members?

7 A I'm not going to single out any person. I
8 paid everybody in the group that was under contract for
9 me to pay. I paid them \$1,000 apiece in cash before --
10 prior to me recouping. Because the album just came out
11 August the 4th, 2004. So, I mean, you know -- and from
12 2005 beyond Warner was paying them directly. So what
13 you're talking about literally are four- to six-month
14 span. I hope you know that.

15 Q Did you ever write any checks to group members
16 which bounced, you being Crunk?

17 A Not to my knowledge. I mean, if a check would
18 bounce, they would have to notify me, right? The bank
19 would have to notify me, right?

20 Q So it's not your understanding that that
21 happened?

22 A Never.

23 Q After that \$1,000 cash per member, did Crunk
24 ever pay anything to the members of Crime Mob?

25 A I paid for rent, I bought cars. I have my

1 check stubs. And if you have not received them, Josh
2 will be happy to give you all of the check stubs from
3 the first year. I have them. They're in the office in
4 the other room.

5 Q That was from the SunTrust account?

6 A Yes, sir. And I think the -- the amount
7 outstanding as far as what I spent for Crime Mob on the
8 first album for me personally for Crunk as an officer
9 for Crunk, that's not me personally is what I was trying
10 to say. I misspoke. Let me say that again. Not
11 personally but what I spent on behalf of Crunk for Crime
12 Mob, I think it exceeded maybe about between 60- and
13 70,000, maybe more.

14 Q And that included rent?

15 A That included a number of things: rent, cars,
16 clothing, shoes, food, rentals on, you know, cars, hotel
17 rooms, extra people that they wanted to come.
18 Production because, of course, we're not responsible for
19 paying outside producers. And so there was a --
20 probably about 20- to \$30,000 of outside producer fees
21 that we had to pay. So it was probably between 60- and
22 70-. Maybe even more. I have to get the checks.

23 Q And you wrote those checks yourself
24 personally?

25 A I was the only signatory on the account, the

1 only person that could write them.

2 Q Did you keep a balance sheet reflecting how
3 much you paid on behalf of Crime Mob?

4 A I kept accurate notes in my checkbook. And
5 like I said, Nakita Avery, the assistant to Lee
6 Beitchman, provided Kendall -- and he's addressed this
7 in his testimony -- the accounting that he requested.
8 So, I mean, I understand your line of questioning; but I
9 mean, the contract is valid. So, I mean, unless you
10 have something else, I would like to read this into the
11 record here.

12 MR. KAUFMAN: No, no. It's already in the
13 record, so it's okay.

14 MR. CLARKE: I'm not sure we have a copy of
15 the notes from the checking account that would
16 have --

17 THE WITNESS: You saw them though. Remember,
18 you saw them.

19 MR. CLARKE: If we can check on that, that
20 would be great.

21 THE WITNESS: The notes from -- they're on the
22 check stubs in the big black checkbook I have.
23 It's a section that has little sides next to it and
24 also written on the bottom.

25 MR. KAUFMAN: We'll provide them to you.

1 MR. CLARKE: Thank you. And we're at a little
2 break point if y'all want to take five or ten
3 minutes.

4 (A brief recess was taken.)

5 Q (By Mr. Clarke) Mr. Phillips, we were
6 talking about expenditures that Crunk made on behalf
7 of Crime Mob. And you had said that you, Crunk,
8 spent between 60- and \$70,000. Is that for albums --
9 during the time period for all three of albums you
10 put out?

11 A No, sir.

12 Q When was the 60- to \$70,000 spent?

13 A For the first album, and it was spent prior to
14 August the 4th -- well, some could have come after that.
15 So I don't want to say that. But definitely for 2004.
16 I'll put it like that. I misspoke. I'm sorry.

17 Q You've outlined some of those expenses,
18 housing, clothing, transportation, these kinds of
19 expenses. What about expenses for the music? What
20 expenses did you incur or Crunk for recordings?

21 A I briefly mentioned that earlier. Crunk is
22 not responsible for paying outside producers when
23 they're used or writers or such like that. And so for
24 the song Stillettos, we paid Aisha Wright \$5,000 because
25 she actually wrote the hook Stillettos. As far as when

1 I say girls, I mean, Venetia and Diamond. She didn't
2 write the hook for Stillettos. It was the hook
3 belonging to Aisha Wright.

4 Q Was that a work for hire?

5 A Whoa, whoa, whoa. I have to talk to Lee about
6 that contract. I signed off on the \$5,000. They did
7 the contract, and it's with Warner. So Warner could
8 give it to you. Like, I have the other contracts for
9 the second album and all that production, but I don't
10 have -- I didn't get that from Warner. But Warner has
11 it because it was turned in as far as the completion. I
12 know you're familiar with this. Before you can be paid
13 at the end of the recording period you have to turn in
14 the accounting and the paperwork as far as contracts and
15 stuff like that. So they have it.

16 Q So you, Crunk, turned in paperwork looking
17 first at the first album, and you believe you said that
18 was called Crime Mob?

19 A It was self titled.

20 Q For the first album you turned over contracts
21 to Warner so that people could be paid; is that correct?

22 A I didn't. Lee did. And it was to Patrick
23 Sabatini.

24 Q Patrick Sabatini of Warner?

25 A Yes.

1 Q Was there anyone paid other than the members
2 of Crime Mob for the first Crime Mob album?

3 A Yes.

4 Q Who else was paid?

5 A I just told you, Aisha Wright.

6 Q I'm sorry. Other than Aisha Wright?

7 A Rephrase it so I understand.

8 Q Other than Aisha Wright and the members of
9 Crime Mob, were there any other individuals paid for the
10 first album of Crime Mob?

11 MR. KAUFMAN: Let me just ask for
12 clarification because I thought this was all under
13 the genre for music as opposed to the other
14 expenses. Is that correct?

15 MR. CLARKE: Right?

16 MR. KAUFMAN: So you understand that.

17 MR. CLARKE: For the album Crime Mob.

18 THE WITNESS: You want me to go on?

19 MR. KAUFMAN: Yes, please.

20 A What I'll do is I'll just go down the list.
21 That was Aisha Wright. She wrote Stillettos. Harry
22 Bing produced three tracks, but we only used two.

23 Q (By Mr. Clarke) Was he paid for two or
24 paid for three?

25 A I want to say he was paid for three. Yes,

1 \$5,000 apiece. Big Oomp was paid \$5,000.

2 Q And that's O-O-M-P-H?

3 A O-O-M-P.

4 Q O-O-M-P?

5 A And if you look on the ASCAP accounting that
6 you should have got, it has his label. It has his
7 writer and publishing information on there.

8 Q So he was paid as a writer and publisher?

9 A Yes. Because Jelly, which is one of his
10 artists, is introducing him on the beginning of the
11 song. He's actually speaking on the album. And then
12 Montay did the track. They both work for Oomp Camp
13 Productions. I think that's what they call it. Okay.
14 And then so there was Bingo's production, there was
15 Oomp's production. Then there was an advance of \$9,000
16 paid separately to Lil Jay who is Jonathan Lewis. He
17 was paid nine grand.

18 Q What was Lil Jay or Jonathan Lewis paid nine
19 grand for?

20 A I chose him. Like I said, the reason I dealt
21 with Crime Mob in the beginning is because I wanted to
22 nurture this guy's production skill. He came to me and
23 was like, I produced for this group. I later found out
24 that there were other people in the group that also made
25 beats.

1 So my main thing was to nurture him into
2 what we called at that time super producers which
3 were like producers that -- you know, like Dr. Dre,
4 for instance. Dre makes beats, he raps, he makes
5 hooks, he performs. That's a super producer.

6 Q Did you as Tommy Phillips receive any credits
7 on the first album as writer, producer, anything like
8 that?

9 A Yes.

10 Q What credits did you receive?

11 A Writing and performing on the last song called
12 Rap is Like or Black Market Bonus. On the project I
13 also chose every song on the project. I also structured
14 the songs as far as who would rap where, ad libs, stuff
15 like that.

16 Q Other than the individuals and companies
17 you've mentioned, did Crunk pay anybody else for their
18 work other than these people on the first album?

19 A Southern Advantage was paid.

20 Q Who is Southern Advantage?

21 A Dwayne Searcy.

22 Q What did they do?

23 A Dwayne Searcy is a part owner of BME. He's
24 also a radio DJ. He had a DJ pool at the time, so I
25 paid him to be friendly towards the song.

1 Q Does that mean to play it on the radio more
2 often?

3 A It means to be friendly towards the song.

4 Q What song was that?

5 A Knuck If You Buck. I paid them \$2500.

6 Q \$2500, you said?

7 A In a check, and I paid him additional cash,
8 you know, here and there, 25,000, 1500 every now and
9 then.

10 Q Was he friendly towards the song?

11 A The song went platinum. At the time he was
12 the National Mixshow coordinator for Radio One, so he
13 was friendly with the song, and the people under him
14 were friendly with the song around the country.

15 I also made sure that BME got paid for
16 marketing. They received money directly from Warner
17 for marketing and promoting the album which is a part
18 of the contract. I made sure they received that
19 portion because I was looking -- you know, one hand
20 washes the other.

21 Q You said that Bing produced two tracks?

22 A He produced three tracks.

23 Q That were on the album?

24 A Two tracks were selected, and Jonathan
25 produced nine tracks. Eight were selected. The ninth

1 track he gave to Lil Jon, and it was put on Lil Jon's
2 Get Crunk album. And the name of that is called Get
3 Crunk. But it was actually made for Crime Mob's album
4 inside of Patchwerk. I have the files for it.

5 Not to cut you off or lead or anything, but
6 are we done with this contract? Because if not I'm
7 just going to keep it here. If you guys were
8 finished with it I was going to give it back to you.

9 Q The court reporter is going to hang onto all
10 the exhibits.

11 (Off-the-record discussion.)

12 Q Of the 60- to 70,000 that we were just
13 speaking about, that was out of Crunk funds or was it
14 out of Warner funds?

15 A No. This is the thing so you understand
16 what -- how the funds work. Warner allots us -- say,
17 for instance, they allot us \$100,000. That's just
18 strictly given to Crunk. So that \$100,000 will go into
19 my account. Anything other than that \$100,000 they
20 spend, that's also advances and recording costs. But
21 specifically for the recording process they give us a
22 certain amount of money.

23 Q Other than the funds from Warner, did Crunk
24 pay anything out of pocket for Crime Mob?

25 A Yes. We paid with the money we were supposed

1 to pay with.

2 Q Let me make sure I'm clear. The funds that
3 you paid to Crime Mob, was all of that funds from funds
4 that you received from Warner?

5 MR. KAUFMAN: Again, using the "you," Crunk?

6 MR. CLARKE: Crunk.

7 A Not all the time, no. I mean, some of it
8 was --

9 Q (By Mr. Clarke) You personally funded some
10 of it?

11 A Yeah.

12 Q What did you personally, you Tommy Phillips or
13 you, Crunk, what did you personally fund?

14 A Personally or Crunk?

15 Q You personally and personally Crunk, both.

16 A Never personally. I mean, once I went from
17 being their manager to being the label owner, the
18 personal stuff went away. It was all business. It was
19 either done on the Crunk card or from Crunk, you know,
20 stash as far as the bank. It was not anything like me.
21 It was all Crunk because, of course, we were obligated
22 to a contract.

23 Q What funds did Crunk pay for Crime Mob that
24 were not out of funds received from Warner?

25 A I mean, you keep saying funds. I mean, it

1 wasn't no fund. It was money that we were supposed to
2 get paid. It was our money. It wasn't Warner's money.

3 Q I understand that. I'm just saying, it all
4 originated from Warner and was paid to Crunk, and then
5 Crunk paid out of those funds these items for Crime Mob;
6 is that correct?

7 A It depends on when you're talking about.
8 Before we did the deal with Warner there was no Warner
9 deal. So anything that got paid for prior to that was
10 from me from my own pocket, from, you know, shows I set
11 up for them or what have you.

12 Q For those funds that you paid prior to the
13 Warner deal, are you recouping that out of --

14 A I'm only recouping -- you know how nice of a
15 guy I am, Alan. I'm only recouping from the first and
16 second albums which legitimately I was supposed to be
17 able to do before they received any moneys. But I paid
18 them out of the kindness of my heart so they would have
19 a little bit. I haven't recouped.

20 MR. KAUFMAN: Well, let me -- for purposes of
21 clarification, I understand your testimony that you
22 advanced funds, you personally advanced funds to
23 the Crime Mob members prior to the incorporation.

24 THE WITNESS: Absolutely.

25 MR. KAUFMAN: And then once the company was

1 incorporated the company advanced funds on their
2 behalf?

3 THE WITNESS: Absolutely.

4 MR. KAUFMAN: And so I believe counsel's
5 question was, the recoupment that you're seeking in
6 this case, are they funds that were only advanced
7 by the company or are they funds advanced before
8 you set up the company or a combination of both?

9 THE WITNESS: I mean, majority of it is for
10 the company.

11 MR. KAUFMAN: Okay. So some that were
12 pre-incorporation expenses and some were once the
13 company was incorporated?

14 THE WITNESS: Right, right.

15 MR. KAUFMAN: Does that clarify?

16 THE WITNESS: Because at the time, you
17 understand, they were still doing shows not only
18 did I set up, but I set up for other people to make
19 sure they had shows. So they were getting show
20 money. They were making money. It's not like they
21 weren't making any. They were making money.

22 The problem was the company was spending
23 money on their behalf. So they're making money,
24 and I'm spending money on them. And the
25 contract is clear that I was supposed to be able

1 to recoup. Warner can recoup from me. I can
2 recoup from the group. That's just the way the
3 triangle works.

4 Q (By Mr. Clarke) So how much are you
5 claiming that you have not recouped from the group?

6 A I have not recouped anything from the first
7 and second albums. That's why they never should have
8 been paid. They have been getting paid since 2005.
9 They have been getting paid directly, not from Crunk.
10 Because if they were getting paid from Crunk, then we
11 could have recouped the money before we paid them, which
12 was what was going on in the beginning. Because the
13 album was recorded prior to August 4th, 2004.

14 Believe it or not, Monday was the
15 anniversary. So prior to August 4th, 2004 the album
16 was completed. Money was spent. Before Crime Mob
17 got any royalties which were supposed to be split
18 50/50, that money was supposed to be recouped one
19 hundred percent.

20 So in the instance that, say, the album
21 was -- okay, they owed us 50,000 for expenses, and a
22 \$60,000 check came in. Out of that 60,000 Crime Mob
23 is owed \$30,000 as a group, Crunk is owed 30-. The
24 problem is Crime Mob owes 50,000 to the company, so
25 they don't get anything. That is the math of the

1 contract.

2 They were getting money. They were getting
3 money because they were doing shows, shows that came
4 from them being signed to Warner, me introducing them
5 to people, me putting them in positions to make money
6 for themselves. So they were getting money. They
7 just weren't receiving any moneys from the royalty
8 aspect because it wasn't recouped.

9 You know, they shouldn't have got paid.
10 But I still gave them money. I still gave them money
11 out of the kindness of my heart because I thought at
12 the time they were my group. You see what I'm
13 saying? I thought we were on the same team. It's
14 like, here, here's some money, here's a little extra.

15 But if I don't recoup my money, then I'm
16 going to be bankrupt as a company. You understand.
17 If I'm not getting money from them off the shows, if
18 I'm spending all this money, they are running up
19 budgets, equipment, you know, producers, asking this
20 person to write, they're running up a bill, bill,
21 bill, bill. And I'm taking the heat for it. Then
22 how do I make my money. I mean, this is crazy.

23 Q Did you take any percentages of those shows
24 that you say you booked for them?

25 A When I was booking for them there was a ten

1 percent booking fee.

2 Q During what time period did you book for them?

3 A I booked for them definitely before the
4 incorporation of the company and maybe like a little bit
5 while, you know, the corporation was set up in the
6 beginning. But I brought in a booking agent.

7 Q Who was that?

8 A Johnnie Cabbell.

9 Q Did Johnnie Cabbell have a company name?

10 A Not at that time. I don't think it was
11 incorporated. But eventually he incorporated Hitt Afta
12 Hitt which Warner, they pay him directly somehow.

13 Q I believe that Hitt is H-I-T-T and then Afta,
14 A-F-T-A, Afta Hitt?

15 A Right. And to be clear, that's one of --
16 Johnnie Cabbell was one of Kendall's clients. Kendall
17 represented him. And then I don't know. You didn't
18 represent him. No, no. There was an incident between
19 me and Johnnie Cabbell, and he was convicted of
20 misdemeanor battery.

21 Q With regard to the Warner deal, what was the
22 advance that was paid to Crunk?

23 A If you could, can I have a copy of the
24 contract?

25 Q We'll be getting to a copy of the contract.

1 A I have it on my phone.

2 Q If you can recall what the advance or the
3 recording fund, what were the moneys that were paid to
4 Crunk on the front end of that deal?

5 MR. KAUMAN: Just so we're clear we're talking
6 about the Warner Bros. contract?

7 MR. CLARKE: Yes.

8 Q (By Mr. Clarke) And I can be even clearer.
9 March 29th, 2004 between Warner Bros., Inc. and
10 Crunk, Incorporated. Were there some funds that were
11 to be paid to Crunk at the beginning of that deal?

12 A Yes.

13 Q What were those funds to be used for?

14 A To my knowledge -- I have to read it in the
15 contract, but I think that was just more or less an
16 advance to the company. Because we had to have money in
17 reserves. It was just some money to get going. But
18 that money was used -- the initial money that they sent
19 me, I had to write a check to Patchwerk to start it
20 because there was no PO. So I ended up using the
21 initial money for the recording budget.

22 Q I don't know that I have yet asked you. What
23 is Patchwerk?

24 A It's a studio.

25 Q Whose studio is that?

1 A At the time it was Bob Whitfield's, but now it
2 belongs to Curtis Daniel.

3 Q Is that where Crime Mob recorded the first
4 album?

5 A Yes.

6 Q Do you recall how much you paid to PatchWerk
7 for that first album?

8 A I have to look at the -- I mean, I have the
9 accounting, but I have to look at it to tell you
10 specifically because I just -- it's been a while.

11 Q That would be reflected in your checkbook, I'm
12 assuming?

13 A Yes, and also in the accounting that was
14 delivered to Kendall.

15 (Defendant's Exhibit Number 2 was marked.)

16 Q I'm showing you what's been marked as
17 Defendant's Exhibit Number 2. And I can state for the
18 record, counsel, that this was Exhibit G of Defendant's
19 original answer. If you will look, Mr. Phillips, at
20 page 8, letter B at the top of the page. It states that
21 the recording fund shall be \$225,000. Was that
22 eventually paid by Warner to Crunk?

23 A Not all of it. The remaining portion that was
24 unused was sent to Crime Mob.

25 Q How much was sent to Crime Mob?

1 A I don't know because it wasn't sent to me, and
2 Kendall said he couldn't remember at the time, but in
3 his testimony that it was sent. So if you want to open
4 up his testimony so you could refresh your memory to
5 that day that you asked him, because you asked him that
6 same question. He definitely said that money was sent
7 to them.

8 Q To your independent recollection -- and again,
9 I appreciate your --

10 A I think it was --

11 Q Let me finish my question.

12 A I was just finishing my answer. I'm sorry.

13 Q We're going to be going through these
14 questions regardless of whether they've been asked in
15 another hearing or not. How much of this \$225,000 was
16 sent to Crunk?

17 A I would say anywhere between 150-, 160-. But
18 a little right in there because I think it was maybe
19 65-, 70,000 that was not used that ended up being sent
20 directly to Crime Mob.

21 Q By Warner?

22 A Right, at the instruction of Kendall.

23 Q Was that, to your knowledge, considered an
24 advance on royalties to them?

25 A At the time I wasn't even sure about the

1 amount sent, so I couldn't deem it anything but theft.
2 That's why I filed the charges, because the money was
3 supposed to be sent to Crunk. All money -- just like
4 the contract says as far as accounting, all payments
5 will be made to Crunk only, not to Crime Mob, not to any
6 other party other than Crunk. I'm going to read that to
7 you so we're on the same page.

8 Q Well, I understand that the contract speaks
9 for itself. We've agreed to that. But the 150- to
10 160,000 that was paid to Crunk, would your bank records
11 reflect that?

12 A No, because sometimes they would send us
13 money, sometimes they would send money to other places
14 as far as recording costs. So no, all of the 165- did
15 not come to my account.

16 MR. KAUFMAN: So that we're clear, is your
17 testimony some money came into the Crunk account,
18 but some money was paid to creditors of Crunk for
19 expenses?

20 THE WITNESS: Right.

21 MR. KAUFMAN: Indirect payments?

22 THE WITNESS: Right.

23 Q (By Mr. Clarke) For this album, and
24 looking strictly at the first album, the album
25 entitled the Crime Mob, that's what this money was

1 paid for?

2 A Right. Because none of the other albums were
3 handled the way-- this is only for the first album. As
4 it said, with respect to first album. This is only done
5 for the first album service, you know, like the
6 advancement to Lee Beitchman for 75,000 --

7 Q 7500?

8 A I'm sorry. I misspoke. 7500. Of course,
9 that wasn't paid again to him. So that Section B that
10 you pointed me to is strictly for the first album. The
11 second album --

12 Q That's what we're talking about. I'll get to
13 the second album.

14 A Right. The second album is totally different.
15 So as far as the money for the 225-, some was sent to
16 me, some was sent to other parties. And Warner has made
17 its accounting available to all of us, to you and my
18 firm as well.

19 Q When you say part of it was sent to you, do
20 you mean to Crunk or to Tommy Phillips?

21 A Crunk. Nothing was sent to Tommy Phillips. I
22 guess it's hard for me because I am Tommy Phillips; but,
23 you know, as personally, I'm not answering anything
24 personally unless you direct something to me, Tommy
25 Phillips. Just for the record, I'm answering, you know,

1 out of goodness because I'm really not -- you know about
2 the provisions in this first contract. But I'm an
3 officer of Crunk and -- you know.

4 Q How much of that 160-or-so thousand went to
5 Crunk?

6 MR. KAUFMAN: Directly in cash?

7 MR. CLARKE: Directly, as opposed to the third
8 parties we were just speaking of.

9 A I'll just say a ball park figure, no more than
10 like 80,000, you know.

11 Q (By Mr. Clarke) Did you have to provide
12 receipts for Warner in order to obtain that amount or
13 how did that happen?

14 A I turned in a sign-off sheet to Warner.

15 Q Is that a budget?

16 A Patrick --

17 Q Is that a budget?

18 A A sign-off sheet?

19 Q Yes. What did you mean by the sign-off sheet?

20 A The sign-off sheet is what Warner gives all
21 the artists.

22 Q So you drafted the sign-off sheet?

23 A No. From Warner. I signed it. I signed a
24 piece of paper, a document that Patrick sent to us. I
25 signed off on it, and I think he said maybe -- I can't

1 remember. It might have been 65- or 75,000 was left.
2 That was supposed to come to Crunk, but instead it went
3 to Crime Mob directly.

4 Q So of that 80,000 that went to Crunk, did you
5 provide receipts for reimbursement or what did that
6 80,000 represent to you?

7 A I did not provide receipts to Warner because I
8 don't recoup from Warner. I recoup from Crime Mob.
9 Warner recoups from me. So they have to provide me with
10 an accounting which is what that contract says. I don't
11 have to provide them with an accounting. I mean, I
12 don't recoup from Warner. Warner recoups from me.

13 Q What was your --

14 A Sorry about that.

15 Q -- understanding of what that \$80,000 was for?

16 A I mean, the contract is very specific. I
17 mean, I don't want to take up anymore of your time by
18 reading it to you.

19 Q I'm just asking you, was it a reimbursement,
20 was it an advance against royalties? How was it
21 categorized or classified?

22 A Warner has to recoup their money. If they
23 give us \$225,000, it's now mine, and they have to recoup
24 \$225,000 before any royalties are paid to us.

25 Q So did you see that then, that \$80,000 -- was

1 it your understanding that it was an advance against
2 royalties --

3 A It wasn't royalties. What else could it be.
4 It was a part of the budget.

5 Q It was part of the budget. So was it a
6 reimbursement for your expenses?

7 A No.

8 Q You, meaning Crunk's?

9 A No, no. The initial \$25,000 that came that I
10 had to spend, they reimbursed me that, if I recall
11 correctly. Because that was an advance -- to my to
12 understanding, it was supposed to be an advance for
13 Crunk to get the ball rolling and start reserves, have
14 money just in case we needed to go.

15 And an additional amount of money was
16 supposed to be sent to PatchWerk. It was never sent.
17 I sent that money. So that's the only reimbursement
18 that came. It was still part of the advance. You
19 understand what I'm saying? They sent me 25- that
20 was supposed to sit in the bank. I spent that at
21 PatchWerk. They sent another 25- out of the 225-, so
22 it wasn't like some miracle new money. It was part
23 of the budget.

24 Q So the first 25- of that 80- you spent at
25 PatchWerk. Then you got --

1 A Some of it.

2 Q Then you got a second 25,000. That's for, I
3 guess you'd say, operating expenses and to hold back for
4 reserves, you said. The \$30,000 balance, what was that
5 for?

6 A Clothes, rentals, cars.

7 Q So that was money --

8 A Apartments.

9 Q That was that money that you spent for Crime
10 Mob?

11 A Right. Plus I have to pay other producers and
12 writers for the first album, which is what I told you
13 before. So 30,000 of that money actually went to other
14 people from me. I wrote those checks. Warner didn't
15 recoup that from me. They recouped the whole 225-,
16 period.

17 And the 65- or 75,000 they sent to us,
18 that's still recoupable because to them it's still an
19 advance. But that 65-, 75,000 went directly to Crime
20 Mob. It did not come to me. It went directly to
21 them. And that can be -- I mean, I hate to sound
22 like a broken record, but, I mean, you can go to the
23 testimony where Kendall was your witness that you
24 called, and he absolutely agreed that the money was
25 sent to them.

1 Q What is your understanding of what a
2 mechanical royalty is?

3 A I mean, it depends on which contract you're
4 talking about.

5 Q Just in general what is a mechanical royalty?

6 A It's a royalty.

7 Q What is it a payment for?

8 A Mechanicals.

9 Q What is your understanding of what mechanicals
10 are?

11 A Royalties. I don't know. I mean --

12 Q We've talked about the fact that there are two
13 copyrights, one in a sound recording and one in a
14 composition by a songwriter. What is the mechanical
15 royalty a payment for?

16 A I mean, I'm sorry, but it's a royalty.
17 Because to my understanding it's all royalties. You
18 know, I'm not a lawyer. I'm not an entertainment
19 lawyer. I don't work for ASCAP.

20 Q But you are in the music publishing business,
21 correct?

22 A Because I own publishing. So I have to
23 maintain it, you know.

24 Q Have you been paid mechanical royalties for
25 the first Crime Mob album, you being Crunk or Crunk's

1 affiliated publishing company?

2 A I've been paid royalties. If they're
3 mechanicals, they're -- I've been paid royalties because
4 I have to be -- before Crime Mob is paid anything I have
5 to recoup from every royalty. Not just mechanicals, not
6 just sound recordings, not just digital downloads. All
7 the -- the contract is very specific when it says all
8 royalties. So if you're talking about a mechanical
9 royalty, I'm pretty sure that will fall in line with all
10 royalties. So I was sent royalties, yes.

11 Q So your understanding is that all the
12 royalties go into the same pot as far as recoupment
13 goes?

14 MR. KAUFMAN: Let me object to the form of the
15 question.

16 MR. CLARKE: I can rephrase.

17 MR. KAUFMAN: I think you may have
18 mischaracterized his testimony. I think what he's
19 saying is you don't get to the royalties until the
20 recoupment has been made.

21 Q (By Mr. Clarke) And your understanding is
22 of all advances, they should not have gotten a single
23 royalty, whether mechanical or artist or otherwise,
24 until you're recouped, you being Crunk?

25 A Right. And we have to understand that the

1 contract with Warner Bros. doesn't pay Crime Mob
2 anything. That's what I was going to read to you. All
3 payments to Warner are made directly -- whether
4 mechanical or not, they're made directly to Crunk.
5 Crunk then recoups its losses, its costs from Crime Mob.
6 Then they're paid royalties. They don't own any of the
7 royalties. We own all of that. We have an agreement to
8 split that with them 50/50, and the agreement is clear.

9 Q What is your understanding of a performance
10 royalty?

11 A It's a royalty. It's another form of royalty.
12 Performance, mechanical, digital, album set, it's all
13 royalties to me. Just to me. I don't know what it
14 means to you, but to me it's all a royalty. And as far
15 as I'm understanding, when I read the contract it says
16 any and all royalties. Not only does it say all
17 royalties but it says any and all royalties.

18 Q What are performance royalties to your
19 understanding? What are performance royalties paid for?
20 Why would an artist or a writer receive a performance
21 royalty?

22 A Somewhere down the line it has to be a
23 contract, right? And whoever owns those rights gets
24 that money.

25 Q What is an artist royalty, to your

1 understanding, paid for?

2 A Some kind of contract. I mean, artist
3 royalty, performance royalty, mechanical royalty, I
4 think we can agree that those are all royalties. And
5 before Crime Mob gets paid anything, we as Crunk have
6 the right to recoup from any and all royalties.

7 So you could name -- you can name a
8 thousand types of royalties if you want to. I'm not
9 technical as you. You're a very astute person. I'm
10 not an attorney. I'm sure you studied long nights.
11 I haven't studied as long as you. I'm not as -- I'm
12 not saying that you're better than me, but in some
13 things I'm sure you know more than me.

14 Q Do you recall receiving a check in the amount
15 of approximately \$41,000 from Warner, you being Crunk?

16 A For what?

17 Q That's what I'm asking you. With regard to
18 Crime Mob.

19 MR. KAUFMAN: Can you give us an approximate
20 date maybe?

21 MR. CLARKE: Yes, absolutely.

22 THE WITNESS: And a check number.

23 Q (By Mr. Clarke) Well, just in general
24 around November of 2004. Do you recall getting a
25 check around \$41,000?

1 A I could have possibly gotten a check. Do you
2 have a check number to help me?

3 Q I'm just asking you if you remember getting
4 one.

5 A I'm not sure. I probably -- I'm not sure. If
6 you could show me the check it could help me out.

7 Q Do you recall getting any payments for
8 mechanical royalties from Warner, you being Crunk?

9 A When?

10 Q Ever, for Crime Mob.

11 A Probably. Because, I mean, I think the reason
12 I say probably is because you have to be specific. Like
13 I stated earlier, from 2005 to -- from 2005 to present
14 Crime Mob has been getting paid directly.

15 Q I was asking about you.

16 A Receiving my cut, yeah. I received my cut.
17 I've always received my share of royalties from Warner.

18 Q What mechanical royalties have you received
19 from Warner for Crime Mob?

20 MR. KAUFMAN: Do you mean an amount?

21 Q (By Mr. Clarke) Yes. What payments have
22 you received?

23 A For ten years you want me to sit here and tell
24 you ten years of payment history? I think we've
25 provided you with an accounting, Alan. Come on.

1 Q I'm asking if you recall.

2 MR. KAUFMAN: Just say if you can or you
3 can't.

4 Q (By Mr. Clarke) And if it's easier to say
5 a total amount --

6 A To be honest with you, I appreciate you --
7 every time we talk about a contract you give me the
8 contract. If you want to go ahead and pull out the
9 Warner accounting that they provided, I'll go through it
10 with you the same way. But to ask me --

11 MR. KAUFMAN: It's okay. If you can't recall
12 specifically, just say so.

13 A (Continuing) Specifically, I'm sorry, Alan, I
14 would have trouble.

15 MR. CLARKE: If you can mark that as Exhibit
16 3.

17 (Defendant's Exhibit Number 3 was marked.)

18 Q (By Mr. Clarke) Mr. Phillips, I'm showing
19 you what's been marked Exhibit Number 3. Have you
20 seen that exhibit before? It appears to be a copy of
21 a check.

22 MR. KAUFMAN: Just hang on one second. Let me
23 just say this: This check has a lot of handwriting
24 on it; so when you answer the question, if you can
25 identify it, if you would specify whether you've

1 seen it before with or without all that. There's a
2 lot of -- looks like handwriting. And this
3 document, let me also say, it looks like if I'm
4 reading this correctly, driver's license, date of
5 birth, maybe even a social here. This should be
6 redacted at the appropriate time if need be.

7 MR. CLARKE: We can do that.

8 A Let me just -- as I move forward let me just
9 get clear. You mentioned something about \$41,000.

10 Q (By Mr. Clarke) If you could, just answer
11 that question.

12 MR. KAUFMAN: Answer his question. Have you
13 seen this check before?

14 A I think I can recall seeing this check before.

15 Q (By Mr. Clarke) Is that your signature on
16 the back of the check that's at the bottom of the
17 page?

18 A Looks like a copy of my signature. Of course,
19 this isn't the real check.

20 Q Right. As I said, it appears to be a copy of
21 a check made to Crunk, Incorporated from Warner Music
22 Group Services in the amount of \$22,087.50. Do you
23 recall receiving this check in 2005?

24 A What does that say, February 15th?

25 Q Yes. Do you recall receiving this check in

1 February 2005?

2 A I'm going to say I did not receive it. I was
3 given this check, but it didn't come to me. I think it
4 went to 215 14th Street. It wasn't sent to me.

5 Q Did you endorse and deposit this check? I'm
6 not trying to ask you trick questions. I should have
7 said that from the start. We're not here to trick you,
8 Mr. Phillips. Did Crunk get \$22,087.50 from Warner in
9 February of 2005, yes or no? Let's cut to the chase.
10 Yes or no?

11 A What I'm doing --

12 Q Yes or no?

13 A This is very blurry, and I'm looking at it,
14 and I already told you it looks -- like I told you, it
15 came to Lee, and I received the check. I thought I just
16 said that. I thought I just said that it was sent to
17 Lee, and it was given to me. I think I just said that,
18 and I think -- because I noticed that you raised your
19 voice, and you wanted to cut to the chase.

20 But if you would politely ask the court
21 reporter to read back my statement, what I said was
22 it was sent to Lee and it was given to me. Maybe you
23 missed that. You have to stay on point. I mean, you
24 raised your voice at me, and I just want you to calm
25 down.

1 MR. KAUFMAN: Let's just --

2 A (Continuing) But I answered your question.

3 MR. KAUFMAN: Okay. Let's move on.

4 Q (By Mr. Clarke) So the question was --
5 I'll ask another question then. Did Crunk receive
6 \$22,087.50 and deposit it in the bank in February of
7 2005?

8 A Into the Crunk account? You said the bank,
9 but I want you to be specific. Into the Crunk account?

10 Q Wherever you may have deposited --

11 A To answer your question, Crunk -- a check was
12 written to Crunk, Incorporated doing business as
13 Intellectual Thinking Music. We talked about that d/b/a
14 earlier. Crunk, Incorporated received a check for
15 \$22,087.50.

16 Q On the second page it says it was a WBR
17 royalty. Do you know what royalty that would be,
18 whether that was a mechanical royalty --

19 A All I can do is read what it says on the
20 check. It says royalty.

21 Q So you don't know whether this was paid for
22 mechanicals or artist royalties?

23 A Let me help you out. It says copyright fees
24 for 12-31-04. If you read down at the bottom on page 2.
25 I know you directed me to page 2. Let me help you out

1 because I don't know if you read over this carefully.
2 The thing is this check, although it was sent February
3 15th, the check is actually for copyright fees. And,
4 you know, we own all of copyrights. It was sent for
5 copyright fees for 12-31-04. We own all of the
6 copyrights. They did it for work for hire. They gave
7 us all copyright ownership.

8 So you asked what kind of royalty this is.
9 Let me help you out again. It says it clear as day,
10 copyright fees. Let me help you. On page 2, if you
11 could go to page 2, it says copyright fees.

12 Q And when it says copyright, is it your
13 understanding that that is for the sound recording or
14 for the composition?

15 A It's my understanding of what it says. It
16 says copyright fees. You have to talk to Warner to find
17 out what that means. I mean, I know you're versed in
18 the law, and you've done several contracts. But to me
19 what I'm looking at is something that says WBR royalty.
20 It says royalty check, and then it says copyright fees.
21 And I think me and you, maybe an about an hour ago we
22 read that Crunk, Incorporated owned one hundred percent
23 of the copyrights.

24 Q This was deposited into a Mellon Bank account.
25 Is that another account we haven't discussed today?

1 A This wasn't deposited into --

2 Q From a Mellon Bank account.

3 MR. KAUFMAN: Wait, wait, wait. Hang on.
4 Hold on. Hold on. Let me -- just so that we're
5 clear, if this is the back of the check which is
6 Exhibit 3, and it's the from SunTrust --

7 MR. CLARKE: It is the SunTrust. I apologize.
8 My misstatement.

9 MR. KAUFMAN: Hang on. Let me just say this.
10 I can't read the left part. It's not very clear.
11 The top part does say SunTrust Atlanta in an
12 account. We haven't identified what account that
13 is necessarily, but it says SunTrust. I don't see
14 Mellon anywhere.

15 MR. CLARKE: That is correct. I misread that,
16 and that is the SunTrust Bank.

17 Q (By Mr. Clarke) And I'm assuming that's
18 your Crunk SunTrust account that it was deposited
19 into; is that right?

20 MR. KAUFMAN: Take a look and see.

21 A To be honest, Alan that's why we were taking
22 time to look at the documents you gave us when you were
23 being so rude before. We were actually trying to see
24 what this is, because as you can tell, it's very, very,
25 very blurry. And you just made a mistake thinking it

1 was Mellon Bank. It wasn't. So give us a chance to
2 look at it, please.

3 Q (By Mr. Clarke) It was from a Mellon Bank
4 account.

5 A I'm not saying anything other than what I just
6 said. If you could give us time to look over this
7 blurred document, we could probably help you.

8 Q I don't have anymore questions about it.

9 A Well, then that's fine. But I -- just to
10 answer your answer --

11 MR. KAUFMAN: There's no question. You've
12 answered the question.

13 THE WITNESS: I'm sorry.

14 MR. KAUFMAN: That's fine.

15 Q (By Mr. Clarke) On album number two,
16 again, what is the name of that album? Crime Mob?

17 A Are you asking me? I'm sorry.

18 Q You're the one that --

19 A I thought you were talking -- I'm sorry.

20 Q On album number two, what was that name of
21 that album again?

22 A Hated On Mostly.

23 Q Album one was commercially released what date?

24 A To my knowledge, August the 4th, 2004, which
25 is what I just said. It was -- Monday was the tenth-

1 year anniversary.

2 Q And album two was released what date?

3 A Sometime in 2007.

4 Q And album three was Greatest Hits; is that
5 correct?

6 A Yes.

7 Q And when was that released?

8 A 2010. And from 2005 to present Crime Mob has
9 been getting paid directly from Warner. There was no
10 need for me to --

11 MR. KAUFMAN: He just asked the date of the
12 release.

13 Q (By Mr. Clarke) Did Warner distribute all
14 three of these albums?

15 A Yes. This is the valid -- I mean, just to --

16 MR. KAUFMAN: No, no. If the answer is yes,
17 let him ask the next question. We don't want to
18 help too much by volunteering.

19 THE WITNESS: I'm sorry. I'm just trying to
20 be --

21 MR. KAUFMAN: I understand. You might give
22 him information that he didn't think about asking
23 about.

24 THE WITNESS: Okay. Sorry.

25 MR. KAUFMAN: I have a question. It's 12:30.

1 Is there any thought about lunch?

2 MR. CLARKE: Off the record.

3 (Off-the-record discussion.)

4 Q (By Mr. Clarke) Who owns the copyright
5 currently in the sound recordings that are embodied
6 on these three albums?

7 A Can you say --

8 Q Who owns the recordings, these three albums?

9 A Who owns the copyright?

10 Q Who opens the copyright to those three
11 recordings?

12 A Who owns the copyrights?

13 Q Yes.

14 A Should we -- can we pull out the other
15 contract? Because I don't think we're in the Warner
16 contract.

17 Q Do you know who owns the copyrights?

18 A Yeah. I just told you. Like you probably
19 forgot, but we own a hundred percent of the copyrights.
20 I read that to you.

21 Q Of the sound recordings of all three?

22 A To my knowledge.

23 MR. KAUFMAN: When you say all three, you're
24 talking about the three albums, not tracks?

25 MR. CLARKE: Right.

1 A (Continuing) Well, on the third album we own
2 the songs that we participated with because it's a
3 greatest hits album for Crunk, groups that came off of
4 Warner. So, I mean, E40 is on that third album, Jon is
5 on there. We don't own those, but we own Crime Mob
6 songs.

7 Q What songs of Crime Mob's are on the Crunk's
8 Greatest Hits album?

9 A Knuck If You Buck.

10 Q And we're going to wrap up for lunch here in
11 just a second. With regard to album two, did you
12 receive funds from Warner, you being Crunk, for album
13 two?

14 A You would have to talk to Leron about that.
15 To my knowledge, yes, because, of course, the album was
16 released. I don't think they did it with their own
17 money. I mean, you're kind of skating around the fact
18 that Leron was involved during that time. But I think
19 you would know a little better than me, to be honest
20 with you.

21 Q You are the 30(b)6 representative for Crunk
22 for this hearing, and we have submitted to your counsel
23 the questions that we were to ask today, and you were
24 designated as the person most able to answer those
25 questions.

1 A But you told you --

2 Q Excuse me. I'm not finished. My question to
3 you is, what funds were provided by Warner for the
4 second album, Hated On Mostly?

5 A What I'll do is remind you of what I said in
6 the beginning. If I can't answer, then I'll tell you.

7 Q Absolutely.

8 A And I already told you Leron Rogers. Maybe
9 you didn't hear me say that, so I'll say it again.

10 MR. KAUFMAN: Wait, wait. So the record is
11 clear, let's break the question down. Were funds
12 received by Crunk from Warner for the second album,
13 would be one question. Yes or no?

14 THE WITNESS: Yes.

15 MR. KAUFMAN: Now, as you sit here today can
16 you tell us exactly how much funds were received by
17 Crunk for the second album by Warner?

18 THE WITNESS: I cannot tell you based off
19 memory, but Warner did supply us with an
20 accounting. The person who received the money was
21 Leron Rogers.

22 MR. KAUFMAN: Okay.

23 Q (By Mr. Clarke) Did Crunk pay for the
24 recordings for the album, for the second album, Hated
25 On Mostly?

1 MR. KAUFMAN: Can you repeat? Did Crunk pay

2 --

3 Q (By Mr. Clarke) Did Crunk pay recording
4 costs for Hated On Mostly?

5 A Yes.

6 Q How much did Crunk pay for the recording costs
7 for Hated On Mostly?

8 MR. KAUFMAN: Let me just object to the form
9 because I'm going to ask, do you mean directly or
10 where indirect payments could have been made as we
11 talked about previously?

12 MR. CLARKE: I appreciate that. We can break
13 that down.

14 MR. KAUFMAN: Fine.

15 Q (By Mr. Clarke) How much did Crunk pay
16 directly in the recording costs for the second album?

17 A I would have to refer you to the advances and
18 recording costs, spread sheet that Warner provided you.
19 But I can help you out a little bit more by saying that
20 there were several outside producers and several outside
21 writers that had to be paid. And we've provided you
22 with those contracts.

23 Q Do you recall what the album budget was for
24 the second album?

25 A It did not come to me personally, so I could

1 not tell you that. But again, I would refer you to the
2 accounting that Warner provided you. There's
3 definitely -- let me help you even further by saying
4 that we have yet to recoup for the first or the second
5 albums, and we have a clear list of recoupable items as
6 well as advances that we must recoup. I mean, the
7 account contract is valid. It's not voided, so --

8 Q Is that the 60- to 70,000 that you said you
9 advanced?

10 A Mr. Clarke, the 60- or 70,000 was for the
11 first album. Again, the 60- to -- 70,000 was for the
12 first album.

13 Q How much are you unrecouped for the second
14 album?

15 A Close to 200 grand. I'll refer you to the
16 accounting spread sheet that Warner has graciously
17 provided you. And also Crime Mob was paid directly from
18 ASCAP up until 2010 without paying me 50 percent.
19 That's recoupable. And I will refer you to the ASCAP
20 accounting that was provided to you.

21 Q So as far as the 200,000 that you're
22 unrecouped for album number two, what was that 200,000
23 spent on?

24 A Outside production. Just different items, you
25 know.

1 Q Well, I'm asking what those different items
2 were. As far as outside production, who are the
3 third-party producers for the second album?

4 A Alan, can you give me a copy of the contract
5 that we provided to you so I can read it to you? That
6 would be helpful.

7 Q Who were the producers for the second Crime
8 Mob album called Hated On Mostly that was released in
9 2007?

10 A Lil Jon, Lil Jay.

11 Q Now, Lil Jay would not be considered an
12 outside producer, would he, because he was in the group?
13 I'm asking for third-party producers outside the group.

14 A But he still had to be paid as a producer.

15 Q How much did you have to pay him as a
16 producer?

17 A And if you understand the production company
18 that signed to Warner Bros. is not Crime Mob. So if Lil
19 Jay does a beat for me, he is an outside producer.

20 Q How much did he have to be paid as a producer?

21 A We have to go -- that's why I told you, it's
22 very important that we go by the contract. I'm bound by
23 this. You might not be.

24 Q So he has an outside producer contract. What
25 was he paid that you're unrecouped for for the second

1 album?

2 MR. KAUFMAN: He, being Lil Jon?

3 MR. CLARKE: He being Lil Jay, being Jonathan
4 Lewis.

5 A You want me to recite to you --

6 Q (By Mr. Clarke) How much was Jonathan
7 Lewis paid as an outside producer?

8 A I'm asking the question.

9 Q No, I'm asking the question.

10 A I'm asking you a question so I can be clear to
11 answer your question. Do you understand now?

12 Q I understand.

13 A I'm asking you do you want me to recite to you
14 the full production budget for Crime Mob's album that
15 was recorded in 2006? That's what you want me to do,
16 just to be clear?

17 Q You said that they are unrecouped \$200,000. I
18 asked originally, what was that \$200,000 spent on. And
19 you have informed me producers, outside producers; and
20 you have named outside producers, Lil Jon and Lil Jay.

21 A The 200,000, the 200,000 is the total of the
22 first and the second albums.

23 Q So that's the total for album one and album
24 two?

25 MR. KAUFMAN: Hold on. I think that

1 mischaracterized his testimony or I'm unclear. I
2 thought there was approximately in the aggregate
3 about 260,000. Are we all talking about the same
4 numbers?

5 A To be clear --

6 MR. CLARKE: And I'm going to object to your
7 testifying for the witness because that's
8 completely not what he just said.

9 MR. KAUFMAN: It just seems to me -- let me
10 just say this: There are budgets. He says it was
11 based on the budget. Can you show him the budget
12 because --

13 THE WITNESS: I don't want anybody to think
14 I'm lying. So why don't we just pull out the audit
15 that came from Warner Bros. so we can read it so
16 nobody thinks I'm lying. I'm just not an elephant
17 brainer. I can't remember every last detail about
18 some budget. That's why I keep records. That's
19 why I have checks from 2004. You have to
20 understand that, right? That's why I keep records,
21 because I have other things to think about. You
22 understand? I've asked you several times --

23 MR. KAUFMAN: Hold on, hold on. Let him just
24 ask the question. Again, I'm new in the program
25 here, but aren't there budgets and weren't there

1 accountings done? Is there some question as to the
2 veracity of the accountings? Is that an issue? I
3 haven't seen them but --

4 THE WITNESS: Don't you have them?

5 MR. CLARKE: We're asking about just the
6 specifics in terms of if he has accountings, what
7 he spent. We're asking what he -- he's claiming,
8 he's making a claim that 200,000 is unrecouped, and
9 I'm just asking what he spent it on.

10 MR. KAUFMAN: To the best of your
11 recollection, as you sit here today without looking
12 at budgets and without looking at accountings and
13 without looking at your checkbook and without
14 looking at anything, going back to 2007 can you
15 give counsel the benefit of what categories that
16 were spent?

17 THE WITNESS: Advances and recording
18 production. As I said -- I mean, I don't know what
19 it is. I'm not being facetious at all, but I keep
20 answering your question, and then you'll come back
21 and --

22 MR. KAUFMAN: We don't have to get there. If
23 that's the best that you can recollect, that's
24 fine. If not, certainly he can refresh his
25 recollection if we can have access to it.

1 Q (By Mr. Clarke) Advances and production,
2 and all of that has been provided to us? All of the
3 invoices that you paid for advances and production
4 you've turned over to your attorneys and they've
5 turned over to us; is that your understanding? So we
6 would have copies of it?

7 A The only thing that I know you haven't
8 received is you might have seen a total, but you might
9 not have seen the actual checks from the first album.
10 But as far as the second album and the first album,
11 without my checks, you've received absolutely from
12 Warner a spread sheet of an accounting. It came from
13 Warner.

14 That's who I have to report to. I don't
15 have to report to Crime Mob unless they notice me
16 specifically by registered mail or certified mail.
17 That's the only way I have to respond to them for
18 accounting. Everything else comes -- came from
19 Warner. Warner sent it to you. I don't know if
20 you're reading this stuff, but Warner sent you an
21 accounting, ASCAP sent you an accounting. What do
22 you want -- it's almost like you want me to know
23 verbatim what's on Warner Brothers' spread sheets or
24 my spread sheets. I'd like know do you have kind of
25 brain power.

1 MR. KAUFMAN: Wait, wait. Do you have those,
2 the things from Warner?

3 MR. CLARKE: We have the Warner statements.
4 We do. And I'm not asking him about Warner
5 statements right now.

6 MR. KAUFMAN: But there was an accounting.
7 And there was one for ASCAP. Have you gotten that?

8 MR. CLARKE: Yeah. And that doesn't have
9 anything to do with what I'm asking.

10 MR. KAUFMAN: That's fine. I'm a firm
11 believer in giving everybody all the material they
12 need.

13 MR. CLARKE: I appreciate that. And for the
14 record, we're not saying that anything has been
15 held back in any way. We're just --

16 MR. KAUFMAN: Okay.

17 MR. CLARKE: I don't think that you all play
18 hide the ball.

19 THE WITNESS: Other than the Mellon Bank here.
20 Slip of the brain.

21 Q (By Mr. Clarke) Now, that I will say
22 though also for the record, we did not receive this
23 from you; and this being Exhibit Number 3, the copy
24 of the check.

25 A I don't have it. Because it's a check, and I

1 didn't make a photocopy of the check and keep the check.
2 I took it to the bank; so, of course, the bank would
3 have it and send it.

4 MR. KAUFMAN: No problem.

5 A (Continuing) That's how it happens when you
6 cash checks.

7 Q (By Mr. Clarke) In wrapping up -- I am
8 wrapping up for lunch here. Just for the record --
9 and I understand we've been discussing this, and I
10 just want to make sure it's clear on the record and
11 in my mind, the \$200,000 that you're claiming you are
12 unrecouped from Crime Mob, that was for album one and
13 album two. It does not include album three, correct,
14 the Greatest Hits?

15 A That's very specific. It doesn't include
16 album three because album three is a collective that
17 Warner did. The advances and recording costs that
18 attribute 200 plus, I'm not -- I'm saying -- I'm giving
19 you a ball park figure just like I have done just to be
20 clear. I have said 65- to 75-. I'm giving you a ball
21 park so you can kind of get a glimpse of what's going
22 on.

23 I can't say anything specific because I'm
24 not reading it. And I like to read it. I'm bound by
25 contract. You might not be, but I know you're under

1 oath, and you're an officer of the court and you're
2 bound by that. But I'm bound by this, and I try to
3 stick to the contract. And if you don't understand
4 it, I'd rather just read it to you so you can be
5 clear of the understanding of what's going on in the
6 contract because that's what I'm bound to.

7 Q And I appreciate that.

8 A Thank you.

9 Q And I am just making sure that that 200,000
10 that you're claiming --

11 A 200,000 plus.

12 Q Whatever. And the documents would reflect
13 that, as you said. The documents would reflect the
14 amount, I'm assuming. You have said that you provided
15 us all the documents that show how much was spent.

16 A I don't think I said that. I don't think I
17 said that.

18 Q Are there any documents you haven't provided?

19 A What I said was the only thing you might not
20 have are the copies of the actual checks that I did show
21 you at mediation. I don't know if that's admissible
22 here, but you saw it at mediation. We sat there and
23 went through it. We gave you the checks at mediation to
24 take back to Crime Mob. I don't know if you remember
25 that, but you were handed several checks.

1 Q And looking at the questions here today, the
2 \$200,000 that Crunk spent --

3 A 200,000 plus.

4 Q -- 200,000 plus on these two albums were for
5 the 60- to 70,000 for album one plus what else?

6 A They were the total advances, recording costs
7 and miscellaneous expenses for both albums.

8 Q And when you say advances, who were those
9 advances paid to?

10 A The group.

11 Q So the advances to Crime Mob. And how much
12 were those advances approximately? You mentioned the
13 6,000 that they required to be in cash. What other
14 advances were paid to the group?

15 A If you read the contract, clearly anything
16 that's not a royalty is an advance.

17 Q So that would be what you were talking about
18 as far as car payments, living expenses?

19 A Car payments, clothing, shoes, songs, sleeping
20 quarters, rentals, production, time in the studio, those
21 are what's called advances.

22 Q So for album two -- we've talked about that
23 for album one, the car, the clothing, the living
24 expenses. For album two what advances were made to the
25 members of Crime Mob?

1 A I would have to refer to the Warner spread
2 sheet that was delivered to you and my attorneys.

3 Q So offhand you don't remember what you
4 advanced for album two to Crime Mob?

5 MR. KAUFMAN: Let me object to the form. Are
6 you asking for a dollar amount or are you asking
7 for categories?

8 MR. CLARKE: Either, both.

9 MR. KAUFMAN: So do you understand that?
10 Album one you mentioned categories, some aggregate
11 amount. Are there several categories in album two?

12 THE WITNESS: As far as categories go, there
13 was production costs. Then there were outside
14 producers costs and artist costs.

15 Q (By Mr. Clarke) What were the outside
16 artists?

17 MR. KAUFMAN: Excuse me one second. Let him
18 finish his answer. Any other categories?

19 THE WITNESS: And just advances that they put
20 towards my account. There was also a \$15,000
21 equipment charge put on my card for Jonathan Lewis.

22 Q (By Mr. Clarke) What was that equipment?

23 A What was it?

24 Q Yes.

25 MR. KAUFMAN: What kind of equipment?

1 A You'd have to ask Jonathan Lewis. All I saw
2 was the amount of 15,000 on my account.

3 Q (By Mr. Clarke) On the Crunk account?

4 A Right. There's only one account. There's
5 only supposed to be one account according to this
6 contract.

7 Q So that was 15,000 for the equipment charge.
8 What were the outside artist costs that were advanced
9 for album two? I think you mentioned Lil Jon as a
10 producer.

11 A I think the only thing I can do to be
12 accurate -- I know you're trying to test my memory -- is
13 for you to do some reading and read the contracts that
14 we provided for you because those dollar amounts are in
15 there, and they're supported by the accounting that
16 Warner gave out.

17 I don't want this to turn into a personal
18 thing because I'm being annoyed. It's like you're
19 testing my memory as to what kind of being I am. I'm
20 going to read to you because this is what I signed.

21 Q That's fine.

22 A The only thing that really matters is that I
23 adhere to this, which I've done for ten years. I adhere
24 to this as the principal as it says on page 24 right
25 here. I want you to be clear and understanding that no

1 other person is -- except myself is the principal. It
2 says right here on 24, on page 24, if you are a
3 corporation, you are and at all times during the term
4 shall be a corporation in good standing in the
5 jurisdiction of your incorporation. Your principals
6 are, and during the term shall be Tommy Phillips. So
7 you see, I have to be very careful, Alan, because I'm
8 bound to a contract.

9 Q I appreciate that. And I'm glad you're the
10 one here testifying since that's you. So back to the
11 question --

12 A But I'm not a lawyer.

13 Q Back to the question, you know, you have
14 claimed that Crime Mob is unrecouped in the amount of
15 \$200,000. You have said and explained very carefully
16 the 60- to \$70,000 for album one that you claim that was
17 spent on their behalf by Crunk. For album two I
18 understand you're referring me to look at some Warner
19 statements --

20 A Let me be clear.

21 Q Let me finish my question. I'm just asking
22 not about Warner; I'm asking you as the representative
23 of Crunk, what did Crunk spend? What was this 130-,
24 \$140,000? You said there was a 15,000 equipment charge.
25 That's clear. You said that there were some producer

1 and recording costs, and you mentioned that Lil Jay and
2 Lil Jon were the producers. I'm asking --

3 A There were more producers.

4 Q Okay. What producers were they, and how much
5 were they paid? That's all we're asking.

6 MR. KAUFMAN: To the best of your
7 recollection.

8 A To the best of my recollection, there was
9 Dirty Doc Jam. He did three beats.

10 Q How much was he paid?

11 A I have to refer to the contract.

12 Q You have a contract with Dirty Doc Jam?

13 A Yes. It was sent to Warner, and it was also
14 sent to you as a part of discovery.

15 Q Okay. Who else?

16 A Lil Jon.

17 Q How much was Lil Jon paid?

18 A I have to refer to the contract.

19 Q How many tracks did he produce?

20 A I mean, I can't tell you how many he was paid
21 for. I know that he used one.

22 Q One of the tracks that he produced was on the
23 album; is that correct?

24 A Normally when a producer comes in, they'll do
25 two, three tracks. They're paid for their time, they're

1 paid for the service, whatever is chosen that fits the
2 criteria for the album.

3 Q How many tracks did Jonathan Lewis produce for
4 the second album?

5 A I would have to look back on that. The only
6 reason -- to be honest with you, the only reason why I'm
7 so fresh on the first album is because that was pretty
8 much what we had during the mediation, and I was very
9 clear on it. The stuff from Warner just came. I'm just
10 being honest with you.

11 Q Were there any other featured artists on the
12 seconds album?

13 A Mike Jones, Pimp C, Scrappy was featured on
14 it.

15 Q Were each of them paid?

16 A According to the contracts. Leron is the
17 person who did a lot of these contracts, and Uwonda
18 Carter did the remaining end of the contracts. She and
19 he would know way more about this than me.

20 Q Other than Lil Jay, Lil Jon and Dirty Doc Jam,
21 were there any producers on the second album?

22 A I would have to go back and look. You know,
23 we can pull out the contracts if you'd like to be
24 specific or if you want to test my memory you just have
25 to wait till you get back to your office to look at

1 them.

2 Q And the third album, the Greatest Hits album,
3 there were no new Crime Mob tracks on that album; is
4 that correct?

5 MR. KAUFMAN: New meaning not on one or two?

6 MR. CLARKE: New meaning not on one or two.

7 A I'm not sure. We'd have to pull that up and
8 look.

9 Q (By Mr. Clarke) Do you remember what Crime
10 Mob tracks were on the Greatest Hits album?

11 A Can you ask Venetia? You keep asking me if I
12 remember, but let's check. How about let's check. Do
13 you want to check so we can find out or do you want to
14 test my memory? Which is it? Are you trying to get the
15 facts or are you trying to see if I have a very high IQ?
16 Which is it?

17 Q I'm not trying to insult anyone, as I'm sure
18 your counsel --

19 A You keep saying do I remember, do I remember
20 when I offered to pull up the facts.

21 MR. KAUFMAN: Would this be helpful? My
22 erstwhile associate here pulled up a track listing
23 on Wikipedia or something, and it tells you who the
24 producers are on that track. Would that help in
25 that regard? Could I provide this to him to maybe

1 refresh his recollection?

2 MR. CLARKE: If he can confirm that those are
3 indeed correct.

4 MR. KAUFMAN: It may or may not refresh his
5 recollection.

6 THE WITNESS: Let's just refer to the
7 information that Warner gave you. How about that.
8 How about let's refer to the contract.

9 MR. KAUFMAN: Hang on, hang on. I'm going to
10 hand you this Wikipedia reference. Why don't you
11 see if that refreshes your recollection.

12 THE WITNESS: The other producer would be --
13 in addition would be DJ Montay. I think he was
14 paid 7500. Another producer would be Psycho Blac.
15 And those seem to be the only ones. But just to be
16 clear for the record, I'm not trying to hide
17 anything. I'm just saying let's just pull out the
18 real contracts that we used with these people and
19 match it with the accounting that Warner provides
20 so it wouldn't be a guessing game. I don't know
21 why --

22 MR. KAUFMAN: Sounds like I heard a lunch
23 bell.

24 MR. CLARKE: Okay. Off the record.

25 (A 40-minute lunch recess was taken.)

1 MR. CLARKE: After conferral with clients,
2 counsel for the Crunk parties and counsel for the
3 Crime Mob parties, if that's an appropriate
4 distinction, have agreed to provide all financial
5 records concerning Crunk's accountings with regard
6 to Crime Mob to a neutral third-party accountant
7 with knowledge and experience in the entertainment
8 industry to review the documents.

9 This party would be retained from funds
10 paid into the court by the Warner parties, the
11 plaintiff in this matter. The parties have
12 agreed to consent to the findings of the
13 accountant with regard to amounts due or owing,
14 if any, from Crime Mob to Crunk pursuant to
15 recording agreements between the parties.

16 The parties further stipulate that this
17 accounting will be used in the determination of
18 funds due or owing between the parties from the
19 funds being held by the court.

20 Is there anything you would like to add?

21 MR. KAUFMAN: Yeah. Let me just expound on
22 that. Two things I want to comment on. One is
23 that all of the parties at interest here will
24 provide all documentation, financial checks, bank
25 records, receipts, whatever is there to the

1 independent agreed-upon CPA for that person to do
2 an accounting.

3 I think as part of that one thing that I
4 would include would be the contracts themselves
5 that are at issue because there are financial
6 terms in those contracts that may facilitate
7 that person's assessment of dollars.

8 But we're not asking this person to make a
9 determination other than the factual sort of
10 debits and credits. And that to the extent
11 there are either contract issues or
12 interpretation issues, legal questions,
13 certainly that's not the province of the CPA.

14 And to the extent that upon the conclusion
15 of this accounting, if the parties can't
16 otherwise agree as to a resolution to the case,
17 then we would agree to arbitrate the case and
18 have the findings used as evidence in essence,
19 and then to the extent that that evidence is
20 melded into whatever legal interpretation that
21 contract has, we would have a resolution by an
22 arbitrator.

23 MR. CLARKE: Further to that, it is our
24 understanding that the basic dispute comes down to
25 whether one contract or another is followed in the

1 determination of the royalties. So we can address
2 that with the accountant to say if the Crunk
3 parties' version is followed or the Crunk parties'
4 interpretation of which contract is to be used is
5 followed, then there would be one result. And if
6 the Crime Mob parties' understanding or
7 interpretation is followed, there would be a second
8 result. And then we would be able to have that for
9 use with the arbitrator.

10 MR. KAUFMAN: Right. Recognizing that it's
11 not the CPA's role to determine which is of the
12 interpretations of the contract but simply to do
13 the debts and credits.

14 MR. CLARKE: Right.

15 MR. KAUFMAN: If you'd just let me confer with
16 my client to make sure we're all in accord.

17 MR. CLARKE: Before you do, one final
18 statement there is we would all be in agreement
19 that the documents which are provided to the
20 accountant are to be the sole evidence used. In
21 other words, that we will provide everything.

22 MR. KAUFMAN: Yeah. And to that end,
23 everybody, all the parties will provide everything
24 to the accountant and that we would each be aware
25 of the totality of the documentation being provided

1 as opposed to you providing some and we providing
2 others. Each party would have full access to the
3 entire body of financial information that the
4 CPA --

5 MR. CLARKE: And agree upon it and say this is
6 the --

7 MR. KAUFMAN: The scope of the -- okay. And,
8 of course, if somebody later determines that
9 there's another document at the earliest time we
10 would make sure that as long as there's no
11 prejudice attaching, that that would be supplied.
12 And then I would also add that we would agree once
13 that is done to arbitrate this thing soon as
14 possible and agree on an arbitrator. And counsel
15 can work through that.

16 MR. CLARKE: I believe the order that we
17 submitted to the -- I want to make sure that we're
18 in accordance with the order because I believe the
19 order required us to have arbitration within a
20 certain period of the signing of the order, which I
21 believe was 60 days?

22 MR. WEINER: It was 30 days. But the
23 protective order has been submitted to the judge,
24 but the judge hasn't entered it yet. Once that
25 happens then it would be 30 days from that time.

1 MR. CLARKE: So my understanding is that we
2 would need to then expedite the hiring of the
3 accountant.

4 MR. KAUFMAN: Yeah, I think we need to do
5 that. And to the extent that we'll certainly have
6 to find out how much time the accountant is going
7 to need and work cooperatively with the court.
8 And, you know, if we need a little more time to do
9 that then we can demonstrate to the court that
10 we're actively pursuing a reasonable resolution.
11 Let me just confer with my client. You might want
12 to make sure because that we added a couple of
13 things.

14 (A brief recess was taken.)

15 MR. CLARKE: So back on, I did want to clarify
16 one thing with regard to our discussion regarding
17 the accountant. And that is, in terms of the
18 accountings I would like for us to agree on the
19 time span and what's actually going to be covered.
20 And I think that my understanding is that this will
21 begin from execution of Exhibit Number 1, the Crime
22 Mob/Crunk contract. Nothing prior to that is going
23 to be involved in terms of the accounting, in terms
24 of the management.

25 MR. KAUFMAN: Well, let me respond. And

1 obviously I'll have Tommy weigh in. My
2 understanding was there were expenses advanced
3 pre-incorporation. I can't tell you right now
4 whether or not those were -- I believe the
5 testimony was that some of that likely bled over
6 into the incorporation part.

7 So to cut it off at the incorporation I
8 think would be improper. And so my thought
9 would be to go back to really the inception of
10 the relationship. We could argue -- and that
11 might be a point of law -- we could argue as to
12 whether or not those pre-incorporation expenses
13 are pertinent or not. That may be a different
14 question. But I think we would be doing
15 ourselves a disservice by not at least including
16 them as part of the financial analysis. That
17 would be my thought.

18 MR. CLARKE: I will disagree because the
19 recoupment issue is with regard to the recording
20 artist agreement with Crunk, Incorporated. That's
21 where our client was contractually obligated to --

22 MR. KAUFMAN: I understand that, but there are
23 common law claims that would arise certainly in a
24 variety of respects. I don't get the sense though
25 those pre-incorporation issues or dollars are

1 probably terribly significant. But my thought
2 would be while we've got an accountant there, why
3 don't we get him to just look at all stuff.

4 If you've got a position that says that
5 they shouldn't be included because they're
6 pre-contract or something like that, I assume an
7 arbitrator will give what appropriate shrift is
8 or isn't associated with that position.

9 But let's get the whole body of financial
10 stuff, and then we can whittle away at it. And
11 there may be things that are probably not
12 recoupable, there may be things that are
13 recoupable. But that would be my thought.

14 MR. CLARKE: If we could have, of course, the
15 distinguishing categories to show what was
16 recoupable related to album one. I believe
17 Mr. Phillips had a great understanding and conveyed
18 it very well what the expenses were related to
19 album one which included some housing, some
20 transportation, some clothing. That kind of thing.

21 So if they were related to album one, and
22 we all agree, perhaps that may be a better way
23 to clarify that we look at what's to be included
24 prior to submitting it to the accountant to say,
25 here are the album one expenses, and we're all

1 in agreement.

2 MR. KAUFMAN: You okay with that? Yeah.

3 MR. CLARKE: Because our client -- I can tell
4 you my understanding is, from what Mr. Phillips
5 said, they're not disputing that those should be
6 recouped, those clothing items. Whatever he spent
7 that we can track and have evidence one --

8 MR. KAUFMAN: I think we're generally on the
9 same page here. So are you okay with that?

10 MR. CLARKE: He can look at it beforehand,
11 check it off and hand it to the accountant.

12 MR. KAUFMAN: And that may be a good thing
13 that we should do. Rather than from a process
14 standpoint maybe what we need to do is the lawyers
15 assemble all of docs that we have, we sit down in
16 the room and so we cull out the duplicates and say,
17 here's the universe of docs that we're going to now
18 give to the CPA as opposed to you sending them. I
19 think we lose a little bit of control over that.

20 MR. CLARKE: And cost. That would run the
21 cost up.

22 MR. KAUFMAN: No. It would be silly for you
23 to send them the same thing we send. Okay. I
24 think we're generally in accord.

25

1 MR. CLARKE: And in terms of what it will
2 include, those album one, album two expenses; and I
3 think we would be in accord that the Crunk Greatest
4 Hits album would be -- the expenses would be
5 prorated by whatever the percentage of the album
6 was, Crime Mob versus other artists.

7 MR. KAUFMAN: And not only expenses but
8 royalties that were derived.

9 MR. CLARKE: Yes. Thank you. Does that make
10 sense?

11 THE WITNESS: Can I say one thing?

12 MR. KAUFMAN: You can say two things.

13 THE WITNESS: What about the outside work?
14 Like, you know, we haven't really said a lot about
15 that, but what about the outside solo and mixtapes,
16 those types of things? I need to see an accounting
17 for that, too.

18 MR. KAUFMAN: I think what we're talking about
19 is we're going to see everything, all the revenue
20 coming in and all the expenses going out. Because
21 we know a revenue stream created from Warner Bros.
22 that went directly to the group as opposed to
23 through him. We need to see those because he's got
24 a portion of those royalties, too.

25 So I think we're saying get all the stuff,

1 you know, and then we'll deal with it of every
2 kind or character that relates to the group and
3 Tommy and Crunk. That's what --

4 MR. CLARKE: Absolutely. And you had said
5 CPA, and I had cited one familiar with the
6 entertainment accounting because that's
7 specialized.

8 MR. KAUFMAN: Assuming we can find somebody,
9 but I'm sure we can.

10 MR. CLARKE: We can.

11 MR. KAUFMAN: And then we'll agree as to an
12 arbitrator. I'm not necessarily wedded to using
13 AAA. If we can find somebody who's capable it
14 would probably save us some money in that regard as
15 well to deal with that. With that, if I can
16 literally -- this shouldn't take fives minutes.

17 (A brief recess was taken.)

18 MR. CLARKE: Back on the record, please. So I
19 believe we've got that all settled.

20 MR. KAUFMAN: We just need to figure out who
21 the CPA is.

22 MR. CLARKE: I have some suggestions. I'm
23 sure Mr. Phillips may as well.

24 THE WITNESS: I'm for whatever Rob says.

25 Q (By Mr. Clarke) Mr. Phillips, we've talked

1 about the first two albums that Crime Mob released on
2 Crunk through Warner. And we've also talked briefly
3 about the Greatest Hits, the Crunk's Greatest Hits
4 album that you released with some Crime Mob on it.
5 How many Crime Mob songs were on that?

6 A Well, it was really Warner released that, you
7 know. And they did it pursuant to the March 29, 2004
8 contract as far as I know.

9 Q How many songs were on that?

10 A I want to say three, but I can pull it up. I
11 don't want to be -- don't hold me to that. And I want
12 to say it was three, and I'm not sure if there was a new
13 song put on there. One of the songs that wasn't used
14 for the second album could have gone on there. If you
15 give me a chance, I can look it up. If you're good, we
16 can deal with that maybe during -- maybe the accounting.
17 We can have it listed or something. But I could make a
18 quick look.

19 Q It would be reflected on the album. Crime Mob
20 songs were attributed to Crime Mob on that album, I'm
21 assuming?

22 A I didn't buy it. I'm just being honest.

23 Q Did Warner contact you about that album?

24 A I don't think they had to.

25 Q They just put it out themselves? Is that a

1 yes?

2 A Yes. I was going to -- what I was going to
3 add to that was they used the same -- it was pursuant to
4 the same wording, if I'm saying that right, to the
5 original -- I mean, the long form contract. So they --
6 I've already --

7 Q So that was Warner's decision to do that
8 album?

9 A From what I understand, I mean, I'm -- there
10 was no sign-off from me. What happened was there was
11 supposed to be a third album.

12 Q I'm just asking about the Greatest Hits.

13 A That's right. It was substitution for the
14 third album not making play or something happened. It
15 was supposed to be a third album. The third album
16 didn't go down properly; and so what they did was they
17 just said, look, we're just going to put everybody's
18 songs out, from what I understand.

19 Q They, being Warner?

20 A Right. And Patrick told me that.

21 Q The Exhibit Number 2, the Warner deal, if you
22 will look at page 8 of that. At the bottom of that page
23 some advances for albums after the first Crime Mob album
24 are listed. You'll see a chart at the bottom that says
25 for the second album and third album there was a minimum

1 of \$300,000, a maximum of \$700,000 as a recording fund.

2 Do you see where I'm a looking?

3 A Yes, sir.

4 Q In the paragraph which is paragraph 7C 2 it
5 states how that recording fund is to be calculated.

6 A Talking about the 66 two-thirds? Are you
7 talking about --

8 MR. KAUFMAN: I think he's in this paragraph
9 here, right, C2?

10 MR. CLARKE: C2, correct.

11 Q (By Mr. Clarke) It discusses how the
12 advance for future albums is going to be calculated.

13 A I think you would be looking at C1. I'm not
14 trying to say anything wrong. I'm just --

15 Q Okay. C1, right. In paragraph C it talks
16 about to calculate. Do you recall how much Crunk was
17 paid as a recording fund pursuant to the contract?

18 A For which album?

19 Q For album two.

20 A For album two the money went directly to
21 Leron.

22 Q And that was the Hated On Mostly album?

23 A Right.

24 Q And those were the --

25 A I signed off on it. When I settled with

1 Warner I told Mr. -- his name is Robert Jacobs. I was
2 like, you know, I'm not going to put a cease and desist
3 on it. And next thing I know it came out, because
4 that's why it got put on hold. I was still in court
5 with Warner.

6 Q When you say you got put on hold, what do you
7 mean?

8 A The album got put on hold for a second because
9 I had sued Warner.

10 Q The second album?

11 A Right. So like I said, I don't know. The
12 checks, whatever account it went to, that went directly
13 to Leron. I had to actually sue them to get that
14 information to find out about the second album. I
15 didn't know anything about it. I didn't know what was
16 going on with it or anything like that.

17 Q What was the basis of that lawsuit against
18 Warner, or what were you alleging?

19 A It was the same lawsuit that Kendall was in,
20 you know.

21 Q Was that over royalties for the first album?

22 A Some of it. I would just have you refer back
23 to the original complaint. I mean, you know...

24 Q Well, I'm just asking you here today because
25 we're creating a record for the court here today. For

1 this proceeding Crime Mob --

2 A There wasn't a second album when I initially
3 sued you guys. There was just the first one.

4 Q I'm asking about a lawsuit where Crunk sued
5 Warner Bros. Is that what you're telling me, or you
6 personally?

7 A I sued Warner as an officer of Crunk. I
8 didn't sue -- Crunk did not sue Warner. I sued Warner
9 as an officer of Crunk. And it was Leron, Warner,
10 Kendall.

11 Q And ultimately that was resolved, and the
12 second album came out; is that correct?

13 A When I signed the settlement with you guys,
14 that was the last settlement with you and Kendall.
15 Because I initially signed a settlement with Warner.
16 Then I signed with you guys, and then -- well, maybe it
17 was Warner, then Leron and then you guys, and then it
18 was settled.

19 Q So whatever was paid for the second album --

20 A -- was paid directly to Leron.

21 Q Do you as Crunk have all of the records of
22 that?

23 A The records that I have came from Warner. I
24 also have the contracts that we gave you a copy of for
25 the outside producers. But the advances and costs were

1 all sent to me via a quarterly statement from Warner.
2 And also through this last initial -- this last spread
3 sheet that Warner gave us, it's included in that as
4 well.

5 (Defendant's Exhibit Number 4 was marked.)

6 Q Mr. Phillips, I'm handing you what's been
7 marked as Exhibit Number 4.

8 A Are we done with G?

9 Q For the time being. I'm stating to you that
10 this was Exhibit B from Crime Mob's answer and
11 counterclaim. Does that look familiar to you?

12 A It looks like a copy.

13 Q What is it a copy of?

14 A A copy of the outside producer agreement.

15 Q Is that between Crunk, Incorporated and
16 Jonathan Lewis?

17 A Yes. Jonathan Lewis being Lil Jay, for the
18 record.

19 Q Is this outside producer agreement for him to
20 perform production services for the first Crime Mob
21 album?

22 A Yes.

23 Q It says here that he was to prepare nine
24 master recordings. Did he prepare nine master
25 recordings?

1 A Yes.

2 Q It says here that this was to be paid \$1,000
3 per master. Was he paid \$1,000 per master?

4 A Yes. He was also received \$15,000 worth of
5 equipment as well.

6 Q Down on the bottom of the page that we're
7 looking at here, the first page of the contract --

8 A I misspoke. He did not receive -- it was not
9 a gift that I gave him 15,000. He charged 15,000 to my
10 account at Guitar Center. I just want to be clear. It
11 wasn't like I gave it to him or anything.

12 Q And you approved that charge, correct? You
13 paid that charge, Crunk?

14 A Yes. I had -- I mean, it was done on my
15 account.

16 Q Under paragraph 2B 1 it says that the producer
17 was to receive a royalty at the basic rate of three
18 percent. Is that your understanding of -- well, first
19 of all let me ask you, who prepared this contract?

20 A I don't know who prepared it.

21 Q Who did you receive it from?

22 A Lee Beitchman.

23 Q Was it your understanding that Jonathan Lewis
24 was to receive a three percent royalty for his
25 production work?

1 A What I understood was there was to be three
2 percent accumulated that was to be split 50/50 between
3 Jonathan and Crunk because he was also under contract
4 from the original contract. This was something in
5 addition to that. That's why that's like the way it is.

6 Q You mean this is in addition to his artist
7 agreement?

8 A Right. He wasn't necessarily to be paid three
9 percent of the money outright because, of course, there
10 are stipulations in this contract. What was to go on
11 was there was to be money set aside, and then after
12 recoupment it was to be split 50/50.

13 Q So this was additional funds that were due to
14 him in addition to his artist royalties?

15 A Right. Not -- I mean, you keep -- let me
16 restate that. Nothing is due him until everything has
17 been recouped.

18 Q I'm speaking after recoupment.

19 A What this contract does is it sets aside money
20 to be split 50/50 between Crunk and Lil Jay after
21 recoupment.

22 Q That's your understanding of what this
23 contract says?

24 A Yeah, because he's already signed to a 50/50
25 split on the original contract that we went over first.

1 Q As an artist?

2 A As an artist or producer, any works. It
3 specifically says any work or however he performs,
4 produce, whatever. It doesn't a matter.

5 Q And you paid the \$9,000, you, Crunk, to him?

6 A Yes, which is a recoupable cost.

7 Q Warner has paid you producer royalties for
8 this album, isn't that correct, once they recouped --

9 MR. KAUFMAN: You, being?

10 Q (By Mr. Clarke) You being Crunk.

11 A Based you off -- are you talking about based
12 off this contract?

13 Q No. I can rephrase. Warner has informed you
14 that it has recouped what it spent on the first album;
15 isn't that correct?

16 A From what I understand, they recouped
17 everything as of last year.

18 Q And that's when they paid something to you for
19 producer royalty, to you, being Crunk; is that right?

20 A Yes.

21 Q Do you recall that being approximately
22 \$110,000?

23 A About a 100,000, yeah, something like that.
24 Maybe 110-. I'm not sure.

25 Q What was your understanding when you got paid

1 of how those moneys were to be disbursed?

2 A The moneys as far as -- because it's not
3 dealing with necessarily Crime Mob. It's specifically
4 dealing with Lil Jay. So to my understanding, the first
5 thing I needed to do was to recoup any moneys that Lil
6 Jay owed Crunk first. It's no -- I mean, you're saying
7 how are the moneys to be distributed, but we must -- we
8 can't skip over recoupment. We have a tendency to do
9 that. We talk about royalties, and we talk about
10 distribution of funds, but we never mention the R word.
11 My first duty is to recoup money.

12 Q How much did you contend Lil Jay owed to
13 Crunk?

14 A By himself?

15 Q Right.

16 A Lil Jay probably owes us about 300, 400 grand.

17 Q What is that based on?

18 A Lil Jay did a production deal with EMI. He
19 was signed to this contract. You didn't know that?

20 Q No, EMI is a music publishing company, and you
21 said he was doing a production deal. I'm sorry if my
22 face registered surprise. I was just trying to figure
23 out what you were saying. I assume you meant he did a
24 publishing deal with EMI?

25 A Well, because of his production he did some

1 kind of deal. The reason I'm not going to specify what
2 kind of deal it was is because we haven't seen the
3 contract yet. So I don't want to say what kind of deal
4 it was and then it's not the actual deal that I say
5 because I'd be doing that without seeing it. But we've
6 subpoenaed them, so it will be here shortly.

7 Q Your understanding -- and correct me if I'm
8 wrong -- that whatever moneys were paid to Jonathan
9 Lewis from EMI should have been paid to Crunk, or I'm
10 trying to understand what --

11 A What I'm saying is Jonathan is in an exclusive
12 publishing deal already with Crunk.

13 Q Co-publishing deal?

14 A Right, because it's two parties. It's me and
15 Crunk -- I mean, it's Crunk and then it's Crime Mob,
16 right? He's already under that, okay? And he did not
17 have the authority to sign any kind of publishing deal,
18 producer deal anything without authorization from Crunk.

19 Q So your testimony is that Crunk had an
20 exclusive producer deal with Jonathan Lewis?

21 A Well, let me read it because, you know, I
22 don't like to misquote. What I have with Jonathan --

23 MR. KAUFMAN: Hang on. Let the record reflect
24 you're looking at Exhibit 1.

25 A (Continuing) Exhibit 1 is the original

1 contract, and I'm going to -- what I'm going to now is
2 page 20. I'm going to read two things. I'm going to
3 read one, page 20, 25, co-publishing, it says, artist
4 hereby grants publisher a co-publishing interest with
5 the publishing affiliate of company, the publisher, for
6 compositions composed individually or jointly during the
7 term by artist as well as all compositions previously
8 written by artist and not control by a third-party
9 publisher.

10 Q Right. And I was asking you about producer.
11 Is it your understanding that Mr. Lewis was signed as an
12 exclusive producer to Crunk?

13 A Yes. And I'll read that to you. For him to
14 do any work with any other company he had to get
15 exclusive -- not exclusive, but he is under the
16 exclusive agreement, and he had to get permission from
17 the company. Let me read that to you so you'll be aware
18 of it and we can keep going. Just bear with me one
19 second. I'm on page 10. You ready?

20 Q I'm ready.

21 A Let me get the section for you to be accurate.
22 It's under warranties, representations, restrictions and
23 indemnities. We're looking at page 10B (i). During the
24 term of this agreement you will not enter into any
25 agreement which would interfere with the full and prompt

1 performance of your obligations hereunder, and you will
2 not perform or render any recording services for the
3 purpose of making phonograph records or master
4 recordings for any person other than company. After the
5 expiration of the term of this agreement you will not
6 perform any composition which shall have been recorded
7 hereunder for any person other than company for the
8 purpose of making phonograph records or master
9 recordings prior to the date five years -- and the
10 number 5, excuse me -- subsequent to the date of
11 delivery of the master containing such composition or
12 two years -- number two -- subsequent to the expiration
13 date of the term of this agreement, whichever is later.

14 And this is B (ii), I guess. You will not
15 at any time record, manufacture, distribute or sell
16 authorize or knowingly permit your performances to be
17 recorded by any party for the -- for any purposes
18 without an express written agreement prohibiting the
19 use of such recording or phonograph records in
20 violation of any provision of this agreement
21 including the foregoing restrictions.

22 Q And your understanding of that is Crunk had
23 the exclusive services as a producer for Mr. Lewis; is
24 that correct?

25 A I mean, I have to go by what the contract

1 says.

2 Q As far as the 3- to \$400,000 that you claim to
3 be owed or be unrecouped from Mr. Lewis, what is that
4 number based on?

5 A Well, one of the tracks that was delivered to
6 us out of the nine originally was used on Lil Jay's
7 Crunk Juice album which came out 2004, had not been two
8 years. And Lil Jay's album went double platinum. One
9 of the singles was Get Crunk, and it was the exact same
10 beats that was paid for for Crime Mob's first album but
11 not used. He only used eight. The ninth beat was given
12 to Lil Jon.

13 Q Where did the 3- to \$400,000 unrecouped
14 balance come from?

15 A Lil Jay was also overpaid by ASCAP. EMI was
16 paid, Lil Jay was overpaid, Jaywerks was overpaid, his
17 publishing company, an EMI was overpaid. EMI was not
18 supposed to be getting any money off the first album,
19 and they got money all the way up to this date.

20 I think you should have the ASCAP
21 accounting. I don't know -- they must not have sent
22 it to you. I'm going to make sure Josh gets a copy
23 that we have so you can get it, because it's clear as
24 day. I mean, it came from them, and it shows that
25 Lil Jay was getting the majority of the money from

1 ASCAP from 2005 to present.

2 Q So you charged ASCAP, what you contend to be
3 his ASCAP overpayment for funds that should have been
4 due to Crunk to his producer account?

5 A Let me try to get an understanding of what
6 we're talking about here. If it was \$110,000, you're
7 talking about the 50 percent that I owe Lil Jay,
8 correct?

9 Q I'm just asking you what you owe him.

10 A I'm trying to find out out of the 110- which
11 you brought up first --

12 Q I'm here to ask the questions.

13 A I'm trying to help you get the best answers so
14 I can be clear. I'm just clarifying. That's all.

15 Q What funds out of that 110,000 did you pay to
16 Jonathan Lewis?

17 A Jonathan still owes Crunk money, so he can't
18 receive anything until I'm fully recouped. And, of
19 course, I can read it to you; but it says clearly that
20 that's the way that the payment should be made in the
21 first contract and right here on the second contract.

22 It says the -- on page 2 of 4 it says the
23 producer's royalty will not be payable until company
24 has received royalties from record company after it
25 has recouped all recording costs attributed to the

1 master under the agreement. After such recoupment
2 the producer's royalty will be computed retroactively
3 and paid on all such records from the first record
4 sold subject to recoupment of the producer's advance.
5 Such recoupment will be computed at the net royalty
6 as reduced to reflect the deduction of the producer's
7 royalty.

8 And, see, the problem that Lil Jay ran into
9 was he sold one of the beats that I paid for to Lil
10 Jay which he has no qualms about it. He's already
11 admitted it, so...

12 Q What you just read to me requires recoupment
13 of recording costs and producer's advance. Did it
14 mention recoupment of ASCAP or payments or performance
15 royalties?

16 A The first contract does.

17 MR. KAUFMAN: When you say the first
18 contract --

19 THE WITNESS: I'm sorry. The original
20 contract.

21 MR. KAUFMAN: D-1?

22 THE WITNESS: Yes sir.

23 A (Continuing) D-1 says all royalties are
24 recoupable. And again, just to reiterate, all those
25 works were done work for hire. Lil Jay could not do a

1 publishing deal for my songs. He didn't own them. And
2 number two, he didn't have the right to give a beat that
3 I paid for to Lil Jon to put on his album. That had to
4 be cleared.

5 Then he gets into this deal with EMI. Now
6 they're getting royalties from ASCAP, from Warner
7 directly without giving me my 50 percent and without
8 giving me the benefit of recoupment. That's just --
9 you know, I can recoup from here to -- you know, I
10 will pass on my contract to the next person who's
11 going to be in control of it.

12 We're going to recoup -- I have to be able
13 to recoup in order to make my money. I can't just
14 spend out money and not get it back. I have to stay
15 within the guidelines of the contract. And I think
16 that's why -- because maybe the members of the
17 group -- I'm not sure if they even understand what
18 the word recoupment means, but they have to
19 understand that the accounting that came from Warner
20 and the accounting that came from ASCAP, I didn't
21 make it up.

22 So once they put eyes on those documents
23 they need to explain that. I didn't make that. The
24 accountant from ASCAP is very clear that the majority
25 of the money from 2005 to present went to Jonathan

1 Lewis, Jaywerks and EMI. That's what their
2 accounting said. I don't know if they've seen it.
3 But, you know, that's not what the contract says.

4 Now, as a moral issue to him, he might feel
5 like hindsight 20/20, hey, man, we blew up; you know,
6 you were right; we were going to blow up, and you
7 shouldn't be getting 50 percent. But that's why we
8 sign contracts, because people do that kind of stuff
9 all the time. You have plenty of basketball players,
10 and once they start playing in the league --

11 Q Let me cut you off right there, Mr. Phillips.
12 We're getting a little far afield. And I appreciate
13 your comments, but we really -- remember, we're running
14 short of time; and we've got to focus on these issues,
15 not the basketball players.

16 A But see, this is his signature and this is his
17 Social Security. So, I mean, he obviously signed it and
18 was party to it.

19 MR. KAUFMAN: Let's move on.

20 (Defendant's Exhibit Number 5 was marked.)

21 Q (By Mr. Clarke) We've got our answer on
22 that. Do you know if song split sheets were
23 completed for the writers of the songs on the first
24 Crime Mob album?

25 A Warner -- we gave some information to Warner,

1 and Warner was supposed to do that.

2 Q When you say we gave information, who is we?

3 A Crunk.

4 Q Did Crunk give you percentages of how the
5 songs were to be split between the members in terms of
6 the writing?

7 A Did Crunk give me?

8 Q Did company give you the split sheet showing
9 how their writer's percentages were to be split?

10 A We sat at Allen's Pizza on Candler Road and
11 the pretty much agreed on how things were going to be
12 set. I gave them to Warner. Warner was supposed to
13 follow up. Whatever was sent in for the first album was
14 sent by Warner.

15 Q Were there split sheets for the second album,
16 to your knowledge?

17 A You would have to talk to Leron about that.

18 Q I'm showing you what's been marked as Exhibit
19 Number 5, and I will state for the record that that is
20 Exhibit Q from Mr. Phillips' answer, I believe the
21 original answer. Actually I'm going to show you another
22 one.

23 A This looks good. I remember this pretty -- I
24 remember this meeting.

25 Q What is that that I handed you? What is

1 Exhibit Number 5?

2 A It's a document from Lee Beitchman.

3 Q Is it a notice of shareholders meetings?

4 A I don't think so. I think -- wait, wait, yes.
5 I need to look at the back page. Yeah, it's two pages
6 that you gave me. Apologies. The first page seems to
7 be a letter from Lee, and the second seems to be the
8 actual notice. And that was sent to -- if you allow me
9 to read. It was sent to Leron Rogers who was Scrappy's
10 attorney. He was never hired by Crunk. But Scrappy's
11 attorney. Because, of course, I had have to approve him
12 to be an attorney for Crunk.

13 Q And this was for a meeting September 8th,
14 2004; is that correct?

15 A Seems to be correct according to the letter.
16 Sent August the 24th, 2004. I think that might be 20
17 days after the album was released.

18 Q Was Mr. Beitchman authorized to send out
19 notices of shareholder meetings?

20 A Yes. It was also sent to Terry Jackson
21 because he was an outside litigator that I hired as
22 well. You'll see him cc'ed at the bottom, or xc'ed.
23 His name is Terry Jackson, an attorney. I hired him.

24 (Defendant's Exhibit Number 6 was marked.)

25 Q In terms of the control of Crunk after you set

1 it up, I believe you said that it was a percentage split
2 of ownership of 30 percent, 30 percent, 30 percent and
3 10 percent; is that correct?

4 A For shareholders yes, but not positioning. I
5 was the president, period. I had all authority as far
6 as making presidential decisions. They were just
7 shareholders.

8 Q Were there by-laws that specified what your
9 authority was?

10 A Yes. It had to be a quorum present and
11 considerations, everything.

12 Q I don't believe we have a copy of those
13 by-laws.

14 A To be honest with you, I don't have them
15 anymore either. You have to get them from Leron. Leron
16 got everything from -- and once he resigned after we
17 settled -- you know, after the lawsuit when we settled
18 he resigned. I think he sent everything he had to
19 Uwonda Carter.

20 Q When you say you gave Leron everything such as
21 the by-laws, why did you give Leron the by-laws?

22 A Actually Lee gave him the by-laws, and Leron
23 asked for them. They were in a book.

24 MR. KAUFMAN: I was going to ask, where is the
25 corporate minute book?

1 THE WITNESS: I asked for it several times.
2 The last person that supposedly had it was Uwonda
3 Carter. She said she doesn't have it anymore.

4 Q (By Mr. Clarke) Did she tell you where it
5 might be?

6 A I found out she had it from Leron. Leron said
7 he passed everything to Uwonda. So you would have to --
8 you can call her. To be honest with you, it's better
9 just to call her right now. I know you have her number.

10 Q The shareholder split of three of you with 30
11 percent each, are you saying that you had the final say
12 on all decisions even though there were three 30 percent
13 shareholders?

14 A Yeah.

15 Q To your understanding --

16 A That's why I was the president. But at the
17 same time I followed the rules of the by-laws. I'm not
18 saying that, you know, I was working without Congress.
19 I mean, I had a good -- I had an experience factor over
20 them. But that's where it stopped. There are
21 procedures that must be followed. There had to be a
22 quorum, there had to be a vote, stuff like that.

23 Q What did there have to be a quorum for?

24 A Any final decisions.

25 Q What was your understanding of what a quorum

1 was from the original by-laws?

2 A There had to be at least 50 percent of
3 shareholders there present.

4 Q Fifty percent or shares or shareholders?

5 A Well, it had to be 50 percent of shares had to
6 be represented by its owners.

7 Q In order for any action or a major action to
8 be taken?

9 A Any action, I guess. I have to read the
10 by-laws. You can get those from Uwonda, like I said.

11 Q You handled all the day-to-day business
12 though, didn't you, for Crunk?

13 A Not the legal business. So you have to be
14 specific.

15 Q Other than the legal and other than
16 accounting, you ran the record label; is that fair to
17 say?

18 A I A and R'ed Crime Mob's project as far as
19 Crunk goes.

20 MR. KAUFMAN: Is A and R an acronym for
21 something?

22 MR. CLARKE: Artist and repertoire.

23 A (Continuing) So like I said, I wouldn't to be
24 specific. I think that's fair. When I got the deal
25 with Warner Bros. as I read to you earlier, I was the

1 principal for the deal and for the company. I was the
2 contact man. There was no other person. I mean, I'd
3 like to read it again just because we're back on this
4 subject. But on page 24 --

5 Q (By Mr. Clarke) That's okay. We
6 understand that the contract speaks for itself.

7 A So when you say I did the day to day for
8 Crunk, I mean, I was following the contract that I
9 entered with Warner Bros. I was the principal for the
10 agreement, so I dealt with the Warner Bros. contract in
11 respect to Crunk. I was the principal. You know, I had
12 certain duties. They wanted me to maintain the original
13 contract, stuff that was spelled out in the contract.

14 Q How often did you have shareholders meetings?
15 And again, this is from the time frame of the start of
16 the corporation.

17 A Let's see. I mean, formal meetings or --

18 Q Did you have regular meetings?

19 A I mean, we saw each other every day; so, I
20 mean, as far as like a daily meeting, I would go see
21 Lee. Either I would have Scrappy with me or I would go
22 by myself or call them or something. But we would touch
23 down with Lee daily.

24 Q When did you stop having --

25 A Unless we were out of town. And that was a

1 lot.

2 Q When did you stop having daily meetings?

3 A When did we stop having daily meetings?

4 Q At some point apparently they stopped
5 occurring?

6 A I don't think the -- the meetings with Crunk,
7 I don't think those ever stopped. Crunk has always had
8 meetings. Whether I was there or not, you know, that's
9 why I said formal or informal meetings.

10 Q So the meetings continued whether you were
11 there or not?

12 MR. KAUFMAN: Let me object to the form. To
13 me people can meet, and that's one thing; but when
14 you're talking specifically about like a normal
15 either shareholders or a director meeting,
16 something that's properly noticed --

17 MR. CLARKE: Well, that's what I'm asking.
18 Without dealing with the issue of notice I'm asking
19 about meetings of the shareholders and if they were
20 regular. And he said they were basically every
21 day.

22 MR. KAUFMAN: I'm going to object to the form
23 of the question because I think there's a
24 difference, at least in my mind, between informal
25 meetings where people are seeing one another every

1 day, is one thing. And then you have formal
2 meetings which in my parlance would mean there
3 would be minutes taken, for instance, or some
4 notice or notice being waived. So I'm not sure
5 which ones you're talking about. So if you can
6 maybe specify what you're --

7 A I guess that's why I asked like informal or
8 formal because we didn't take meeting notes like every
9 single day. We took meeting notes when they were
10 pertinent. We were supposed to meet once a year. Of
11 course, if there were any special shareholder meetings,
12 then everybody was served. And those type of things had
13 minutes. But just to say hello to Lee or sign a license
14 agreement or, you know, go get lunch or --

15 Q (By Mr. Clarke) Who wrote up those minutes
16 when you had the minutes taken?

17 A There was a court reporter on this day.

18 Q No, I just mean -- you said, we had regular
19 minutes, we had annual meetings, you said. So if you
20 had --

21 A I was only present for -- well, I was only
22 present for two annual meetings. I was present for the
23 original meeting we had in September -- I mean, not
24 September but the original meeting earlier 2004 when we
25 elected officers, and then with Leron and Scrappy at his

1 office one time.

2 Q When was that second one?

3 A Like 2006. I'm not sure. But it was only
4 me -- it might have been later than that. Let's see.
5 I'm not sure exactly when it was. But I know it was
6 after the settlement that we had in the lawsuit, because
7 when Katz fired Leron and Ken Hewitt, Hewitt and Leron
8 started their own firm, and they moved out to way up
9 somewhere around here. So that's where the meeting was.
10 So it was way up there, '06. I don't want to say '06.
11 It might have even been '07 or '08, something like that.
12 But it was prior to Leron resigning and that sort of
13 thing. I have to find that out. I definitely met one
14 time at his office, definitely.

15 Q For the annual meetings then, Mr. Beitchman
16 was the one that was supposed to send out notices?

17 A I'm not saying he was supposed to or not. I'm
18 just saying it looks --

19 Q He did?

20 A It looks like on this one he did. If you have
21 any other notices that I could compare --

22 Q I was going to ask if you have any other
23 notices. Do you have any notices that you haven't
24 turned over to us or did you turn over everything to us?

25 A No.

1 Q I'm handing you what's been marked as --

2 A I'm sure Leron would have pretty much good
3 records.

4 Q I'm handing you what's been marked as Exhibit
5 Number 6.

6 A Are we not dealing with Exhibit 5? You gave
7 it to me, but we didn't say too much about it. I'm
8 trying to keep her -- put her stuff together.

9 MR. KAUFMAN: We'll do it. Start on 6.

10 Q (By Mr. Clarke) Have you seen Exhibit 6
11 before?

12 A Okay. This looks like some kind of fax from
13 Hewitt, Katz & Stepp. So at this time obviously Leron
14 was still working for Mr. Katz. And Ken Hewitt was
15 there as well, so...

16 Q Have you seen Exhibit 6 before?

17 A I'm actually just kind of looking at like what
18 this is. Like I said, I have knowledge that it looks
19 like a fax. Let me get into it and see if it's what I
20 think it is. And if it is, I'll let you know. What it
21 looks like just on face value, looks like a fax from
22 Hewitt or Leron. I'm not sure. Doesn't have anything
23 specifically saying who it came from. It's just
24 something typed up. It doesn't look like a court
25 reporter's -- you know, it didn't look like anything

1 that we normally did as far as when I was present for
2 shareholders meetings.

3 Q Have you seen Exhibit 6 before?

4 A Yes. I'm not saying I've seen this particular
5 copy; but I've seen something that looks similar to
6 this, yes.

7 Q When have you seen that before?

8 A I've seen it a couple of times in court with
9 Darryl Richardson.

10 MR. KAUFMAN: Let me just ask to make sure the
11 record is clear, the exhibit has minutes, and then
12 behind that is a mutual -- looks like a mutual
13 release of some sort. Then behind that looks like
14 other minutes. Is the question, have you seen this
15 document in this form with all these things
16 attached or --

17 MR. CLARKE: Well, I can go through each one.
18 That might be easier. I didn't realize that.

19 MR. KAUFMAN: I'm a little concerned because
20 --

21 MR. CLARKE: They came together.

22 MR. KAUFMAN: They came together? Okay.

23 Q (By Mr. Clarke) Looking first at the
24 second two pages, the minutes of the April 5th, 2005
25 meeting signed by Lee Beitchman, secretary of Crunk,

1 Incorporated, on April 5th, 2005, have you seen these
2 two pages before?

3 A I've seen those two pages in the settlement
4 with Darryl Richardson.

5 Q What is your understanding of this meeting?
6 Do you recall anything about the April 5, 2005 meeting
7 of shareholders?

8 A I'm not really sure about what this is about
9 because I was not present here. But what I do notice
10 out of the blue in here is that they're referring to a
11 September 23rd, 2004 special shareholders meeting. And
12 that's what it says. I mean, that's just what strikes
13 me. I'm just looking over it. I've seen it before. I
14 don't know if I remember exactly what's on this. But
15 the only reason it caught my attention is because the
16 Exhibits 5 that you gave me was the -- was the notice
17 for this particular meeting.

18 Q Looking at the -- now, Exhibit 5 you say was
19 the notice for the April 5th, 2005 meeting?

20 MR. KAUFMAN: I don't think he's testified to
21 that.

22 Q (By Mr. Clarke) Oh, I thought that's what
23 you just said, that Exhibit 5 --

24 A I said Exhibit 5 was the notice to the
25 September 23rd, 2004 meeting.

1 Q Right. Okay.

2 A You just gave me an exhibit -- let me just get
3 it to make sure that's what it said.

4 MR. KAUFMAN: Two different meetings.

5 A (Continuing) Yeah. Exhibit 5 is -- it was
6 supposed to be a meeting held on September the 8th,
7 2004; but the meeting was actually held on September
8 23rd, 2004. And that's what caught my eye. Leron
9 couldn't make it until the 23rd, and so that's when he
10 appeared in proxy for Darryl Richardson. But as far as
11 the minutes for April 5th, 2005, I mean, I wasn't here.

12 Q (By Mr. Clarke) Where were you?

13 A I wasn't noticed to this. I wasn't there.

14 Q Where were you?

15 A I was in jail.

16 Q When did you find out about this meeting?

17 MR. KAUFMAN: Which meeting?

18 MR. CLARKE: The April 5th 2005 meeting when
19 he said he was in jail.

20 A After the 5th. I don't know. It was
21 definitely after the meeting. I wasn't there.

22 Q (By Mr. Clarke) Did you learn --

23 A At the time of this April 5th meeting,
24 although I was in jail, I was 50 percent -- I had 50
25 percent of shares of the company, so I don't know how

1 the meeting could have happened.

2 Q How did you obtain 50 percent of the shares of
3 the company?

4 A On September 23rd, 2004.

5 Q What happened on September 23rd, 2004?

6 A There was a reissuance of shares.

7 Q Was that a meeting September 23rd, 2004?

8 A That's what it -- it says it right here,
9 Beitchman called for a motion right there, is what it
10 looks like. That's what they were talking about.

11 Q Can you say what you're referencing for the
12 court reporter?

13 A I'm just looking at the minutes that you gave
14 me.

15 Q Which exhibit? I'm assuming Exhibit 6?

16 A Exhibit 6.

17 Q And on the second page the minutes of the
18 meeting, what paragraph are you looking at?

19 A The last paragraph where it says September
20 23rd, 2004.

21 Q And where it says Beitchman called for a
22 motion to reconsider the actions taken at the September
23 23rd, 2004 special meeting of shareholders regarding the
24 additional shares of Crunk authorized but never issued,
25 is that what you're referring to?

1 A Right. But they didn't have to be issued. It
2 was already agreed to at the time of the meeting that,
3 of course, as this is implying, that I already owned 50
4 percent. So I have to be present for this meeting to
5 even occur, and I wasn't. I mean, how can they even --

6 Q Let's make sure that I'm clear on this. The
7 notice that is Exhibit 5 for September 8th meeting,
8 you're saying that did not occur; that was the September
9 23rd meeting that occurred?

10 A Yes. This would be some more correspondence
11 to it, but Leron could not make it on the 8th. He
12 actually came in on the 23rd.

13 Q And who attended the September 23rd meeting?

14 A Leron Rogers in proxy for Darryl Richardson,
15 Lee Beitchman, a court reporter, Harry Bing, myself.
16 Everybody was there. The only person who wasn't
17 physically present was Darryl Richardson, but Leron was
18 there. And because -- in lieu of -- Scrappy wanted to
19 leave the company, he didn't do anything on the album.

20 I had done a lot of work, being I had done
21 some production there was a vote based on -- you
22 know, based on what people had done for the company
23 at that point this was a redistribution of shares.
24 I'm not sure. I think it was 50, 24, something. I
25 don't know.

1 But the bottom line was I ended up with 50
2 percent that day. Now, the certificates, you know,
3 the certificates they're talking about regarding
4 additional shares of Crunk authorized but never
5 issued, you know, like I told you, I never received a
6 certificate. We didn't do that.

7 Q If there were certificates issued, they would
8 be the corporate book, I'm assuming, if there were share
9 certificates?

10 A Lee would be able to answer that a little bit
11 better.

12 Q Have you ever seen the corporate book
13 yourself?

14 A Yeah. It's brown.

15 Q So at the September 23rd meeting you obtained
16 50 percent. How much did Mr. Richardson have at that
17 point?

18 A One percent.

19 Q How much did --

20 A And the reason he received one percent is
21 because I was -- he had owed me \$50,000 at that point.
22 Before hiring Leron he hired this guy named Christopher
23 Schmidt, and we thought that he was going to -- instead
24 of paying me the \$50,000 he was just going to leave
25 Crunk, and it was going to be even-Steven. The next

1 thing we know he comes back to Leron. That's why I
2 hired Terry Jackson to deal with Leron and Scrappy,
3 because Leron sent a notice to Warner saying that
4 Scrappy owned one hundred percent of the company and he
5 was the only shareholder in the company. I think you
6 have those documents.

7 Q How much did --

8 A So right then there was a problem. I had to
9 hire Terry Jackson because Darryl Richardson now has
10 this guy Leron Rogers who's going around telling
11 everybody that the company is solely his and we don't
12 have anything to do with the company. And that's
13 totally ignorant because, of course, outside of the
14 Warner contract it says that I'm principal and I'm to
15 remain a principal for Crunk.

16 Q How much did Mr. Beitchman end up with after
17 that meeting? What percentage? The September 23rd
18 meeting.

19 A Lee had maybe -- I don't know, 23, something
20 like that.

21 Q How much did Mr. Bing end up with after that
22 September 23 meeting?

23 A Twenty-four, something like that. I think it
24 was 50, 24, 23, 1, something of that nature.

25 Q That would leave an extra two percent. Do you

1 know what happened to that two percent?

2 A Well, the numbers could be off a little bit.
3 Mine was 50, Scrappy's was 1, and between Bing and
4 Beitchman they had varying -- they added up to 49
5 percent between the two of them. I don't know if they
6 mention that in here. I don't know.

7 Q Would it be fair to say that y'all were the
8 only four shareholders? And you're saying you had 50
9 and Richardson had 1 percent, so that's 51 percent. So
10 the remaining 49 percent were split between Beitchman
11 and Bing?

12 A Absolutely. And at the time of this meeting,
13 of course, I was the president. I didn't call this
14 meeting.

15 Q You're talking about the September 23rd
16 meeting?

17 A I'm talking about the minutes for this April
18 5th meeting. I don't know who called this meeting, but
19 I didn't call it.

20 Q Are there minutes from the September 23rd
21 meeting?

22 A Yes. There was a court reporter there.

23 Q Do you have copies of those --

24 A Beitchman has that in his office.

25 Q You don't have copies of those?

1 A I don't have the book. I don't even have my
2 corporate -- I mean, I don't even have my book. What I
3 have is stuff that I was able to keep myself. But I
4 don't have the corporate book. But it was definitely a
5 court reporter there. We paid for the court reporter,
6 and we also paid for Terry Jackson to facilitate the
7 situation as well.

8 Q Looking at the third page of -- well, second
9 page into the third page of Exhibit Number 6, it appears
10 there was a discussion regarding Mr. Beitchman's motion
11 to reconsider the actions taken at the September 23rd
12 special meeting. And he said that -- in these minutes
13 that he typed up, he said --

14 A Mr. Beitchman typed this up?

15 Q Looking at the third page it's signed
16 apparently by Mr. Beitchman. Does that --

17 A You don't know who typed this up, do you?

18 Q I do not know who typed this up?

19 A That's when you said Lee, I don't think Lee
20 would type up anything.

21 Q Well, these things --

22 A Technically Leron could have typed this and
23 told Lee to sign it. We don't want to incriminate Lee
24 or anything because that would be unfair. We want to be
25 fair to everyone involved. What we see at the bottom is

1 a signature that looks like it says Lee B. Beitchman
2 dated 4-5-2005, 10:15 a.m. I'm not going to say that
3 Lee typed this up. I'm not even going to say that he
4 signed it. I'm just going to say it appears to be his
5 signature at the bottom, and this looks like a fax from
6 Hewitt, Katz & Stepp.

7 Q Looking at the top of that page that
8 apparently was signed by Mr. Beitchman or appears to be
9 signed by Mr. Beitchman, it says, the shareholders of
10 Crunk have reason to believe to be true and which facts
11 support the reversal of the above-described actions
12 taken September 23rd, 2004. The facts are as follows,
13 that director, officer and shareholder Tommy Phillips,
14 a/k/a Serious, number one, has been arrested for assault
15 on a female member of Crime Mob --

16 A Crunk's sole asset?

17 Q Crunk's sole asset. And that's correct? You
18 were arrested for an assault on a female member of Crime
19 Mob; is that true?

20 A I was arrested. I wasn't convicted.

21 Q And number 2, it says you have failed to
22 account for and essentially converted the \$50,000
23 received by Crunk from Warner Bros. Records regarding
24 Crime Mob. Did you personally, Tommy Phillips, receive
25 \$50,000 that was sent to Crunk from Warner Bros. for

1 Crime Mob?

2 A Did I personally receive \$50,000, no.

3 Q Did you fail to account for the \$50,000?

4 A Absolutely not. And the sad part about it is
5 I'm not even here to defend myself. These are
6 accusations being thrown around about me. I'm not
7 there, and I'm not represented by my attorney. I see
8 two or three accusations that have obviously proven to
9 be absolutely false and fraudulent. And the nature --
10 to be honest with you, the nature of not only two
11 lawsuits but the reason I took your clients to criminal
12 court, you know, with the warrant hearing, you know --

13 Q Did you have occasion to sign Mr. Richardson's
14 name on some Crunk documents?

15 A Absolutely not. What documents?

16 Q Well, I'm just looking at this document that
17 says that you appear to have forged Richardson's name on
18 various documents in the formation of Crunk.

19 A What it looks like that's going on here is I'm
20 not there, somebody who is disgruntled with me is saying
21 things that have obviously proven to be untrue. Because
22 now today is 2014, and we see what was going on at this
23 time. None of this is true, absolutely none of it.

24 Now, the thing is what I'd like to be clear
25 on is what does that mean for every single false

1 accusation that's in these minutes, what does that
2 mean. What happened is Richardson, he's no longer
3 with the company. None of these people are. So we
4 can read over fraudulent accusations, trumped-up
5 charges. We can read that all day. But the fact of
6 the matter is -- and I want to be very clear, none of
7 these are true, not one.

8 Q On the following page where it says mutual
9 release of all claims, it says that Lee Beitchman and
10 Harry Bing paid to Crunk \$15,000 to release them from
11 certain claims. Do you know what those claims were?

12 A I wasn't here, but it looks like to me --
13 because I have seen an affidavit from Lee Beitchman
14 saying that he was harassed and threatened by
15 Richardson. What I see is a shake-down going on. And
16 I'm glad I wasn't there because I would have called the
17 police.

18 But for some reason it looks like Darryl
19 Richardson, and not only Darryl Richardson but his
20 attorney, looks like they have something on Harry
21 Bing, something on Lee Beitchman, something on me.
22 It looks like a Darryl Richardson has something on
23 everybody at Crunk, it looks like.

24 Q Do you know what claims Crunk had against Mr.
25 Beitchman or Mr. Bing?

1 A How can I know that? I was not there. This
2 looks like a mutual release of claims, like something
3 between some parties that don't include me. But it says
4 Crunk. That's what I'm confused about. If I'm a part
5 of Crunk and it's saying Crunk, my signature is not on
6 this.

7 Q Were you ever made aware --

8 A And I don't know why Lee Beitchman would sign
9 twice at the end. See, let me tell you --

10 Q Let me just ask the question. Were you ever
11 made aware of what claims -- and if the answer is no,
12 the answer is no -- you're here as the representative of
13 Crunk. Were you ever made aware of any claims that
14 Crunk may have had against Mr. Beitchman or Mr. Bing?

15 A Crunk never had any claims against Mr.
16 Beitchman or Mr. Bing, huh-uh. Not Crunk. Crunk would
17 be me. Crunk would be -- listen to what you're saying.
18 Crunk, Incorporated was four gentleman that had shares:
19 Harry Bing, Lee Beitchman, Darryl Richardson and Tommy
20 Phillips. What you're saying is Harry Bing as a
21 shareholder of Crunk had some kind of discrepancy with
22 himself.

23 Q So the answer is no, you don't know what
24 claims --

25 A No, that's not the answer. The answer is --

1 I'm not saying that what you're saying is preposterous.
2 I'm going to repeat what I said. It looks to me that
3 Darryl Richardson has something on Beitchman, on Bing
4 and on Mr. Phillips. He threw everything he could at
5 Mr. Phillips. He then when I wasn't there went after
6 Mr. Bing and Mr. Beitchman doing whatever he did.

7 And I'm going to be able to not laugh at
8 this, but what I'll say is I believe everything that
9 Mr. Beitchman said in his affidavit that we provided
10 you. This great lawyer provided you with an
11 affidavit saying that he was intimidated, threatened
12 by this guy Darryl Richardson who is no longer a part
13 of the company period at all. He's gone. So, I
14 mean, what I see you doing is going over a whole
15 bunch of fraud.

16 MR. KAUFMAN: Let him ask the question.

17 You've answered. Alan, have you got a copy of his
18 affidavit?

19 MR. CLARKE: Yes.

20 A (Continuing) So, I mean, you know, that's
21 that thing you have to be careful because you're
22 questioning me --

23 Q About a document.

24 A -- about a document.

25 Q Right. Looking at the next page --

1 A This looks very fraudulent. But you have to
2 understand, this was the nature of a lot of this fraud.
3 It might not have been out of this particular document,
4 but the fraud I'm talking about in this document that
5 you provided me was exactly why I sued Kendall. And you
6 defended him, so you've got to be careful. Very
7 careful.

8 Q Looking at the next page that has the number 3
9 at the bottom, and the third paragraph there that says
10 Richardson agrees to purchase and Beitchman and Bing
11 agree to sell, transfer or otherwise convey all of their
12 respective shares of stock in Crunk to Richardson --

13 A How can they do that if I own 50 percent? I
14 mean, looks like you're you helping --

15 MR. KAUFMAN: Let him ask the question, and if
16 you know something -- don't speculate. If you know
17 something just answer. Go ahead.

18 Q (By Mr. Clarke) My question is, are you
19 aware, were you aware before today that Mr.
20 Richardson purchased whatever shares Mr. Beitchman
21 and Mr. Bing owned in Crunk?

22 A So the first question I'm reading what you
23 said. At the meeting Beitchman and Bing would move and
24 vote to rescind actions taken at the September --

25 Q I was asking about the next paragraph, the

1 third paragraph.

2 A I'm sorry.

3 MR. KAUFMAN: Third paragraph.

4 A (Continuing) Richardson agrees to purchase
5 and Beitchman and Bing?

6 Q (By Mr. Clarke) Agree to sell their
7 shares --

8 A Transfer and otherwise convey --

9 Q Agree to sell, transfer or convey their shares
10 of stock in Crunk to Richardson. Were you aware before
11 today that Mr. Beitchman and Mr. Bing sold their shares
12 in Crunk to Mr. Richardson?

13 A Before today I knew about this document
14 because, like I said before, with the settlement with
15 Richardson. But the thing that I'm confused about is
16 when it says Crunk in this document, who is Crunk?
17 Because you want -- I'm representing Crunk, and I'd just
18 like to know, who is Crunk in these documents?

19 Q Right. On the first page it just says Crunk,
20 Incorporated.

21 A Who is that? Who's the power that's making
22 this happen? Who is that Crunk?

23 Q That is not my question at this time. I may
24 ask you that in a minute, but my question now is, were
25 you aware that Mr. Beitchman and Mr. Bing sold their

1 shares in Crunk to Mr. Richardson?

2 MR. KAUFMAN: Hang on, hang on. Are you
3 asking that as of -- did he know that --

4 Q (By Mr. Clarke) Prior to today did you
5 know and understand that Mr. Beitchman and Mr. Bing
6 had sold whatever shares they had in Crunk to Mr.
7 Richardson?

8 A I mean --

9 Q Yes or no?

10 A It's not a yes or no question.

11 Q Did you know before today that Mr. Beitchman
12 and Mr. Bing sold whatever shares they had in Crunk to
13 Mr. Richardson?

14 MR. KAUFMAN: Let me just object to the extent
15 that it calls for a legal conclusion. To the
16 extent that you can answer, just go ahead and
17 answer.

18 A This wasn't an authorized meeting. I wasn't
19 there. I was 50 percent shareholder, so you're asking
20 me if I approved this in a way, and I didn't approve
21 this. So I can't say -- you're asking me to say did I
22 know that he sold or -- I mean, this is a fraudulent
23 meeting that wasn't called by me. I wasn't present.
24 There was no quorum, there was no vote taken.

25 Any of this that's in this piece of paper,

1 there was no vote taken to say yea or no because I
2 was not there. There was no quorum, so I can't sit
3 here and say, yeah, I knew shares were sold or
4 anything like that because that would be me saying I
5 approved it, and I don't.

6 Q (By Mr. Clarke) I didn't ask you yet about
7 your approval. You've made it very clear you did not
8 approve. Let's ask this another way. You had said
9 that there were four shareholders obviously.

10 A Right.

11 Q At some point those shares and that ownership
12 has changed. From the 30, 30, 10 split that it was
13 originally, you have informed me that in September of
14 2004 it changed to 1 percent for Mr. Richardson, 50
15 percent for Mr. Phillips and a split of 49 percent
16 between Mr. Beitchman and Mr. Bing. At some point after
17 that September 2004, that percentage ownership split
18 changed again. When to your understanding as Crunk did
19 that percentage ownership next change?

20 A To my understanding?

21 Q To your understanding, when did it change from
22 49 percent owned by Mr. Beitchman and Mr. Bing in some
23 capacity and 1 percent owned by Mr. Richardson in some
24 capacity?

25 A Legally or illegally? Approved or --

1 Q I'm just asking. You said --

2 A In my view it changed when I did a settlement
3 agreement when I sued Scrappy and Uwonda Carter, and
4 then there was a settlement. I received a hundred
5 percent, and that was -- that's all -- that's approved.

6 Q When you sued -- well, let me ask you this:
7 What happened to the shares owned by Mr. Beitchman and
8 Mr. Bing, that 49 percent?

9 A That's something really I can't tell you
10 because I wasn't at the meeting.

11 Q What meeting were you not at where this 49
12 percent --

13 A Whatever meeting that you're looking for. You
14 keep asking about some kind of change. The only meeting
15 that I was involved in after the September 23rd meeting
16 was the signing of the shares over to me a hundred
17 percent.

18 Q And Mr. Beitchman and Mr. Bing signed those
19 over to you?

20 A No.

21 Q Where did Mr. Beitchman and Mr. Bing's shares
22 go?

23 A That's something that you have to find out
24 from Mr. Richardson. Maybe that's why he didn't appear
25 in court.

1 Q I'm asking you as the representative of Crunk.

2 A And I don't have any legal documentation to
3 explain that to you. The only thing I have is what you
4 gave me saying, you know, some typed-up, trumped-up
5 bunch of fraud. I mean, this is fraud. This is, of
6 course, what you know the lawsuit was about with
7 Kendall.

8 Q So is it your understanding then that Mr.
9 Beitchman and Mr. Bing still own 49 percent? Because it
10 had to go somewhere sometime, and what is --

11 A They could have voluntarily released their
12 claim to any of shares. They could do that. I don't
13 know. They could have given them back at some point. I
14 don't know.

15 Q You're the president of the company, and
16 you're here representing the company. I'm asking you
17 what happened to the 49 percent owned by Mr. Bing and
18 Mr. Beitchman.

19 A And I think I've explained that to you very
20 thoroughly. I told you. That's something you have to
21 discuss with Mr. Richardson.

22 Q Did Mr. Richardson, to your understanding,
23 then ended up with that 49 percent?

24 A I'm not sure.

25 Q At some point?

1 A I'm not sure. He could have --

2 Q What did he transfer to you?

3 A He transferred the company in totality to me.

4 Q What part of the company did he own at that
5 time that he transferred it to you?

6 A He purported that he owned 70 percent. That's
7 his claim. That's something he said.

8 Q And when was that? Let's figure that out.

9 A It was sometime in September -- I mean, in
10 2009. I mean, Mr. Richardson made a claim that he had
11 70 percent. That's why I told you, if he got 70 percent
12 at some point, you have to discuss it with him. Because
13 my claim was that I had 50 and that I hadn't been paid,
14 and he done some fraudulent activity and made some
15 fraudulent allegations against me that haven't been
16 proven.

17 He didn't want any part of that, and he
18 gave up what he purported to be 70 percent. I don't
19 know. And I think when I sued Kendall I made you
20 aware of that then. I think when we went to the
21 warrant hearing, Kendall says that he -- you know, he
22 knew that I was a president of the company. So I
23 don't know what you want me to say. I can't tell you
24 that the minutes that you gave me in Exhibit 6 are
25 even legal. I mean, I can't-- it's almost like you

1 want me to induce fraud on myself. I can't do that.

2 Q I'm not asking you whether they're legal or
3 not. I just have a document that I was given. And I'm
4 asking --

5 A And I saw the same document in the settlement
6 hearing which is what I told you. I wasn't there. So
7 when I got them I looked at them. I told them it was
8 fraudulent. He didn't want any part of it. Mr.
9 Richardson made a statement to me saying that he owned
10 70 percent which I contended -- I mean I contested.

11 At the end of the contest, you know, I
12 ended up with a hundred percent. Anything that
13 happened in between that time you have to go and talk
14 to Mr. Richardson. I mean, I don't know. I wasn't
15 there. I'm not a fly on the wall. I don't know.
16 I've been honest with you every step of the way. I
17 think my counsel provided you with this. I think
18 Warner also provided you with this. It's not like
19 we're hiding it. I just can't speak to it because I
20 wasn't there.

21 Q Thank you. Let me get this document.

22 (Defendant's Exhibit Number 7 was marked.)

23 Q I'm showing you what's been marked as Exhibit
24 Number 7. Can you identify that? That appears to be an
25 e-mail that you wrote.

1 A Looks like something that was unsigned,
2 something that I wrote, yeah.

3 Q Looking at paragraph -- well, look first of
4 all at the top where it says a date. January 14, 2006
5 from SeriousLordofCrunk@Yahoo.com -- and I think you
6 stated that's one of your e-mail addresses -- to
7 kamlaw@aol.com and cc missdiamon@hotmail.com. Do you
8 know who kamlaw and Miss Diamond are?

9 A Kamlaw is Kendall, and Miss Diamond at the
10 time was her email.

11 Q Was whose?

12 A Diamond is a part of group Crime Mob.

13 Q Looking at paragraph number one, it says that
14 I affirm that I'm 30 percent shareholder of Crunk,
15 Incorporated and represents its shareholder minority,
16 thus I receive 30 percent of Crunk, Incorporated revenue
17 and bonus as salary. Do you recall sending this to
18 Kendall and Miss Diamond?

19 A I think this was an attempt to settle a
20 matter. I mean, if you took time to read it in its
21 totality you would see that what I'm doing is trying to
22 make concessions. You know, the trickery, we have to
23 watch the trickery. Like, this is not signed. This is
24 not anything that went into the record as being a real
25 document. What it was was a proposal of me trying to

1 make peace with Jon, with Crime Mob, with Kendall, with
2 Scrappy and for me to be the bigger person.

3 I don't think you could show me where this
4 was used as a real document where I signed it, where
5 there was another signature on it. I think what this
6 is is just a good example of me trying to make peace
7 with the people around me and trying to reach some
8 kind of peace.

9 Q And in that example sent January 14th, 2006
10 you affirm that you were 30 percent shareholder?

11 A That was a proposed agreement. It's not
12 signed. It was something that was typed up. It's not
13 signed or anything like that. I don't know if you're
14 trying to make it seem as though this was something that
15 I tried to make real or, you know, something other than
16 a proposal, for instance.

17 When we settled our agreement with Kendall
18 in court you sent a number of drafts, settlements
19 trying to make peace in that. I'm sure you realize
20 what a rough draft is, the difference between a rough
21 draft and a real certified copy of a document that's
22 supposed to be used as some sort of whatever you're
23 trying to use it as. It was just an attempt to make
24 peace.

25 I'm sure that you know because if you

1 actually look at the date, 1-16-06, if I recall
2 correctly, we were still in court. And our
3 settlement came after this. So this was the
4 combination of me trying to make peace. And I think
5 we reached that peace, if you don't recall. I think
6 we did. I think we settled later on that year.

7 I think I also settled with Warner later
8 that year. And if this was supposed to be the end of
9 all claims, then how do I have a claim with Darryl
10 Richardson and got a hundred percent. I think what
11 you need to be concerned with is the fact that I was
12 trying to make peace with these people.

13 I think if you look on page 3 of 3 you'll
14 see one slot for me to sign, one slot for Mr.
15 Richardson to sign and one slot for Mr. Minter to
16 sign. We didn't even meet about this. This was just
17 my attempt to making peace. I displayed that same
18 peace today in answering your questions very fairly,
19 not hiding anything.

20 I just think this is a great example -- I'm
21 glad you brought it out. It's just another example
22 of me being friendly, me being maybe overly peaceful.
23 But to say the least, it was me being peaceful in
24 trying to bring some kind of closure to mattes that
25 were outstanding. You remember we were in court at

1 this time, if I recall. You were Kendall's lawyer.

2 Q Back to what we were discussing in terms of
3 the April 2005 --

4 A We're done with this? Keep me on focus.

5 MR. KAUFMAN: Let him ask a question.

6 Q (By Mr. Clarke) Back to the April 2005
7 meeting that you did not attend, you said in your
8 interrogatory responses that the only reason the
9 shares were transferred was threats and violence by
10 Richardson. And you weren't at the meeting. Have
11 you heard or were you present to hear any threats or
12 violence, threatened or conducted against Mr.
13 Beitchman or Mr. Bing?

14 A I heard Lee Beitchman say it.

15 Q You heard Lee Beitchman say what?

16 A That he was threatened in his affidavit. Do
17 you have that?

18 Q I know we've seen the affidavit but --

19 A I mean, obviously I wasn't there, so how could
20 I hear it. What I'm doing is going off of a trusted
21 lawyer, a great lawyer, if I might say, too. But a very
22 well-established, very reputable lawyer that gave an
23 affidavit to the court. I think you should take that as
24 well.

25 Q Have you spoken with Mr. Beitchman?

1 A Today, no.

2 Q About threats and violence?

3 A Yes. He said that he was threatened. He said
4 that it was a money grab. He said people like Kendall
5 and Leron should be ashamed of themselves. That's what
6 he told me. And I'm sure if you call him he'll tell you
7 the same thing. I mean, you defended Kendall. That's
8 what kind of throws me a little bit. You kind of know a
9 lot about this. You might have forgotten a lot about
10 it, but you defended Kendall. And Kendall committed
11 fraud, and you defended him. And I settled with you.
12 But I'm kind of regretting settling. Maybe I should
13 have kept going.

14 MR. KAUFMAN: Let him ask a question.

15 MR. CLARKE: If I can get the next one marked.

16 (Defendant's Exhibit Number 8 was marked.)

17 Q I'm showing you what's been marked as Exhibit
18 Number 8 which is or purports to be a letter from Leron
19 Rogers to Attorney Lauren Smith regarding Crunk, Inc.
20 with Tommy Serious Lord Phillips. And it starts out
21 saying -- well, I received your voice message informing
22 me that you represent Tommy Serious Lord Phillips. Was
23 Lauren Smith one of your previous attorneys, Mr.
24 Phillips?

25 A For me personally or for the company?

1 Q Either one.

2 A She probably was for the company if she was --
3 maybe I was talking with her. I'm not sure. I don't
4 know. I didn't retain her long, if anything.

5 MR. KAUFMAN: Hang on and be careful. You
6 used the pronoun I. So the question I think is
7 specifically did you individually hire --

8 MR. CLARKE: No, I said either one.

9 MR. KAUFMAN: Okay.

10 MR. CLARKE: I said either Mr. Phillips or
11 Crunk hire Ms. Smith as your attorney; and if so,
12 which one.

13 MR. KAUFMAN: Which one?

14 A I might have retained her. I have to -- I've
15 retained a lot of lawyers since that time, so I'm going
16 to say yes.

17 Q (By Mr. Clarke) The last sentence of that
18 paragraph says, if you could determine the
19 whereabouts of over \$100,000 of unaccounted funds
20 rightfully due Crunk, Inc., please advise so that the
21 company may recover said funds immediately. Do you
22 recall Mr. Rogers saying that there was some money
23 due to Crunk that was missing?

24 A He never even approached me about that. If
25 you remember, in our case that was never brought up.

1 This is just a paperwork trail of lies just like the
2 other -- the minutes that you showed me, unauthorized
3 minutes full of lies. None of that panned out. And
4 what I'm looking at --

5 Q Who accused you? I'm not saying it's true,
6 but who was accusing you of taking some funds that were
7 rightfully due to Crunk?

8 A Well, I am Crunk, so who would that be?

9 Q You, Mr. Phillips.

10 A Right.

11 Q Who accused you of taking those funds? Mr.
12 Rogers is an attorney, as you know; and he was writing
13 on behalf of somebody. Who was making that accusation?
14 Was that Mr. Richardson?

15 A I think he was Mr. Richardson's personal
16 attorney. Never did I approve Leron Rogers to be the
17 attorney for Crunk. And as you look in the second
18 paragraph he tells a bald-face lie right here and says,
19 please also allow this to serve as notice in that Tommy
20 Phillips is not authorized to act in any manner on
21 behalf of Crunk, Incorporated; and if you desire any
22 information related to Crunk, Incorporated and its
23 contractual relationships with Warner Bros. Records or
24 otherwise, please contact me, me being Leron Rogers.

25 I've already read you in the Warner

1 contract it says that I'm to remain the principal and
2 I'm the only principal. So that's false. And then
3 also about this \$100,000, I didn't read that in the
4 fraudulent minutes. It seems they missed that. I
5 think the meeting happened, what, April the 5th,
6 2005, sir. So you mean to tell me ten days after
7 later while I was in jail and getting trump-up
8 charges and all kind of whatnot, another 50 grand got
9 missing? All you're doing is pointing to lies, man.

10 Q This would be 21 days later. This says April
11 26, and you were saying since April 5th.

12 A I said 20 days, and you said how many?

13 MR. KAUFMAN: Let's not quibble. A calendar
14 will show what it is.

15 A (Continuing) And it cc'ed to Darryl
16 Richardson and Patrick Sabatini. This is more of Leron
17 lying. Like I told you, he sent notice to Warner Bros.
18 and said that Darryl Richardson was the sole owner of
19 Crunk, Incorporated. We know that to be false.

20 Q So it's your understanding that that's Mr.
21 Richardson then that was accusing you of somehow
22 mishandling \$100,000?

23 A The thing is, Alan, you're a good lawyer. I
24 cannot begin to tell you what Mr. Richardson is thinking
25 unless he's saying it and I can push a tape or something

1 or he writes affidavit or I can read it to you in his
2 own words.

3 The only thing I can do is respond to the
4 document that you put before me. And I see two major
5 lies. I see one, strictly the second paragraph is
6 saying that I don't have anything to do with the
7 Warner Bros. deal with Crunk. That would be a breach
8 of the Warner Bros. contract because it specifically
9 says that I am the principal and I'm supposed to
10 remain the principal for the term of the contract.
11 So this is a lie.

12 Q Last question before we break --

13 A \$100,000 isn't even consistent 21 days later.
14 I'll give you the one day. Twenty-one days later here's
15 100,000. Now they've upped the ante. First it was
16 50,000 in that fraudulent meeting. Now here's a letter
17 saying 100,000 21 days later, and I haven't even been to
18 the meeting.

19 MR. CLARKE: Okay. Break.

20 (A brief recess was taken.)

21 Q (By Mr. Clarke) Back on the record. Mr.
22 Phillips, I'm going to show you Exhibit Number 6
23 again. This should be just one quick question about
24 this. Looking at the page that I'm showing you, the
25 next-to-the-last page of the exhibit where it has the

1 minutes of the April 5th, 2005 meeting of director of
2 Crunk, Incorporated, it says, and it's signed by
3 Darryl Richardson as chairman of the board of
4 directors of Crunk, Incorporated, this states that a
5 meeting was called by Leron Rogers, and the board of
6 directors elected Darryl Richardson as president,
7 secretary and treasurer as well as transfer agent for
8 the corporation. I'm assuming that you contend that
9 that action was invalid as well?

10 A Well, let me ask you something, because you
11 might have a little bit more knowledge than me on this.
12 Was Leron Rogers acting as the attorney for Crunk or
13 Darryl Richardson when he called the meeting?

14 Q If you could, just answer the question, Mr.
15 Phillips. I'm just asking if you believe that this was
16 a valid action where the board of directors elected
17 Darryl Richardson as president, secretary and treasurer
18 and --

19 A No.

20 Q To your understanding, was Mr. Richardson ever
21 an officer of Crunk?

22 A Like a secretary or something like that?

23 Q Any officer.

24 A He could have been.

25 Q Do you know at what point he could have been

1 an officer?

2 A In the inception of the company, like right at
3 the beginning maybe. But after he wanted to leave and
4 after the September 23rd meeting he was no longer an
5 officer.

6 Q At the September 23rd meeting when he became a
7 one percent shareholder according to you, who were the
8 officers?

9 A Which meeting?

10 Q You stated then in the September 2004 meeting
11 you became 50 percent shareholder, and Mr. Beitchman
12 split 49 percent and Mr. Richardson had 1 percent. Who
13 were the officers elected that the meeting?

14 A I was the president, and any other specific
15 officers I would have to go online and look up under the
16 record. Because I can't remember what actually the
17 titles were for them. But I think maybe Lee Beitchman
18 might have been secretary or something. I'm not sure.
19 I know I could speak for myself. I was the president at
20 that time.

21 Q The records online with the Secretary of State
22 would, to your knowledge, accurately reflect the
23 officers?

24 A Yeah. I mean, for that time, sure. What
25 would probably be helpful is to ask Leron Rogers. It

1 seems like, you know, he was calling meetings, and he
2 thought he had a little authority to do that. He would
3 probably have a little more understanding about that
4 time frame, too, because he was there in proxy for
5 Darryl Richardson.

6 Q You have said you were in jail at the time of
7 the April 2005 meeting. How long were you locked up at
8 that time?

9 A Two, three days at the max. I'm not sure.

10 Q After you were released did you come back to
11 Atlanta?

12 A Come back to --

13 Q I believe you were locked up in Florida. Is
14 that correct?

15 A No, I was here in Atlanta.

16 Q Did you subsequently have an arrest on a
17 probation revocation in Florida?

18 A On what?

19 MR. KAUFMAN: Probation revocation.

20 Q (By Mr. Clarke) Revocation of your
21 probation from the Florida case.

22 A I don't think that's why I was locked up, no.

23 Q You were not locked up in Florida?

24 A I was locked up for resisting arrest, not
25 violently, which I pleaded to.

1 Q Didn't they allege in Florida that you had
2 violated the terms and conditions of your probation by
3 what happened here in Georgia?

4 A No.

5 Q Your arrest? So you never had any kind of
6 violation of probation charge in Florida?

7 A There was something sent to my house saying I
8 didn't pay all my probation, and we showed them proof
9 that I had paid. That's the only thing.

10 Q You weren't arrested in Florida or locked up
11 for violation of your probation?

12 A In Florida?

13 Q In Florida.

14 A No, I was never locked up in Florida for
15 violating probation. I wasn't on probation when I got
16 locked up in Florida. I'm confused because what you're
17 saying --

18 Q I'm trying to get the answers. I'm asking
19 you.

20 A I was involved at a --

21 Q I'm not asserting or swearing any of what
22 we're talking about here today, I'm not contending any
23 of it is true, false or otherwise. I'm asking you your
24 understanding.

25 A I was at a concert with Darryl Richardson. I

1 was subsequently convicted of resisting arrest
2 non-violently, which I was on probation for one year.

3 Q And I was just getting to the time frame. I'm
4 not trying to get into anything about the charges or the
5 validity of the charges at all. I just want to know
6 where you were in April 2005.

7 A I already told you.

8 Q You were in jail for two or three days, you
9 said. And when you got out of jail were you informed
10 that you were not a shareholder of Crunk anymore or what
11 were you told about your position with Crunk?

12 A Probably around the time I was informed by
13 probably Ms. Smith and her husband.

14 Q What did she inform you?

15 A That she received a letter and some other
16 information. And I tried to, you know, reach out to
17 Scrappy and his people, and I was unable to. And then
18 what I did was immediately filed charges -- not charges.
19 I filed -- I misspoke. I took out warrants against
20 Leron and Kendall for fraud, which is where I first met
21 you.

22 Q And at some point those charges, that lawsuit
23 was settled?

24 A Well, what happened was we went to -- I took
25 out criminal warrants for Leron and your client, Kendall

1 Minter. Then when we went to trial the judge said it
2 was a more civil situation and for me to go downstairs
3 and file a civil complaint, which is what I did.

4 Q So ultimately --

5 A And like you said, yes, the situation was
6 settled.

7 Q Was Mr. Richardson working with Crunk for the
8 second Crime Mob album? Excuse me. Not working with
9 Crunk; representing Crunk during the time of the second
10 album.

11 A During the time of the second album I was the
12 principal as that contract says.

13 Q And I'm not phrasing it well. You were not
14 the one personally, you, Tommy Phillips weren't the one
15 actively involved in the second album?

16 A Yes. It was on my label.

17 Q Were you involved in the song selection for
18 the second album?

19 A I was involved to the extent that I settled
20 with Warner to allow it to come out. So I --

21 Q I'm not trying to trick you into saying you
22 legally didn't have rights to it. I'm just trying to
23 figure out who was day to day working with Warner on
24 getting that album put out. Was it you doing it for
25 Crunk or was it Mr. Richardson doing it for Crunk,

1 whether he was entitled to or not? Legally is a
2 different matter. I'm just asking, was he the one doing
3 it?

4 A See, that's the thing. I can't say what he
5 was doing. I wasn't around him, so I can't --

6 Q But you were not the one doing that?

7 A I mean, I did not go in the studio and make
8 the songs, no.

9 Q Like you did for the first album? You did it
10 for the first album?

11 A Is that what you're saying?

12 Q No. Were things different from the second
13 album with your role in the second album than they were
14 in the first album?

15 A My role in the first album and second album
16 was principal for Crunk as the Warner Bros. contract
17 says.

18 MR. KAUFMAN: I think what he's asking is the
19 actual specific -- aside from your title did you
20 physically do things in the first album? Did you
21 do the very same things for the second album or did
22 you do different things?

23 A (Continuing) I didn't do the exact same
24 things that I did for the first album. I think the
25 first album -- I sold the second album in numbers.

1 Q (By Mr. Clarke) Were you involved in the
2 song selections that went on the second album?

3 A When, you say you --

4 Q Mr. Phillips personally. Let me just say
5 this: I'm not trying to trick you into saying anything
6 about your legal capacity as head of Crunk. I
7 understand you're saying --

8 A There's a reason why you're asking the
9 question.

10 Q I'm just asking you what you did --

11 MR. KAUFMAN: Personally.

12 Q (By Mr. Clarke) Personally what you did
13 for the second album.

14 A I remained as the principal for Crunk as the
15 contract for Warner says.

16 Q And other than that then you didn't do
17 anything specific for the album?

18 A That's what I said. I said I approved the
19 album by settling with Warner and allowing it to come
20 out. So I approved the album. So my job was overseer,
21 and I gave my blessing on it.

22 Q So you listened to it before it went out, and
23 you approved for Warner to put it out?

24 A I didn't listen to everything on it, no.

25 Q Who did that work for the second album?

1 A I don't know. I couldn't say. I mean, I'm
2 sure it was an A and R for Warner.

3 Q I mean from the Crunk side.

4 A I don't know. You would have to ask Leron
5 about it because there are some things that have to be
6 signed off, so you'd have to ask Leron about that. But
7 all I know is that I remained a principal as the
8 contract says with Warner. I remained the principal for
9 Crunk.

10 Q So Mr. Rogers -- you say ask Mr. Rogers about
11 that, so he was involved at that time?

12 A Mr. Rogers was the attorney for Darryl
13 Richardson, and he was posing as the attorney for Crunk.
14 I took him to court. There was a settlement. He left
15 his firm, Hewitt, Katz & Stepp. Both him, Ken Hewitt
16 and Leron Rogers started their own firm. They left. He
17 resigned from all positions with Darryl Richardson and
18 gave a formal notice that he was not the attorney for
19 Crunk.

20 So, I mean, I don't know what you're
21 looking for; but that's what happened. And I think
22 you know that because you were involved in the case.
23 I mean, he made so many fraudulent statements to my
24 business partners, he was looking at a very big
25 malpractice suit. And if I did not talk to Mr. Katz

1 who is a very good man, said he knew nothing about
2 it, I would not have settled then. I did that as a
3 favor to Mr. Katz.

4 Q When you first signed Crime Mob before
5 Mr. Minter got involved, you said you had dealt with the
6 parents and their attorney. Who was their attorney at
7 that time?

8 A I didn't say I dealt with their attorney. Did
9 I say that?

10 Q Did you deal with their attorney, an attorney
11 before --

12 A What I did was I gave them the contract to
13 look over, and I advised them to let -- to get an
14 attorney and let an attorney look at it.

15 Q Did they get an attorney?

16 A Yes.

17 Q Who did they get?

18 A The only person I know that they got was
19 Monica Hewitt. And I don't know who all she represented
20 or anything like that. I just know that she was one of
21 the attorneys that dealt with the group, so -- and if I
22 could, to elaborate on that -- if I could to elaborate
23 on that matter, on page -- on exhibit -- it says on page
24 22 on Exhibit 1, H, you specifically acknowledge that
25 (i) Lee B. Beitchman did not represent you and has not

1 advised you in connection with this agreement or in any
2 other matter. And two -- excuse me -- not two but two
3 i -- you have been advised by your own independent legal
4 counsel concerning the interpretation and legal effect
5 of this agreement. So they signed agreeing that they
6 had been advised by legal counsel.

7 Q Is that Exhibit 1 you're referring to?

8 A It's on Exhibit 1, page 22. Let me get it to
9 you. It's under Section 26, miscellaneous, page 22,
10 Section H. It says again, you specifically acknowledge
11 that (i) Lee Beitchman does not represent you, has not
12 advised you in connection with this agreement or any
13 other matter; and ii, which is two, you have been
14 advised by your own legal counsel concerning the
15 interpretation and legal effect of this agreement.

16 Q Okay. Moving on to the next question. If we
17 can get this document marked, please.

18 (Defendant's Exhibit Number 9 was marked.)

19 Q For the record, I'm showing you Exhibit 9
20 which was Exhibit O to Mr. Phillips' answer in this
21 matter. Have you seen this document?

22 A I'm not saying I've seen this particular
23 document, but I've seen something that looks similar to
24 it.

25 Q And you attached this as an exhibit, you, to

1 your answer to the lawsuit as Exhibit O.

2 A Okay. I think it came from Warner originally.
3 But yes, this is an unauthorized amendment between
4 Darryl Richardson and the members of Crime Mob.

5 Q And when you say unauthorized, you mean
6 unauthorized by you?

7 A Not me, by Crunk. Because, of course, I'm --
8 personally, you know, I'm just an officer for Crunk, but
9 when I say me I mean it wasn't authorized by Crunk. And
10 I should be more specific before the court reporter.
11 This was not an authorized document by Crunk,
12 Incorporated. There's no consideration in this document
13 for Crunk, Incorporated. There was no quorum when this
14 document was drawn up. There was no actual vote on this
15 document by the shareholders of Crunk as the by-laws.

16 Q When you say there was no consideration for
17 Crunk, Incorporated, what do you mean?

18 A What I mean is it looks to me when I first
19 looked over this document that somehow there were
20 modifications made to the original contract which is
21 Exhibit 10 for the record. Okay.

22 To my understanding, this does not
23 unilaterally dissolve the first contract. I don't
24 see that written in there anywhere. What it does is
25 makes specific changes to the contract. But, of

1 course, anything not changed by this document would
2 be in full force and effect.

3 But the problem is regardless of that, this
4 wasn't approved. It might have been signed by the
5 member of Crime Mob and Darryl Richardson, but it
6 wasn't approved by Crunk. And Darryl Richardson was
7 moving in his own interest and not the interest of
8 Crunk, Incorporated, even though for some reason he
9 put Crunk, Incorporated up here.

10 If you look on the first document, Exhibit
11 1, I signed that along with the parents and the
12 members of Crime Mob. It looks like this is a little
13 bit different, a little bit of a maneuvering, a
14 little bit of something else going on. And as I look
15 at the date, it was signed June 3rd, 2005 right
16 around the time when there were a lot of fraudulent
17 accusations going on about me. I think I was in a
18 lawsuit with these persons, me and Leron Rogers; and
19 I think the company was under a little distress at
20 the time. So this couldn't be --

21 MR. KAUFMAN: Let him ask a specific question.

22 Q (By Mr. Clarke) Looking at number 10 on
23 page 4 it says keyman?

24 A Okay. Keyman.

25 Q Artists shall have the right to terminate this

1 agreement without further prospective obligation to
2 company in the event that at any time during the term of
3 this agreement Darryl Richardson, performer known as Lil
4 Scrappy, should withdraw from company as a principal,
5 officer, director or shareholder or should cease to
6 actively manage the day-to-day affairs of the company or
7 should own and control less than 51 percent of the
8 common voting stock of company.

9 A I'm sorry. You know what? My memory just
10 kicked back in. The quorum was 51 percent. I just
11 remembered that. Just looking at that just set me off.

12 MR. KAUFMAN: All right. He's referred you to
13 Exhibit 9, Section 10.

14 A (Continuing) It says any such termination
15 shall be given in writing.

16 Q (By Mr. Clarke) So are you saying that
17 that clause is not valid or in effect as well since
18 it's a part of this agreement?

19 MR. KAUFMAN: Let me obviously, to the extent
20 it calls for a legal objection, object.

21 Q (By Mr. Clarke) Do you agree or disagree
22 that that keyman clause is a part of Crunk's
23 agreement with Crime Mob?

24 A No. This is not a Crunk agreement. This is
25 an agreement between Darryl Richardson posing as Crunk,

1 Incorporated Crime Mob. This is not a Crunk agreement
2 because every Crunk agreement must, number one, be
3 ratified by the entire company, it must be a quorum, it
4 must be a vote and it must be consideration. And I'd
5 like to again make the differences in this piece of
6 paper and the original contract, okay? The original
7 contract was signed --

8 Q (By Mr. Clarke) I think that was a
9 sufficient answer.

10 MR. KAUFMAN: He's answered the question.

11 Q (By Mr. Clarke) If we can go ahead, and
12 just because Mr. Phillips -- and I don't mean to cut
13 you off, but we are short on time, and if I interrupt
14 you and you have something substantive to say, just
15 let me know. But I think you've definitely and your
16 attorney has said you've answered --

17 A Also just to let you know, in the first
18 contract there was notice on how to give notices for
19 anything, any changes. And, you know, that wasn't
20 followed. It should have been notices given, especially
21 to me.

22 MR. CLARKE: If you can mark this.

23 (Defendant's Exhibit Number 10 was marked.)

24 A (Continuing) One more thing, Mr. Clarke. If
25 this amendment was to be taken seriously, it would be a

1 breach of the original contract because nothing could
2 change the way the contract was. I read that to you
3 earlier. I just wanted to say that. And Warner
4 specifically said that the original contract could not
5 change and also said that I had to remain the principal.
6 So this is breach in itself. But I'm glad you gave it
7 to me. Thank you.

8 Q I've handed you what's been marked as Exhibit
9 Number 10, and I'll state for the record that it was
10 Exhibit 4 to the complaint filed by Warner Bros. in this
11 matter. Do you recognize it? It starts out on the
12 first page of the document saying that it's a settlement
13 agreement and purports to be signed by Darryl Richardson
14 and Tommy Phillips. Do you recognize it?

15 A Looks like something -- looks like a fax, a
16 part of the case. At the top it looks like a case. Of
17 course, this is not the original, but I've seen it.

18 Q You remember signing --

19 A I've seen something similar to this before.

20 Q You remember signing an settlement agreement
21 with Mr. Richardson?

22 A Yes.

23 Q And looking at the third paragraph, it says,
24 whereas both Richardson and Phillips are shareholders in
25 the company Crunk, Incorporated in which Richardson is a

1 70 percent owner in Crunk and Phillips is a 30 percent
2 owner in Crunk, do you remember what this settlement
3 agreement said as far as the ownership of Crunk from
4 this point going forward would be?

5 A Let me see if I can find it. You know, I want
6 to read it to make sure I'm saying the right thing. I
7 think what it says, 3A (i), effective May 1st, 2009
8 Phillips shall be the sole shareholder of Crunk and
9 shall be the sole principal and contact with Crunk and
10 the Crime Mob agreement.

11 Q And you signed that, and is that is your
12 understanding, that effective -- that that is correct,
13 that you are now a hundred percent owner of Crunk, you
14 Tommy Phillips?

15 A Yes, uh-huh.

16 Q What was the purpose for this settlement
17 agreement in which Mr. Richardson conveyed to you all of
18 his ownership of Crime Mob?

19 A Of Crime Mob?

20 Q I'm sorry. Of Crunk. Sorry.

21 A What was the reason?

22 Q Why did you --

23 A Because I sued him for not paying me. I sued
24 him for doing the second album without my consent. I
25 sued him for entering into an amendment with Crime Mob

1 without my consent. Just basically his fraudulent
2 behavior, and I was looking to actually put him in jail.

3 Q And this was a settlement resolving that
4 claim, your claims against each other; is that correct?

5 A Right.

6 Q Looking at the second page, paragraph 3A, two,
7 little two, it says as it relates -- I think there's is
8 a word missing, but as it relates to any and all income
9 including but not limited to royalties for the first and
10 second albums recorded, delivered and distributed under
11 Crime Mob agreement said income shall be paid as
12 follows: 70 percent to Richardson and 30 percent to
13 Phillips. Do you remember agreeing to that? Do you
14 remember agreeing to that?

15 A Yes, this is part of the same -- this is the
16 same settlement, right?

17 Q Right. And then the paragraph number 3 right
18 underneath that, as it relates to any income for any
19 subsequent Crime Mob albums, if any, all said income for
20 such subsequent albums shall be paid one hundred percent
21 to Phillips on behalf of Crunk. Is that correct?

22 A I'd like to say something. When I did this
23 there was information left out. I think that's another
24 reason why Darryl Richardson did not appear. There was
25 a third album that was initiated at the time of this

1 settlement that was not brought to my attention. There
2 was also a second contract signed between Warner and
3 Brittany Carpentero where 115-, \$117,000 was distributed
4 to Darryl Richardson and Brittany Carpentero that I
5 didn't receive any funds for. So --

6 Q Do you know if Crunk received funds?

7 A Yes. The check was sent to Uwonda Carter.
8 She was paid \$15,000 for initiating the contract, and
9 the money went through. They subsequently terminated
10 the solo contract. Somehow like right after I did the
11 settlement they terminated that contract, and Darryl
12 Richardson signed on behalf of Crunk. But, of course,
13 he was not an officer of Crunk at that time.

14 Q In the music industry what is a mixtape?

15 A A mixtape?

16 Q Yes, sir.

17 A A mixtape would be a collection of songs on a
18 CD or download. You know, it's just a term. It's not
19 really a real mixtape anymore.

20 Q What did it used to be?

21 A Because people don't really play tapes in
22 their cars anymore.

23 Q Has Crunk ever released mixtapes?

24 A We've released promotional mixtapes not for
25 sale.

1 Q And those are used --

2 A Promotion.

3 Q A Crunk artist; is that correct?

4 A Right. And the artists -- that can be
5 recouped from the company because it's promotion for the
6 artist. Now, like Crime Mob, for instance, they have
7 released numerous mixed CD's individually and
8 collectively without permission from Crunk for money.
9 So it would be a little bit different. That's not for
10 promotional. If it's on somebody else's websites and
11 they're selling it, then that's not promotional. If I
12 press up CD's and I go to a club and say, hey, these are
13 the songs we're working on, check this out, listen to
14 it, see if you like it, that would be promotional
15 marketing.

16 Q Does Crime Mob have a website, to your
17 knowledge?

18 A They had one because part -- if you read the
19 Warner contract, part of the Warner contract was that
20 they had to set up the website. It was Crime-Mob.com.
21 And I think they did a merchandise deal with Say Now
22 outside of Crunk in 2006.

23 Q To your knowledge, did Crime Mob sell those
24 mixtapes that you were speaking of from their website or
25 on their website?

1 A On the Warner website?

2 Q No, on any website. Does Crime Mob operate,
3 own or control a website where mixtapes are sold?

4 A They have different websites, different --

5 Q Crime Mob does?

6 A Crime Mob is signed to me individually and
7 collectively. Agree to that, right?

8 Q So each of them has an individual website; is
9 that what --

10 A They have individual Twitters, Facebooks.
11 They have -- individually and collectively they have
12 these different sites, and they also utilize other
13 people's sites as well.

14 Q Do they sell mixtapes on these websites, their
15 websites?

16 A Well, I think that's what we've asked you guys
17 for in discovery. I found them online, and I hope that
18 you guys will be as generous as we've been and give us
19 that information as well as an accounting of what
20 they've made from those unauthorized mixtapes and
21 singles and appearances and productions, stuff that
22 they're, you know, not supposed to do. But we put that
23 in the list of discovery, I'm sure.

24 Q When you say you found them online, mixtapes
25 for sale, what sites have you found the mixtapes for

1 sale on?

2 A DJ Scream, IAP-TV, ReverbNation, stuff like
3 that. I can't go through all of them, but what I
4 suggest to you is between you and your associate is just
5 do a quick Google search.

6 Q I was just asking where you've seen them.

7 A But I was just trying to help you find more.
8 And then, of course, when you guys give us the discovery
9 we'll have a complete list of where they did that.

10 Q Who is DJ Scream?

11 A A DJ.

12 Q Are you familiar with him?

13 A I think he's on the radio. His name is DJ
14 Scream. He doesn't work for me. So, I mean, he's
15 someone in the music community. That's like saying who
16 is Jay Z. I mean, he's a DJ. Who is Beyonce. She's a
17 singer. Are you asking me if I know him personally, are
18 we friends? Give me a little bit.

19 Q I just didn't know the extent of your
20 awareness of if he was involved somehow with Crime Mob
21 or with Crunk.

22 A Is DJ --

23 Q Is DJ Scream, to your knowledge, involved with
24 Crime Mob or Crunk?

25 A He's not involved in Crunk. He's -- I never

1 hired him to do anything. I'm not even really
2 understanding your question, to be honest with you.
3 Involved how? Is he an employee, was he paid? Involved
4 how?

5 Q I guess I'm just asking if there has been any
6 involvement with him as a DJ, producer or otherwise.
7 And I guess the answer is no?

8 A I mean, I know him.

9 Q Okay. Other than the songs that are on albums
10 one and two or the first and second Crime Mob albums,
11 have there been any Crime Mob tracks delivered to Crunk
12 that are unreleased or that were released other than the
13 ones that are on album one and album two?

14 A Yeah, a couple.

15 Q Do you recall the names?

16 A It wouldn't involve the names. There's no
17 names. Just recorded music.

18 Q Are they just beats?

19 A Some beats, some lyrics.

20 Q Have these been commercially released?

21 A Not by me, not by me. And if you definitely
22 read Exhibit 1, any material that's recorded, produced,
23 any form, individually or collective must be approved.
24 So, for instance, Princess is here. Princess releasing
25 a single on her own, putting it on her Twitter page

1 would be a breach. I don't know if --

2 Q Do you know when --

3 THE WITNESS: Do you have that in writing?

4 MR. KAUFMAN: Let's not get --

5 THE WITNESS: You said you didn't want to be a
6 lawyer. You should slow down. It has to be in
7 writing.

8 Q (By Mr. Clarke) When do you contend that
9 Crunk contract with the members of Crime Mob, Exhibit
10 Number 1 that you were speaking of terminated?

11 MR. KAUFMAN: Objection.

12 Q (By Mr. Clarke) Do you know when the
13 contract ended with Crime Mob?

14 MR. KAUFMAN: Again, to the extent it calls
15 for a legal conclusion.

16 MR. CLARKE: His opinion, whatever your
17 opinion, Crunk's opinion.

18 A To my knowledge, Warner terminated the
19 contract with Crunk because there was no third album
20 turned in. But there has never been a termination
21 between Crunk and Crime Mob, period.

22 Q (By Mr. Clarke) You have alleged that the
23 free DJ Scream mixtape featuring Crime Mob caused you
24 financial and reputational harm. What harm did that
25 mixtape cause you?

1 A What harm?

2 Q Yes. And are you aware of the mixtape that
3 I'm referring to?

4 A I think you answered the question for
5 yourself. You said financial, right?

6 Q You have alleged financial and reputational.

7 A There you go. Financial and reputational.
8 That's very good well.

9 Q Well, they were your allegations.

10 MR. KAUFMAN: He's asking you what facts do
11 you have that support that allegation.

12 A Okay. Well, I have a company that says any
13 music released to the public must be authorized and
14 approved, correct? I have a contract that says that.
15 Somehow they go out on their own and give music that
16 could have been sold by my company with my logo on it.
17 It's supposed to have my logo on it and have approval on
18 a piece of paper.

19 I didn't give them approval to give DJ
20 Scream free mixtapes that you can get free on a
21 download and he sells out of his trunk going around
22 the country. But I don't want to make any
23 speculations because what my team has done is given
24 you guys a list of discovery, and we'll just wait on
25 the accounting and all the mixtapes and unreleased

1 singles, anything on iTunes, anything that's up and
2 coming. There's no termination. If you have a
3 termination letter for Crunk and Crime Mob that I
4 signed, I'd like to see it right now.

5 Q (By Mr. Clarke) What is dizzyjam.com?

6 A Dizzyjam.com is a merchandise website. It's
7 not -- the deal that they did --

8 Q That was the only question I've asked you.

9 A It's just a promotional.

10 Q What is it?

11 A I'm explaining it to you. It's a promotional
12 site.

13 Q What have you as Crunk or Tommy Phillips done
14 with dizzyjam.com with regard to Crime Mob?

15 A Only put up templates of things that could be.
16 Now, I don't have any idea what's been sold or anything
17 like that. It's more or less of an advertising and
18 marketing scheme to get their name out there to get
19 people to see different articles and clothing that they
20 could see their name on and possibly raise interest for
21 the group.

22 Q When you say, they --

23 A They being the public.

24 Q But there are templates with Crime Mob's name
25 on certain items of merchandise; is that right?

1 A Right.

2 Q What items of merchandise are they?

3 A Shirt, hats. But they're only pictures.

4 They're not actual gear because you have to order it to
5 actually get it. And I have to approve it, and I've
6 done neither of the two.

7 Q So you haven't actually created any Crime Mob
8 merchandise?

9 A No. The merchandise deal was done between
10 Crime Mob as a group and Say Now in 2006 without Crunk.
11 There was already a merchandise deal. This is something
12 that I did maybe two or three months ago as a
13 promotional scheme. The actual promotion and actual
14 deal took place in 2006 with Say Now.

15 Q As far as your --

16 A With shirts and --

17 Q Your promotional scheme, what were you
18 promoting two or three months ago?

19 A What I was promoting was the name Crime Mob.
20 Remember the name, remember the music, because this is
21 the tenth-year anniversary of the release of the first
22 album. So I was trying to drum up interest in the
23 group, put up little cool things as far as pictures,
24 images that on a search you might be able to see, oh,
25 the Crime Mob sweater. It's not a real sweater; it's a

1 digital image for promotional use only.

2 Q Did you provide any notice to Crime Mob about
3 any of this merchandise or clothing?

4 A To my understanding they were already in a
5 merchandising deal with Say Now that was exclusive of
6 me. I don't have to inform them of any kind of
7 promotional schemes that I run. This is not a
8 merchandise deal. This is a free website that you can
9 go on and put Alan Clarke on a template of a shirt, and
10 you and your associate can just promote it online. It
11 doesn't mean that she's going to buy one or anything
12 else. It just looks cool. That's part of promotions
13 and marketing.

14 Q As far as promotions, were these items listed
15 as being for retail sale on that site?

16 A Yes. You could buy it if you want to, but I
17 would have to approve it, and I haven't done it. And if
18 I recall correctly, we're talking about a website. So
19 we have to, you know, be very specific.

20 Let me go to the original contract because
21 this is a website, and there's provisions for
22 websites in the contract as far as what I can do, how
23 much, you know, to be reimbursed. I just wanted to
24 read that. On page 19, Exhibit 1, it says the
25 website, the official artist internet website would

1 be developed and maintained by the company for as
2 long as company sells artist's records. Company
3 shall consult with artist to design. The cost to
4 create and a maintain the website are recoupable as a
5 marketing cost at the rate of 75 percent from artist.
6 So the designs that I used were designs that were
7 already approved by Warner.

8 Q What property of Crunk's do you claim that
9 Crime Mob has kept in its possession? That wasn't one
10 of your third actually affirmative defenses. You said
11 that Crime Mob has kept in its possession certain
12 property -- I'm sorry, yes. Crime Mob has kept in its
13 possession certain property of Crunk's. What property
14 is that?

15 A There's a hard drive file with unreleased
16 songs, beats.

17 Q And you're claiming that those unreleased
18 songs and beats belong to Crunk, Inc.?

19 A I mean, I've heard them. I've been in Lil
20 Jay's studio that I paid for. I've been to his studio,
21 I've heard songs that he's recorded with Crime Mob that
22 are property of Crunk, Incorporated. I've heard them
23 myself. They've been released. I think Princess has a
24 new song with Scrappy that's unreleased going on his
25 mixtape that I didn't release, and she's promoting that.

1 She's been on TV. I didn't approve that. I mean --

2 Q So you have the rights to approve appearances
3 and television or live appearances; is that your
4 understanding?

5 A When -- the image of the group, yes. The
6 contract is very clear. That's the image of the group,
7 the face. You can't go and use Crime Mob's name on TV
8 without talking to me and giving us proper credits at
9 the end of your show. That's why we have contracts.
10 You know what, Mr. Clarke? To be honest with you,
11 that's why I sat down, and I did business with their
12 parents when I initially started this thing.

13 Let me explain something to you, because
14 Kendall made an allegation that the contract was
15 invalid and stuff like that because they were minors.
16 That was just another lie.

17 Q That's all been settled, right?

18 A Right.

19 Q That's all been resolved, so we're not here to
20 talk about that.

21 A That's why I made an effort to follow the law
22 and do the deal with the parents.

23 Q So that's not even an issue.

24 A The parents are wiser. Kids, they don't know.

25 Q Now, when you were just speaking of Lil Jay,

1 speaking of Jonathan, you said you paid Jonathan the
2 \$9,000, the advances as a producer. Did you pay that by
3 check or by cash?

4 A He wanted cash.

5 Q And what about DJ Bing on his production work?
6 DJ Bingo. Excuse me. Mr. Bing, how did you pay him?

7 A Cash and check.

8 Q So we would have copies of the checks. Does
9 he have a production company?

10 A Bingo Production. He's actually the guy who
11 made Head Bussa, like I said in the beginning just a
12 couple of hours ago. But he's the one that made Head
13 Bussa for Scrappy.

14 Q So you would have turned over copies of any
15 payments -- of any documents reflecting payments to Mr.
16 Bing for his production work?

17 A Like I said, you might not have some checks.
18 I thought I said that very clearly.

19 Q Do you have any statements or anything that
20 reflect those payments? Any checking account
21 statements, your statements would reflect payments; is
22 that correct?

23 A If I wrote him a check it's there. If I gave
24 him cash, I don't know. I mean, sometimes people want
25 cash. That's not -- I wasn't thinking like, oh, my God;

1 I need to keep a record of every -- cash, somebody asks
2 me for cash, it was just -- we were friends. You know,
3 they needed cash because some of them didn't have bank
4 accounts. And I know they weren't used to bank
5 accounts. I on the other hand use bank accounts, and
6 that's why I have records of my business from ten years
7 ago, checks, because that's just how I was raised.

8 Q You don't have records of those cash payments
9 then?

10 A Cash payments for what?

11 Q For anything. I mean like the production,
12 anytime that these people asked you for cash payments
13 related to Crime Mob, do you have any?

14 A Not all of them other than, you know, just
15 being an honest businessman and them -- you know, I have
16 Kendall's transcript where he agrees that I paid the
17 group \$6,000, and then Warner sent them the remaining --

18 Q Other than the transcript do you have a ledger
19 or anything where you kept track of the payments?

20 A I'm just telling you, the only other thing
21 would be the accounting that Nakita gave Kendall.

22 Q So that would be it?

23 A And Kendall should have that. I don't know if
24 he agreed with it, but he should have it.

25 Q Have you, either Mr. Phillips or Crunk,

1 contacted ASCAP or BMI regarding the publisher's share
2 claimed by the members of Crime Mob?

3 A Yes. That's how you were able to get the
4 accounting from ASCAP. If you remember, they sent you
5 an accounting.

6 Q Did you make a claim that ASCAP and BMI had
7 been paying the improper parties?

8 A Yes.

9 Q What was your claim to them?

10 A My claim to them was that they were paying the
11 improper parties. And I went through a claims process.
12 They asked for documents. I sent them. They made a
13 decision to change it accordingly. It was changed, and
14 it remains the same. It's going to remain the same
15 because it's true.

16 Q Did you make a claim for a hundred percent of
17 the publisher's share?

18 A As the contract says, I administer the
19 publishing one hundred percent. I think I said that
20 earlier. I can go to it right now. Let me go to it
21 because you brought it up.

22 Q That's okay.

23 A You brought it up.

24 MR. KAUFMAN: It's in the record.

25 A (Continuing) I mean, you made it seem like,

1 did you claim a hundred percent. Well, I just gave them
2 the contract. And then I don't want to move too fast
3 because I didn't handle that by myself. There was an
4 attorney. Her name was Miss Ruth Bridges. And I don't
5 want to get into what she did. She's an attorney. She
6 handled it.

7 Q Is she your attorney anymore? And I'm not
8 going to ask you about any communications at all.

9 A Rob is my attorney.

10 Q I didn't know for this particular situation if
11 she's working with you or not.

12 A No. Rob and Josh represent me.

13 Q What companies of Crime Mob's did you make
14 claims to ASCAP and BMI for?

15 A What companies?

16 Q Yes. Do you remember the company names for
17 Crime Mob members?

18 A I don't make any claim for any of their stuff.
19 My claim is for what's supposed to go to my companies.
20 Whatever they think they owe, you know, I gave them
21 their names for their companies. I'm not trying to
22 claim anything that they get paid. What I'm claiming is
23 what I'm supposed to get paid. And my statement to them
24 was that you're paying the wrong entity; you should be
25 paying me, and I'll pay them.

1 Q What do you claim that they should be getting
2 paid?

3 A I claim that they should be getting paid
4 according to the contract that we went over several
5 times. And I know you can agree you don't want me to
6 read it again.

7 Q You just said you were making a claim with
8 ASCAP and BMI for what the Crime Mob --

9 A I just said I own -- since she's here, that's
10 the only reason. I own Princess's publishing company.
11 That's her publishing company.

12 Q That's her --

13 A She shouldn't be getting money in her
14 publishing company. I'm claiming the money. You
15 understand, that's a big different between me claiming
16 the money that's going into her account. I don't
17 want -- just, for instance, if -- she's work for hire
18 for me. She's been paid. She should be -- she's a
19 contractor. She's a work for hire contractor.

20 She doesn't own Crunk, she doesn't own the
21 copyright, she doesn't own the publishing. I have a
22 deal to pay her. She doesn't get paid. I don't want
23 her publishing company. What I want is the money
24 that they were putting into her account. It should
25 have been going into my account, allowing me to

1 recoup whatever I needed to recoup before she was
2 paid.

3 And, of course, ASCAP's documentation and
4 accounting will show you that from 2005 to 2010 she
5 was paid and along with her other cast members
6 collectively and individually were paid directly
7 without me getting 50 percent of the royalties. And
8 that is recoupable. So not only am I going to be
9 recouping the advances, the recording costs, I will
10 also be recouping the money that they were overpaid.

11 Q Do you remember the names of the publishing
12 companies for those members that you contacted ASCAP and
13 BMI about?

14 A I think they're in the documentations that I
15 sent you.

16 Q I didn't know if you were -- okay.

17 MR. CLARKE: Off the record.

18 (A brief recess was taken.)

19 Q (By Mr. Clarke) Following up just very
20 quickly on the payments that you made to Jonathan
21 Lewis and to DJ Bingo, and I know you said you paid
22 \$9,000 to Jonathan, and you paid him in cash per his
23 request. Do you recall when and where you made that
24 payment?

25 A Where I was and when? Oh, man.

1 Q Yes. The time frame --

2 A I think I may have paid Bingo at the bank.

3 Q Was that before --

4 A Did you say Bingo and who?

5 Q Both of them. Jonathan, first let's talk
6 about Jonathan Lewis. The 9,000 for production on the
7 first album, was that paid to him before he turned over
8 the tracks to you or after?

9 A Oh, definitely afterwards.

10 Q How long after?

11 A Before the album came out.

12 Q But after he turned over the tracks?

13 A Because the album came out August the 4th, and
14 he was paid definitely before then because we were all
15 at the in-store.

16 Q Where was the in-store?

17 A At Big Oomp's on Campbellton Road, the
18 in-store for the album in Atlanta.

19 Q Where was Bingo paid?

20 A Got paid once at Beitchman's office and once
21 at SunTrust. I didn't pay him everything up front. I'm
22 saying I paid him as I went. He ended up with two songs
23 on the album. I think it's called like Ain't No Joke
24 and Rap Is Like.

25 Q Did Warner ever accuse Crunk of any kind of

1 breach of its contract?

2 A Did Warner ever accuse me?

3 Q Crunk, right, of breaching the contract with
4 Warner.

5 A Not to my knowledge other than, you know, this
6 interpleading. The only suit that went on was me suing
7 them for breach.

8 Q So to your knowledge, Crunk performed as it
9 was required to pursuant to the agreement with Warner?

10 A No, because the agreement was terminated. If
11 we had performed we would have had a third album in the
12 store.

13 Q You performed as you were required to for the
14 first album; is that correct?

15 A Yeah.

16 Q You performed as you were required to for the
17 second album; is that correct?

18 A As far as I know.

19 Q You performed as you were required to for the
20 Greatest Hits album?

21 A I don't think we had to do anything. The
22 problem came in in the third album, the paperwork was
23 sent to Leron to initiate the third album. And then, of
24 course, I didn't learn this until the termination letter
25 was sent to me like September 11th, 2009 way after I got

1 the company, you know, fixed or whatever.

2 Q What paperwork was sent to Leron?

3 A There was a letter sent to Leron with an
4 exhibit saying, you know, that Warner was picking up the
5 album and that sort of thing.

6 Q So for the option, they were exercising their
7 option for the next album?

8 A It's called the second album on paper, but
9 it's really the third album.

10 Q So maybe the second option album?

11 A It's called a second option, but it's the
12 third album because, of course, the first -- it's no
13 first. The first option is the second.

14 Q To your understanding Leron got that letter,
15 is that right, asking for a third album?

16 A That's what the exhibit says.

17 Q And do you know what actions were taken by
18 Leron when he received that notice?

19 A You have to ask Leron because I didn't even
20 know that the third album was initiated. As principal
21 for Crunk I should have been -- as the principal in the
22 contract with Warner for Crunk I should have been told
23 about that when it came.

24 Q Do you know what year that was?

25 A It says it on the letter.

1 Q When you got a copy of that letter --

2 A September 11, 2009, I think, if I'm not
3 mistaken.

4 Q What did you do when you received the
5 September 11th, 2009 letter?

6 A I called Uwonda Carter, like, what the hell is
7 this.

8 Q Because that letter -- and I've got a copy of
9 that to show you -- that letter, to your understanding,
10 terminated the contract with you, with Crunk and Warner?

11 A Not only terminated it, but it was two things
12 that I was made aware of: The termination, and also
13 that there was a third album. Because if you read the
14 settlement, it says for the third album a hundred
15 percent goes to -- I'm like, okay, here we go,
16 everything's good; I'm about to put this third album
17 out. They saw that I was telling the truth, and I'm
18 thinking everybody is trying to be happy.

19 Then I get this letter, and I'm like, well,
20 why didn't Uwonda and Scrappy tell me about this
21 third album, because that would have changed a lot
22 with that settlement. I would have demanded, you
23 know, more information. I would have demanded that
24 there would have been a time frame change. Certain
25 things would have been different.

1 Q Uwonda was representing Crunk?

2 A Uwonda was representing Darryl Richardson.
3 She didn't represent Crunk because I would have to
4 approve her, and I did not approve her, and I did not
5 approve Leron. When you say Crunk, you're talking about
6 an entity with multiple persons.

7 Q She purported or she represented then, you're
8 saying, to Warner that she represented Crunk?

9 A I don't know. I asked Warner for the
10 documents that she sent. I'd like to see the letters of
11 representation that her and Leron sent. I asked Warner
12 for those. I'm not sure if they sent them yet or not.
13 They have to send something saying we represent Crunk.
14 And if they did that then there's some sort of
15 malpractice because I didn't sign them.

16 Q So Uwonda and Leron together were dealing with
17 Warner?

18 A On separate occasions. First Leron. Then he
19 resigned, and the next person who came up to bat was
20 Uwonda. But the only thing Uwonda has ever showed me
21 was a letter of representation for Darryl Richardson,
22 not Crunk. So, of course, when I sued her, that's when
23 this settlement came. The settlement that I did was not
24 for Darryl Richardson. Let me be very honest with you.
25 It was for Uwonda.

1 I tend to do things for lawyers that I
2 might not do for non-lawyers like I did with Mr.
3 Katz. I settled with him because I respect him as
4 man, and he knew Lee. And I just -- you know, a lot
5 of these people know lawyers that I know like Scott
6 Sanders and people that I've dealt with and Joel
7 Katz. I know a lot of people. Mr. Katz and Joel
8 Katz are two different ones. Those are two different
9 people.

10 So what I was trying to do is because so
11 many people had asked me to, you know, be -- don't
12 destroy Uwonda, she didn't know; you know, Scrappy
13 hasn't paid her, she's being -- you know, Scrappy is
14 using her; you know, can you look out for Uwonda. I
15 told Uwonda, look, I will help you, but this has to
16 come to an end; I'm not dealing with him anymore.

17 Q Him being?

18 A Darryl Richardson. So yes, I signed the
19 agreement. Do I agree with everything in the agreement,
20 was it, you know -- did he own 70 percent, did I own 30?
21 I didn't write that. The thing that I was more
22 concerned about is when I signed it I was going to get a
23 hundred percent. I wasn't agreeing that he owned 70
24 percent.

25 That's just what was -- that was what

1 Uwonda put together. And, you know, my focus was to
2 get my company in order because I had an obligation
3 to Warner to remain the principal at Crunk. That was
4 my main thing. And inside of the Warner contract it
5 specifically says I'm to maintain the original
6 contract.

7 Q Let's go ahead and look at that Warner letter
8 then. I'm going to have the court reporter mark it
9 here.

10 (Defendant's Exhibit Number 11 was marked.)

11 Q I'm showing you Exhibit 11. Is that he
12 September 11th, 2009 letter from Warner Bros. that we've
13 been discussing?

14 A Yes, but it comes with -- as it says here it
15 comes with an exhibit, and the exhibit is not with this.
16 There should be an exhibit. It's only the letter. It
17 should be an exhibit. So this is not really what they
18 sent. They sent two piece of paper.

19 Q If we can take a look at that and see, I am
20 not a hundred percent -- oh, this was Crunk 561. I'm
21 not sure if we had that attached with it. So we'll take
22 a look.

23 MR. KAUFMAN: It looks like just for your
24 edification, in the first paragraph Roman numeral
25 III, it says, the letter dated March 17, 2008

1 attached hereto as Exhibit A.

2 A Right. That's when they sent the initial
3 letter to Leron saying, hey, we're picking up the album.

4 MR. WEINER: If you don't have it, let us
5 know.

6 A (Continuing) So, I mean, that was way before
7 I settled with them. I should have known about that.

8 Q (By Mr. Clarke) So you say you got this
9 letter, and the first thing you did was call --

10 A I called Uwonda.

11 Q And why did you call Uwonda?

12 A Because Uwonda is the person who's the last
13 attorney for Scrappy. She's the one who did the
14 settlement. I'm like, why didn't you tell me about
15 this. She said she didn't know about it. But, I mean,
16 I don't know.

17 But I called her because we had just done a
18 settlement. The settlement with Scrappy was like,
19 you know, maybe three months prior to this. And I
20 had no idea. Then all the sudden three months later
21 I'm thinking I'm about to start working on another
22 album, and then I get a termination letter. I'm
23 like, what is going on.

24 Q When you received the termination letter did
25 you contact Warner about putting out a third album?

1 A I called Warner; and, you know, they pretty
2 much gave me the runaround about this. They were like,
3 you know -- whatever.

4 Q Did you tell them that you could get a third
5 album?

6 A Yeah.

7 Q What did they say when you told them that?

8 A Before I could move forward with that I put a
9 claim in ASCAP because I found out that my publishing
10 was -- they told me about the publishing basically.

11 Q They, who told you about publishing?

12 A Warner.

13 Q And let's stick with the album right now. We
14 can talk about the publishing separately. But as far as
15 the album goes, what did they tell you about the third
16 album?

17 A There is a renewal clause in the album -- I
18 mean in the contract. There's a renewal clause; but
19 everybody had to sign up on it, you know, to be a part
20 of any renewal.

21 Q Who did you speak with at Warner about that?

22 A Either Patrick or Tracie.

23 Q That would be Patrick Sabatini; is that
24 correct?

25 A He's back at Manatt. But like I said, it was

1 either --

2 Q Tracie Parry, is that right, P-A-R-R-Y?

3 A Yeah. So talking with them I found out about
4 this deal with -- because I'm like, where's the money.
5 The third album, that means you guys recouped on the
6 second album, so where's the money. Like, what's going
7 on. And they're like, well, we're sending the, money,
8 this and that.

9 I found out about -- and instead of me -- I
10 initially called them to try to get this termination
11 squashed. You know, I was trying to reinstate the
12 contract; but in turn I learned about Mob Music. I
13 found about Mob Music and they're getting this, I
14 found about all this other stuff and actual numbers.
15 So I'm like, wait a minute. I called ASCAP, I called
16 BME.

17 Q Did you say BME?

18 A I mean BMI. And from that point I was going
19 through the claim process of correcting the pub the way
20 it should have been based on the way it should have been
21 based the contract, which took about a year and a half.

22 Q So as far as the third album goes, in speaking
23 with either Tracie Parry or Patrick Sabatini, neither of
24 them said that they, being Warner, would move forward
25 with that album?

1 A They never told me they wouldn't move forward.
2 See, the thing is this is a just a notice for
3 termination. Understand, there's no agreement to
4 terminate. This was just a notice saying that, you
5 know, they're terminating. It's nothing signed by me
6 saying I agree to these terms. It's no agreement. This
7 is just a notice.

8 And that's exactly what it says, notice of
9 termination. It's not a termination agreement.
10 That's number one. But number two, we never got into
11 trying to restructure a third album based on the
12 reinstatement. The reinstatement would have had to
13 have all the people in Crime Mob. And I can read it
14 to you. But everybody who was going to be a part of
15 it had to sign off.

16 Q Did you talk with them about signing off?

17 A Crime Mob?

18 Q Yes.

19 A Some of them.

20 Q What did they say when you talked to them
21 about signing off?

22 A Some of them wanted to do it. Some of them
23 didn't. Some didn't even believe what I was saying.
24 People don't read. I'm having to send an e-mail to this
25 person. There is the contract, here it is. Then when

1 they see it, they're like, oh. Then they want to call
2 Warner.

3 So it's a breakdown in protocol. If I'm
4 trying to help you, you can't call Warner, you know,
5 and ask if you have a contract with them because you
6 don't. And now they're looking at you like, you
7 know, you're not doing things according to what you
8 agreed to do.

9 That makes it look bad because when you get
10 into agreements with especially large firms like
11 Warner, they expect you to comply. So when you start
12 trying to make your own rules, they don't trust you.
13 And they're not going to get into a whole other
14 situation with you because you're not going to follow
15 the contract. You've proven that, you've shown that.
16 But like I said, this is just half of the situation.
17 There is an exhibit that came with it.

18 Q We'll check on that. I appreciate your
19 pointing that out. You said that you agreed at some
20 point to let Warner put out the second album? You
21 agreed and approved the second album?

22 A What I said was I settled with Warner, and
23 that in turn gave them the green light to put the second
24 album out. Because the second album was already
25 recorded and done, but that was a part of my suit. So

1 when I settled with them they were like, okay, we have a
2 settlement, you don't have any problems with me. Okay.
3 And what I did was Robert was basically like, well,
4 you're the principal; doesn't it say that. To be honest
5 with you, he's the one who pointed out to me several
6 times that it said I was the principal.

7 Q Robert, who is this?

8 A Robert Jacobs. He's with Manatt. He's like,
9 you're the principal; if you're not the principal you're
10 in breach. He's like, are you the principal. I said,
11 of course, I'm the principal; I've always been the
12 principal. He's like, well, there it is. I said, wait
13 a minute. I'm the principal. This is about to stop.

14 Q And your settlement, why did you agree to the
15 terms of the settlement?

16 A Are you -- which settlement?

17 Q With Warner to allow them to go ahead with the
18 second album.

19 A I didn't agree with -- I didn't settle with
20 them to allow it. What I did was I settled with Warner
21 because my contract with them was not broken. I worked
22 hard to get the contract with them. I appreciated them
23 for giving me the opportunity. And just like I showed
24 you before with the other document, like, I'm the kind
25 of person to where I'm going to try to make peace. I'm

1 going to try to do that. That's just in me. And I've
2 done that several times.

3 But my main reason for Warner was that,
4 hey, look, let's move forward, go ahead. Put the
5 second album out. I'll deal with Scrappy and Crime
6 Mob. I will take care of my business. And that's
7 just what I did. It was nothing they did. They were
8 told lies. And, I mean, what can they do. People
9 are ganging up on me telling lies, none of them
10 proven to be true, just allegation after allegation.
11 Nothing is true. You can't show me anything, not one
12 thing that's been proven true about any allegation
13 that was made against me. That's true.

14 Q I'm going to show you to wrap up here a series
15 of e-mails that I can represent to you they are numbered
16 Crunk, they are e-mails that your lawyers sent over to
17 us. And I assume they were -- well, they were produced
18 by your lawyers. All I'm going to do is show them to
19 you, ask that you look at them and identify them, say
20 who they're to, who they're from.

21 A Are they unidentified?

22 Q They were yours. They have your e-mail
23 address on them. So you can say yes, I recognize them,
24 I produced them to my attorneys, I sent them, I received
25 them, whatever the case may be. And then we will almost

1 be done here. But if you can --

2 MR. KAUFMAN: You want to mark them
3 collectively?

4 MR. CLARKE: I think I do. That may be
5 easier, and then we can identify them by the
6 numbers.

7 (Defendant's Exhibit Numbers 12 through 15
8 were marked.)

9 Q I'm showing you Exhibits 12, 13, 14 and 15.
10 And I think probably the best thing here is if you'll
11 first look at Number 12. It's marked Crunk numbers 390
12 to 397. And as I mentioned these were provided to us by
13 your attorneys. They appear to be a series of e-mails
14 between you and Tracie Parry.

15 A It says privilege at the top.

16 MR. KAUFMAN: That's okay.

17 Q (By Mr. Clarke) That was marked by your
18 attorney.

19 MR. KAUFMAN: We did that.

20 A (Continuing) I'm just confirming.

21 Q (By Mr. Clarke) After you've looked at
22 them, if you would just tell me if they appear to be
23 e-mails that were sent between you and Tracie Parry.

24 A Seems like this one on the second page where
25 it says Jaywerks Publishing, EMI Entertainment World,

1 royalty payments, 29,380, seems likes it's cut off on
2 mine.

3 MR. KAUFMAN: They're cut off on mine as well.

4 Q (By Mr. Clarke) They actually are, and I
5 remember that from the way --

6 MS. BONNINGTON: They were cut off on what we
7 received.

8 THE WITNESS: You don't have a better copy?

9 MS. BONNINGTON: No.

10 MR. KAUFMAN: He's not going to ask you about
11 those. Is this something you sent or received from
12 Tracie Parry?

13 A (Continuing) What it looks like to me is
14 copies of the e-mails, yes. At some point some
15 conversation between Tracie and myself. Not only
16 myself, but also I want to say also Kevin, too.

17 Q (By Mr. Clarke) Kevin who?

18 A Kevin Gore is the president of Rhino Records.

19 Q And that's a part of Warner Bros.?

20 A Rhino is where everybody's music goes after,
21 you know, you do a deal, and everybody is there.

22 Q It's the old music label?

23 A Not necessarily old music; but, I mean, you
24 know, your records go there. Like, we started off on
25 Reprise. But once the deal was terminated then the

1 royalties and -- I mean, the rights go over to Rhino.

2 Q So looking at number --

3 A Fleetwood Mac is over there, too.

4 Q Looking at Number 13. These appear to be a
5 series of e-mails between you and Don Zakarin of Pryor
6 Cashman?

7 A I mean, this is something between Donald,
8 Bruce Cavuzzo from EMI, Andrew at ASCAP. This is more
9 than just, you know, Donald and myself.

10 Q These were e-mails that you were a party to
11 that you provided to us, and these are true and accurate
12 copies of what you provided to us; is that correct?

13 A Pretty much so. I think Cynthia is no longer
14 with ASCAP.

15 Q But they were to and from you as --
16 Crunkthemovie@Gmail.com, is your e-mail address,
17 correct?

18 A Yes.

19 Q Or one of your e-mail addresses?

20 A Yes.

21 Q So these appear to be copies of e-mails that
22 you were a party to that you submitted to us, and these
23 are --

24 A Definitely. That sounds a lot better, that I
25 was a party to, because I sent and received from

1 different individuals.

2 Q And these were 1600 through 1615 numbered.

3 A I definitely -- I forwarded as much as I could
4 to be helpful to you in whatever you needed.

5 Q Crunk number 1600 to 1615; is that correct?

6 A Yes.

7 Q Looking at Number 14, Exhibit Number 14 which
8 is Crunk 1737 through Crunk 1743, these appear to be
9 e-mails between you and Tracie Parry. Are these copies
10 of e-mails that you were a party to that you turned over
11 to your attorney?

12 A Yes, looks like it.

13 Q Exhibit Number 15 --

14 A I mean, I can't say that they're the total
15 conversation. I think you maybe printed out what you
16 deemed important.

17 Q Looking at the numbers the pages go 1737, 38,
18 39, 40, 41, 42 and 43. I can represent to you that
19 these are the pages as they were sent to us from your
20 attorney. Do they appear to be the complete e-mails?

21 A Yeah.

22 Q Looking at Exhibit Number 15, which is Crunk
23 1816 through 1822, these appear to be additional e-mails
24 between you and Tracie Parry. Are these true and
25 correct copies of e-mails between you and Tracie Parry

1 that you provided to your counsel and your counsel have
2 provided to us?

3 A Yeah, pretty much. So that's it?

4 Q Almost.

5 (Defendant's Exhibit Number 16 was marked.)

6 Q Mr. Phillips, I'm showing you Exhibit Number
7 16 which is a letter dated June 9th, 2005 to Patrick
8 Sabatini from Leron Rogers. I believe we've been
9 speaking of this letter previously today. This is a
10 letter to Patrick Sabatini of Business and Legal Affairs
11 with Warner Bros. in which Leron Rogers sends
12 Mr. Sabatini a copy of the shareholder meeting minutes
13 and purports that Mr. Richardson has majority ownership
14 and control of Crunk.

15 A Now, she's doing this -- let me ask you
16 something.

17 MR. KAUFMAN: Let him ask the question.

18 Q (By Mr. Clarke) Have you seen this letter
19 before?

20 A Yeah, I think so. But I don't know if he's --
21 is he acting on behalf of Darryl Richardson or is he
22 acting on behalf of Crunk, Incorporated? Because he's
23 not signing, you know --

24 MR. KAUFMAN: Just hang on.

25 Q (By Mr. Clarke) It's my understanding that

1 you are disputing this letter in which Mr. Richardson
2 states that you are a minority shareholder without
3 any authority to act on behalf of Crunk.

4 A I think so, definitely, because that would be
5 a direct breach of the Warner agreement where it says
6 I'm to remain the principal for Crunk. This letter
7 would be in breach of that contract. So he would be
8 inducing breach on the company if this was accurate.

9 MR. CLARKE: Last exhibit.

10 A (Continuing) And again, he's operating
11 without consent of Crunk. I mean, I never signed
12 anything --

13 MR. KAUFMAN: You're on record saying you
14 disagree with it. Last one.

15 (Defendant's Exhibit Number 17 was marked.)

16 Q (By Mr. Clarke) I'm showing you what's
17 been marked Exhibit Number 17 which says it's Exhibit
18 A, a letter of direction. It appears to be signed by
19 you and Mr. Richardson on behalf of Crunk,
20 Incorporated dated May 1st, 2009. Have you seen this
21 letter before?

22 A Not this particular letter. Looks like a --
23 some kind of fax or something. But I've seen something
24 that looks similar to this.

25 Q Did you sign this?

1 A I don't know if I signed this, but I signed
2 something similar to it. That looks like a copy of
3 something I signed.

4 Q Is it a true and accurate copy of what you
5 signed? In other words, is there anything different in
6 this document that I'm handing you, this copy from what
7 you signed at the time?

8 A To be honest, I have to compare it with the
9 original. But just on-site it doesn't look different.
10 I'd have to, you know, look at the original to see
11 because I don't know. If it has my initial at the
12 bottom it should be.

13 Q And the TP, I'm assuming that's for Tommy
14 Phillips there?

15 A Uh-huh.

16 Q At the bottom of each page. On this Exhibit
17 Number 17 it states in paragraph 1A 1 that for the first
18 album of the Crunk Crime Mob albums you are to receive
19 30 percent of the royalties, and Mr. Richardson is to
20 receive 70 percent; and for the second album you are to
21 receive 30 percent, and Mr. Richardson is to receive 70
22 percent. Do you see that?

23 A Yes.

24 Q And then it says for all subsequent albums one
25 hundred percent of the royalties are to be made payable

1 to Crunk on behalf of Tommy Phillips; is that correct?

2 A You can see my dilemma because here again is
3 another document alluding to another album. And then
4 when I find out that that third album was initiated
5 without my knowledge, and I entered into this settlement
6 agreement with no knowledge of that, you know, it almost
7 is like they committed some kind of fraud against me.

8 I'm just saying it. Here it is again where
9 they're saying -- I mean, they're alluding to it. It
10 says a hundred percent for all future albums. So I
11 mean, that would include the third album which at the
12 time they knew about. Uwonda knew about it, Leron
13 now about it, Scrappy knew about at this particular
14 time. And I was on the clock with Warner. I had to
15 do certain things. There was time constraints going
16 on, and they didn't say anything.

17 Q You didn't know there were time constraints
18 for that third album?

19 A No, this is dated May 1st, 2009. I wasn't
20 aware about the third album until September the 11th
21 when the letter was addressed to me by Warner.

22 Q Crime Mob was not a party to your settlement
23 with Mr. Richardson, were they?

24 A Parties, meaning they signed it?

25 Q Right. They weren't involved with your

1 discussions with Mr. Richardson?

2 A I don't want to say they weren't involved
3 because they were having conversations with Darryl
4 Richardson daily, and one of the members of the group
5 was dating him. I can't say that they weren't having
6 discussions. I have videotape of them having
7 discussions. I don't know if you guys received it, but
8 I have a videotape of them sitting around with Johnnie
9 Cabbell and other characters saying that they were going
10 to take my company and all kind of stuff. So I can't
11 say that they didn't do the same thing at this time,
12 too. Who's to say they didn't.

13 Q The question is, they were not --

14 A I've already answered they didn't sign it. So
15 anything else I don't know. Their signatures aren't on
16 this, so they're not a party to it as far as signatures.

17 Q Or the settlement with Mr. Richardson?

18 A I can't say that they weren't a party to that
19 in some kind of way because Darryl at that time was
20 dating Brittany Carpentero, and he was making music with
21 them. Obviously he was friends with them. They were
22 going to the studio he owned and spending money there.
23 So how can I say that they had no knowledge or weren't a
24 party.

25 Q And I didn't ask you if they had knowledge of

1 that settlement, but you worked out that settlement
2 between you and Mr. Richardson?

3 A The settlement was delivered to me by Uwonda
4 Carter. I didn't work out anything.

5 Q Who represented you in that settlement?

6 A I represented myself.

7 Q You didn't have an attorney?

8 A No.

9 Q And Uwonda Carter represented Mr. Richardson?

10 A Right. She said she represented Crunk, so I
11 sued her. Then the settlement came out of nowhere.
12 Because I never hired her. I mean, if she works for
13 Crunk, then she should have some kind of documentation
14 saying she was retained by Crunk. Same thing with Leron
15 Rogers. He did the same thing.

16 Q So Ms. Carter drafted a settlement for your
17 lawsuit against Mr. Richardson, and you reviewed that
18 settlement; is that correct?

19 A Yes. The suit was against Uwonda and
20 Richardson at the same time.

21 Q And Uwonda Carter drafted her own settlement
22 agreement?

23 A Yeah.

24 Q She sent it to you, and you reviewed it; is
25 that correct?

1 A Yes. And at that time I had no knowledge of a
2 third album being initiated which changes the ball game.

3 Q But at that time without that knowledge, you
4 agreed to it and signed it, the settlement?

5 A Without that knowledge I agreed to
6 accepting -- do I accept every term? Do I agree with
7 every term? Sometimes in a settlement it's not like
8 that. Do I agree with everything they were saying? No.
9 But the terms that I saw in there that I did agree with
10 I was content with, so I signed it.

11 Did I agree with he was 70 percent owner?
12 It was still up in the air with that. But he's
13 saying -- more or less he's saying that I own a
14 hundred percent with his signature, and that's what I
15 took. So it wasn't that I was conceding the fact
16 that he owned 70 percent so much as him conceding the
17 fact that if he signs this, he's agreeing I own a
18 hundred percent. I wasn't at the meeting.

19 Q Do you recall Ms. Lewis, Venetia Lewis or any
20 other member of Crime Mob asking you or Crunk for an
21 accounting of moneys due or owing to Crime Mob?

22 A Asking me?

23 Q Right.

24 A Anything that has to do with accounting must
25 be sent by notice through a certified or registered

1 mail. Did she send that? No. You can't just -- the
2 contract is very specific. Just because she ups and
3 says, oh, I want this, what Ms. Lewis has to understand
4 is she must read the contract that she signs.

5 Q And I'm not asking a legal conclusion. I'm
6 not asking what the contract --

7 A She didn't --

8 Q Excuse me. I'm not finished.

9 A Okay. I'm sorry.

10 Q I'm not asking what the contract says or
11 requires. I'm asking if Ms. Lewis or any other members
12 of Crime Mob ever asked you, Tommy Phillips, or Crunk
13 for any accounting of Crunk.

14 A And like I said to you, I answered it very
15 clearly there was no notice set for an accounting. And
16 to add to that, in 2005 at the request of Kendall Minter
17 they were paid directly from Warner and received an
18 accounting with each statement and check. Whether there
19 was a check or no check, they received monthly or
20 quarterly statements. So I didn't have to give her an
21 accounting because, guess what, she was getting paid
22 directly from Warner. Why would she want to see my
23 books and my money if she's getting paid directly from
24 Warner.

25 MR. CLARKE: Do you want to instruct him to

1 answer the question?

2 MR. KAUFMAN: The question is did anybody, any
3 individual members ask you in any way either in
4 writing or orally for an accounting. It's a yes or
5 no question, or I guess I don't remember. But it
6 should be something like that.

7 A (Continuing) I mean, I didn't receive any
8 notices, so it doesn't like spark my memory to say yeah,
9 this happened. See --

10 MR. KAUFMAN: Hang on. So is the answer you
11 can't recall?

12 THE WITNESS: No. I mean, not right now.

13 MR. KAUFMAN: Okay. There's your answer.

14 Q (By Mr. Clarke) Did you ever offer to
15 provide any of the members of Crime Mob with an
16 accounting?

17 A Yeah.

18 Q When did you do that?

19 A I mean, just through the years several times.
20 I never held anything back from them. Especially like
21 Alphonse or even Jonathan, like, I was always open to
22 them. I provided Jarques Usher a full -- after I
23 audited Warner in 2010 I gave Jarques Usher a full set
24 of documents that I got from Warner. I let him go
25 through it. His manager's name is Mel. They went

1 through it.

2 I've never like hidden anything from them.
3 The thing is the contract is specific. If you do not
4 ask for an accounting within a certain time frame
5 it's deemed final. And that's what it is. It's not
6 to be repeated or searched for because you missed the
7 time frame. It's just like an Eagle scout. If you
8 miss it, you're not going to go back and become an
9 Eagle if you're 19. You're over the deadline.

10 Q You audited Warner Bros. in 2010?

11 A Something, either 2009 or 2010 I audited them,
12 and they sent me everything from 2004 up until that
13 point.

14 Q Who conducted the audit on your behalf?

15 A Who conducted the audit?

16 Q You said you audited them?

17 A They sent it to me. I asked them for an
18 audit. Based on the contract they have to send it upon
19 request.

20 Q You request an accounting? Is that what you
21 mean?

22 A They sent --

23 MR. KAUFMAN: I think the question is you
24 didn't have somebody that you hired to do an audit.
25 You requested an accounting, it sounds like, from

1 Warner Bros., and they provided that to you?

2 THE WITNESS: Right.

3 Q (By Mr. Clarke) And you provided a copy of
4 that to Jarques?

5 A I let him see it. I mean, I don't know -- I
6 can't remember if his manager decided to take it with
7 him or not, but I brought copies for him. It was in a
8 big box. We met right off of Peeples Street. At that
9 time he was doing his solo career. He was trying to get
10 moving. He had released the mixtape. He was selling
11 it.

12 I was trying to explain to him that he
13 needed to do things properly because I could go to
14 Warner and possibly get him a solo deal based off the
15 old contract. He wanted to see paper. I told him
16 Lil Jay at that time was getting most of the money,
17 which the accounting shows from Warner, ASCAP. Lil
18 Jay and BMI have been getting most of the money since
19 2005. It's very clear. No one is making that up.
20 It's no conspiracy against Jonathan. That's what
21 everybody in the business knows, that's what
22 everybody at ASCAP knows.

23 Q So you haven't looked at the song split sheet
24 to see Jonathan's percentage of writing and writer's
25 share of each song on the first two album?

1 A Yes, I've seen it.

2 Q Was his percentage ownership as far as
3 writing, his percentage of the songs, his writer's share
4 bigger than, greater than the other members of Crime Mob
5 according the split sheet?

6 A The reason why Lil Jay would have more is
7 because he did more production. But the thing is it
8 doesn't matter if he has more. The contract is the same
9 for everyone as far as the original. It's 50/50. So if
10 he did more, that's just him.

11 Q I'm just asking about the split sheet for the
12 song writing.

13 A He did not write more than anyone else.

14 Q But what does the split sheet reflect?

15 A It depends on what split sheet you're talking
16 about.

17 Q I'm talking about the split sheet for the
18 compositions reflecting the percentage that each member
19 of Crime Mob wrote for each composition.

20 A From what I understand there were changes made
21 from the original ones that I turned in. So you have to
22 show me what you're talking about and I'll verify if
23 it's true like we did the e-mails and every other, you
24 know --

25 Q So you're not aware of what the split sheet

1 shows?

2 A You keep saying split sheet as if there is one
3 main split sheet. There are two albums. There should
4 be two split sheets.

5 Q Correct.

6 A There should be a split sheet that went to
7 Warner, there should be a split sheet that went to BMI,
8 and a split sheet that went to ASCAP. You keep saying
9 split sheet as if it's one.

10 Q Two albums. I understand.

11 A I'm asking you to show me both --

12 Q I'm just asking for those two albums, my
13 understanding of what you're saying is you never a
14 received the final version of those split sheets?

15 A I didn't sign off on a final version on the
16 second one, no. Like I told you earlier, I sent Warner
17 the split sheet after I met with the group. It was at
18 Allen's Pizza, Candler Road. We met, did the paperwork.
19 I sent it via Lee Beitchman to Warner, and later on that
20 was changed. The original paperwork that we sent in to
21 Warner was changed.

22 Q And that's what you have not seen; is that
23 correct?

24 A Right. I have not seen the new change. The
25 only thing that I am concerned about -- to me personally

1 as long as I'm getting 50 percent of everybody's stuff,
2 it should add up. For some reason I'm not.

3 Q The accounting you received in 2010, do you
4 still have a copy of that from Warner?

5 A Wasn't it provided to them? So now you have a
6 copy of it.

7 Q I'm making sure we have that.

8 A And in that accounting it shows, you know, the
9 15,000 for equipment, you know, advances and such like
10 that.

11 Q Have you attempted to obtain solo deals with
12 Warner for the individual members of Crime Mob?

13 A At one point for Alphonse Smith.

14 Q He's the only one?

15 A For Jarques.

16 Q When was that?

17 A Around the time I told you I met with Jarques
18 and his manager.

19 Q When was it for Alphonse Smith?

20 A Right around the same time.

21 Q What about for Princess?

22 A Did I meet with Warner for Princess?

23 Q Yes.

24 A No. She met with -- from what I was told from
25 Warner, her dad and her went out there to try to do

1 something, and they didn't do it.

2 MS. LEWIS: Can I speak?

3 MR. CLARKE: No. Off the record.

4 (Off-the-record discussion.)

5 A (Continuing) I'm sorry. There was a solo
6 deal for Brittany, but I told you about that. It was
7 initiated for Brittany. She received I think \$117,000.
8 Brittany is Diamond. But I didn't sign that. It was
9 just pursuant to the original contract that I signed
10 with Warner. The money was paid.

11 They subsequently terminated the contract
12 and paid them for termination. But, you know, that
13 was done with Darryl signing it way after I had
14 accumulated a hundred percent. So really technically
15 she's still kind of signed to Warner. But any solo
16 deal that Princess would have with Warner, of course,
17 I would have to approve it.

18 Q (By Mr. Clarke) You say any solo deal that
19 Princess had you would have to approve. Did you ever
20 try to assign, sell or otherwise convey the contract
21 with Crime Mob or any of its members?

22 A I think my lawyer, Ms. Bridges, gave them some
23 kind of offer for them to just, you know, go do their
24 solo contracts at like -- I think it was like 100 Grand
25 or something like that. She sent it to them.

1 Q Miss Bridges sent it to Warner?

2 A To members of Crime Mob.

3 Q On whose behalf?

4 A On behalf of Crunk.

5 Q She sent a contract to --

6 A We offered them all their solo deals. Like if
7 you want your solo deal, we'll release you from your
8 solo obligations for 100 grand apiece which will be 600
9 grand.

10 Q When was that?

11 A Around like '09, 2010, something around there.
12 She sent it to them in e-mail form. And they were all
13 trying to do solo projects; so I was like, I'm not
14 trying to hold you back; as long as you commit to give
15 me 100 grand, you can go everywhere you want to. If you
16 want to go to Def Jam, if Def Jam picks you up, you owe
17 me 100 grand. It's real simple. Which it could have
18 been broke down over albums. Like if Def Jam signed
19 Princess, a hundred grand is nothing. She could have
20 gave me 25,000 per album. 25,000, that's change.

21 Q So my understanding is that of the money that
22 is sitting in the court that Warner paid, you're
23 claiming you, Crunk, that you should have 50 percent of
24 those funds after Crunk had been recouped for what it
25 spent on Crime Mob?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A Absolutely.

MR. CLARKE: I don't have anything further.

THE WITNESS: Great.

(The right of the witness to read and sign
the deposition transcript was reserved.)

(Deposition concluded at 6:00 p.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

E R R A T A S H E E T

Pursuant to Rule 30(e) of the Federal Rules of Civil Procedure and/or O.C.G.A. 9-11-30(e), any changes in form or substance which you desire to make to your deposition testimony shall be entered upon the deposition with a statement of the reasons given for making them.

To assist you in making any such corrections, Please use the form below. If supplemental or additional pages are necessary, please furnish same and attach them to this errata sheet.

- - -

I, the undersigned, TOMMY PHILLIPS, IV, do hereby certify that I have read the foregoing deposition and that said deposition is true and accurate (with the exception of the following corrections listed below).

Page_____ Line_____ should read:_____

Reason for change:_____

1 Page _____ Line _____ should read: _____

2 Reason for change: _____

3

4 Page _____ Line _____ should read: _____

5 Reason for change: _____

6

7 Page _____ Line _____ should read: _____

8 Reason for change: _____

9

10 Page _____ Line _____ should read: _____

11 Reason for change: _____

12

13 Page _____ Line _____ should read: _____

14 Reason for change: _____

15

16 Page _____ Line _____ should read: _____

17 Reason for change: _____

18

19 Page _____ Line _____ should read: _____

20 Reason for change: _____

21

Signature

22

Sworn to and Subscribed before me

23

_____, Notary Public.

24

This _____ day of _____, 2014.

25

My Commission Expires:

C E R T I F I C A T E

G E O R G I A:

C O B B C O U N T Y:

I hereby certify that the foregoing proceedings were reported as stated in the caption and the questions and answers thereto were reduced to writing by me; that the foregoing 298 pages represent a true and complete transcript of the evidence given on August 6, 2014 by the witness, Tommy Phillips, IV, who was first duly sworn by me.

I certify that I am not disqualified for a relationship of interest under O.C.G.A. 9-11-28(c); I am a Georgia Certified Court Reporter here as an independent contractor of Q&A REPORTING SERVICES, INC.; I was contacted by Q&A REPORTING SERVICES, INC., to provide court reporting services for this proceeding; I will not be taking this proceeding under any contract that is prohibited by O.C.G.A. 15-14-37(a) and (b) or Article 7.C of the Rules and Regulations of the Board; and by the attached disclosure form I confirm that Q&A REPORTING SERVICES, INC., is not a party to a contract prohibited by O.C.G.A. 15-14-37 or Article 7.C of the Rules and Regulations of the Board.

This, the 18th day of August, 2014.

Allison H. Bradford, CCR No. B-929
Notary Commission Expires 1-13-2018

1 COURT REPORTER DISCLOSURE STATEMENT

2 STATE OF GEORGIA // COUNTY OF COBB

3 DEPOSITION OF TOMMY PHILLIPS, IV

4 I, ALLISON H. BRADFORD, Certified Court Reporter,
5 do hereby disclose pursuant to Article 10.B of the Rules
6 and Regulations of the Board of Court Reporting of the
7 Judicial Council of Georgia that I am a Georgia
8 Certified Court Reporter; I was contacted by Q&A
9 REPORTING SERVICES, INC., to provide court reporting
10 services for this proceeding; I will not be taking this
11 deposition under any contract that is prohibited by
12 O.C.G.A. 15-14-37(a) and (b) or Article 7.C of the Rules
13 and Regulations of the Board; and I am not disqualified
14 for a relationship of interest under O.C.G.A.
15 9-11-28(c).

16 There is no contract to provide reporting services
17 between myself or any person whom I have a principal and
18 agency relationship nor any attorney at law in this
19 action, party to this action, party having a financial
20 interest in this action, or agent for an attorney at law
21 in this action, party to this action, or party having a
22 financial interest in this action. Any and all
23 financial arrangements beyond my usual and customary
24 rates have been disclosed and offered to all parties.

25 This, the 18th day of August, 2014.

Allison H. Bradford,
CCR No. B-929
Notary Commission Expires 1-13-2018