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STATE OF MAINE
SUPREME JUDICIAL COURT
SITTING AS THE LAW COURT

HAN-99-187

Law Docket No.: HAN-99-187

LOU ANN FRANCIS, et als., - Plaintiff, Appellant

v.

CHARLES B. STINSON, et als., - Defendant, Appellee

SUPPLEMENTAL JOINT APPENDIX
VOLUME I

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Lou Ann Francis, et als.

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TABLE OF CONTENTS
OF THE SUPPLEMENTAL APPENDIX
VOLUME II

	<u>Page</u>
Exhibit G, to the November 13, 1995 Affidavit of Charles B. Stinson, attachment the Stock Purchase Agreement executed by Jean Wight Rakoske with attached Promissory Note.....	1
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of William S. Silsby, Jr.	4
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Duane D. Fitzgerald	14
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Lou Ann Francis	42
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Eva S. Wight	63
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Calvin L. Stinson, Jr.	77
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Charles B. Stinson	108
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Arnold S. Francis	127
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Arnold G. Francis	131
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Jean Wight Rakoske	140
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Carla E. Wight Intza	144
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Marion Leona Francis Alley	155

Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Dennis E. Norton, CPA	161
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Maurice J. Boucher, CPA	164
Plaintiffs' & Defendants' Statement of Material Facts referenced deposition pages of Ida Trenholm	180
Exhibit A to the 10/21/98 Affidavit of Charles B. Stinson documents numbered D5603-D5637.....	182
Deposition Exhibits Referenced in both the Plaintiffs' and Defendants' Statement of Material Facts as well as deposition exhibits referenced in the Defendants' Statement of Material Facts as to Which Exists a Genuine Issue to be Tried With Respect to Plaintiffs' Cross Motion for Summary Judgment.....	217
Deposition 1 - Carla E. Wight Intza.....	217
Deposition 4 - Lou Ann Francis.....	221
Deposition 5 - Lou Ann Francis.....	222
Deposition 13 - Maurice J. Bouchar.....	223
Deposition 15 - Maurice J. Bouchar.....	229
Deposition 17 - Maurice J. Bouchar.....	230
Deposition 27 - Maurice J. Bouchar.....	243
Deposition 31 - Maurice J. Bouchar.....	254
Deposition 2 - Duane Fitzgerald.....	256
Deposition 4- Duane Fitzgerald.....	257
Deposition 6- Duane Fitzgerald.....	269
Deposition 7 - Duane Fitzgerald.....	270
Deposition 10 - Duane Fitzgerald.....	271
Deposition 11 - Duane Fitzgerald.....	272
Deposition 12 - Duane Fitzgerald.....	273
Deposition 15 - Duane Fitzgerald.....	276
Deposition 22 - Duane Fitzgerald.....	287

STOCK PURCHASE AGREEMENT

THIS AGREEMENT made this 10th day of February, 1983, by and between JEAN WIGHT RAKOSKE (the "Seller") and STINSON CANNING COMPANY, a Maine corporation with its principal place of business in Prospect Harbor, Maine (the "Company").

W I T N E S S E T H :

WHEREAS, the Seller owns 28.081 shares of Class B Common Stock, \$100.00 par value, and 549 shares of Nonvoting, Noncumulative Preferred Stock, \$100.00 par value of the Company; and

WHEREAS, the Seller has requested that the Company purchase all of its stock owned by her; and

WHEREAS, the Company is willing to purchase all of its stock owned by Seller on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Sale of Stock in the Company by Seller. On the Closing Date specified in Section 3 hereof, Seller will tender for sale, and the Company will purchase from Seller, 28.081 shares of Class B Common Stock, \$100.00 par value ("Common Stock") and 549 shares of Nonvoting, Noncumulative Preferred Stock, \$100.00 par value ("Preferred Stock") of the Company for the consideration specified in Section 2 hereof.

2. Purchase Price and Payment.

(a) Purchase Price. The purchase price shall be Eight Thousand Eight Hundred Eighty-Three Dollars and Eighteen Cents (\$8,883.18) for each share of Common Stock and Fifty Dollars (\$50.00) for each share of Preferred Stock, for an aggregate purchase price of Two Hundred Seventy-Six Thousand Eight Hundred and Ninety-Nine Dollars (\$276,899.00).

(b) Payment. The aggregate purchase price for the Common Stock and the Preferred Stock shall be paid by the Company to the Seller on the Closing Date as follows:

(i) Down Payment. The Company shall pay the Seller, as the down payment on account of the aggregate purchase price, by certified or cashier's check payable to the order of the Seller, the sum of Twenty-Seven Thousand Six Hundred Eighty-Nine Dollars and Ninety Cents (\$27,689.90).

(ii) Promissory Note. The Company shall deliver to the Seller its promissory note in the form and containing the terms and conditions set forth in Exhibit A hereto ("Note") in the face amount of Two Hundred Forty-Nine Thousand Two Hundred Nine Dollars and Ten Cents (\$249,209.10).

3. Closing Date. The Closing Date for the purchase and sale as described in Section 1 shall take place at the principal place of the Company, Prospect Harbor, Maine, at 10:00 a.m. on February 25, 1983, or at such other date, time and place as may be agreed to by the parties. The closing will be effected by the delivery of the following:

(a) By Seller to the Company, certificates for the Common Stock and Preferred Stock, duly endorsed in blank or with all required stock powers duly executed.

(b) By Company to Seller, a certified or bank cashier's check payable to the order of Seller in the amount of Twenty-Seven Thousand Six Hundred Eighty-Nine Dollars and Ninety Cents (\$27,689.90).

(c) By Company to Seller, the Note in the amount of Two Hundred Forty-Nine Thousand Two Hundred Nine Dollars and Ten Cents (\$249,209.10).

4. Seller's Warranties. The Seller represents and warrants to the Company as follows:

(a) She is the owner of the number of shares of Common Stock and Preferred Stock set forth in Section 1 of this Agreement, free, clear and discharged of, and from, any and all claims, liens, security interests and encumbrances whatsoever.

(b) She has full power, right and authority to enter into and perform this Agreement and the absolute and unrestricted right to sell, transfer and convey her Common Stock and Preferred Stock to the Company pursuant to this Agreement.

(c) She does not own, directly or indirectly, or hold any beneficial interest in any stock issued by the Company other than the shares of Common Stock and Preferred Stock identified in Section 1.

The above representations and warranties shall survive the Closing Date and shall thereafter continue in full force and effect.

5. Applicable Law. The terms of this Agreement shall be construed and determined in accordance with the laws of the State of Maine.

6. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Seller and her executors, administrators, personal representatives, heirs, successors and assigns, and shall bind and inure to the benefit of the Company and its successors and assigns.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, and the Seller has hereunto set her hand and seal, all the day and year first above written.

Witness:

STINSON CANNING COMPANY

Elaine M. Ghelli

By Charles B. Stinson
Its President

Elaine M. Ghelli

And Calvin L. Stinson
Its Treasurer

Claudio Andreoli

Jean Wight Rakoske
JEAN WIGHT RAKOSKE

000003

PROMISSORY NOTE

\$249,209.10

Prospect Harbor, Maine

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Jean Wight Rakoske the principal sum of Two Hundred Forty-Nine Thousand Two Hundred Nine Dollars and Ten Cents (\$249,209.10), which sum shall be paid in nine (9) annual installments of Twenty-Seven Thousand Six Hundred Eighty-Nine Dollars and Ninety Cents (\$27,689.90), together with interest on the unpaid principal balance at the rate of thirteen percent (13%) per annum; such payments to commence on January 2, 1984, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company shall have the right to pay at anytime the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____
Its PresidentAnd _____
Its Treasurer

00003A

Page 5

Page 7

1 A. I believe I have.

2 Q. Okay. When did you first start representing Lou Ann
3 and Arnie Stinson generally on any matter,
4 approximately?

5 A. Well, I would guess it was back when they got first
6 married. It would be back in the '60s or late '50s I
7 think they got married. In that area.

8 Q. All right. And when did you first -- again -- and
9 obviously I know that with the passage of time you're
10 not going to be able to give me exact dates. And so
11 when I ask you for dates, I would like you to
12 approximate the best you can either by year, part of a
13 decade or however best you can do with the approximate
14 time frame that events occurred if you cannot give an
15 exact time frame.

16 When would you estimate you first performed any
17 legal services for them in connection with their
18 ownership of stock in Stinson Canning Company?

19 MS. COLLIER: I'm going to object on the basis
20 that that information would be privileged.

21 MR. RUBIN: I'm not asking for what the
22 communications were. I'm only asking for the time
23 frame that he first started providing services. I
24 don't believe that that's -- that that's privileged.

MS. COLLIER: I -- I would beg to differ because

1 what was discussed at it because of the presence of
2 third parties, so certainly you could ask about that
3 meeting and other documents, letters and so forth. But
4 as to the scope of the underlying relationship between
5 Mr. Silsby and the clients and when they first talked
6 about things and what they talked about, I think that
7 is privileged.

8 MR. RUBIN: All right. Well, I disagree with you
9 as to the time frame. But I'll go on; and we'll, if
10 appropriate, file another motion with the Court.

11 Q. Did you represent the Francis family off and on on
12 various matters, without getting into any specific
13 matters, between the time you first started
14 representing them when they got married in -- did you
15 say the early '60s --

16 A. Yes.

17 Q. -- and the early 1980s?

18 Did you --

19 A. You mean --

20 Q. Did you off and on between the early '60s and the early
21 '80s have occasion to represent them on -- on
22 miscellaneous matters?

23 A. Yes, I did.

24 Q. Okay. Would you say that you were -- you represented
25 them fairly -- had occasion to provide services to them

Page 6

Page 8

1 the content of the -- of the material -- the matter
2 that they were discussing would be privileged. So to
3 ask him when he first represented them in connection
4 with that matter, I think would invade the privilege.

5 MR. RUBIN: Well, let me see if I can get at it
6 this way.

7 Q. You were at a meeting in 1978 in your offices with Tom
8 Van Meer and Robert Kruger and your clients; is that
9 correct?

10 A. That's correct.

11 Q. Okay. Had you -- was that the first time that you
12 provided any services to the Francis family in
13 connection with their ownership of stock in Stinson
14 Canning Company?

15 MS. COLLIER: Object for the same basis I just
16 stated for the record.

17 MR. RUBIN: Well, are you going to instruct him
18 not to answer a question as to the time frame without
19 getting into the substance of the matter?

20 MS. COLLIER: Yes, I would instruct him not to.

21 I think that the ruling of the Court as far as
22 the documents were concerned focused on the fact
23 that -- as to the particular meeting, for example, that
24 you were just inquiring about in February of '78.
25 There is no privilege as to the fact of that meeting or

1 fairly regularly throughout that time, or was it, you
2 know, very sporadic? Or characterize it any way you
3 want. What I'm trying to find out is, for example,
4 would you once a year have occasion to provide services
5 to them, or would it be once every five years over that
6 20-year period from the early '60s to the early '80s?

7 A. During that period, I would say it was at least once a
8 year.

9 Q. Okay. All right. Now, in connection with the -- their
10 ownership, the Francis family ownership of stock in
11 Stinson Canning Company and reference to that meeting
12 with Mr. Van Meer and Mr. Kruger and yourself and
13 Arnold Francis and Lou Ann Francis, you were
14 representing the Francis family at that meeting?

15 A. Yes, I was.

16 Q. Okay. Now, when I say the Francis family, did you --
17 were you actually retained to represent more than Lou
18 Ann and Arnold Francis at that meeting, or was it just
19 the two of them?

20 A. I think at that time it was probably just Lou Ann.

21 Q. Okay. And not Arnold even?

22 A. And Arnie.

23 Q. Okay.

24 A. Yeah, they were, of course, together.

25 Q. All right. So you weren't representing the children

Page 9

Page 11

1 who owned stock at that -- at that meeting?
 2 A. I was -- no, I would say I was not.
 3 Q. And do you recall how it is that that meeting took
 4 place?
 5 A. Do you mean at whose request?
 6 Q. Well, yeah. Did -- did Tom Van Meer call you to set up
 7 a meeting or Kruger or someone else to tell -- to ask
 8 that a meeting be set up or did you call them?
 9 A. I don't recall who called, but I think it was a party
 10 that called and wanted to have the meeting.
 11 Q. All right. Do you think it was representatives of --
 12 of the Stinson Canning Company that called you to ask
 13 for a meeting?
 14 A. I believe it was, yes.
 15 Q. Okay. And do you have any recollection as to whether
 16 it was Mr. Van Meer or not?
 17 A. I don't recall.
 18 Q. All right. Let me show you what has been marked as
 19 Silsby Exhibit 2. Are those notes in your handwriting?
 20 A. Yes, they are.
 21 Q. And although it's cut off at the top, can you confirm
 22 for me that the date is 2/16/78, I believe?
 23 A. The date is 2/17 --
 24 Q. Okay.
 25 A. -- '78.

1 Q. Okay. Did you have a meeting with your clients prior
 2 to the meeting that took place on February 17th, 1978?
 3 A. Did I have meetings with them?
 4 Q. Did you have a meeting with them in anticipation of
 5 this meeting that took place on February 17th?
 6 A. No, not that I recall.
 7 Q. Okay. Without reference to Exhibit 2 for the time
 8 being, do you have any independent recollection of what
 9 was discussed at that meeting by anybody who was
 10 present?
 11 A. Yes.
 12 Q. Okay. Tell me what you recall from your memory was
 13 discussed and who said what to the best you can
 14 remember.
 15 A. As I recall, I was trying to get records, the bylaws
 16 and things of that nature, and Mr. Vandermeer was
 17 telling me I wasn't entitled to them --
 18 Q. All right.
 19 A. -- so there was a discussion about that.
 20 Q. All right. Was there anything else other than trying
 21 to get records that you recall anybody discussing at
 22 that meeting?
 23 A. Not basically except what my notes indicate.
 24 Q. Yeah.
 25 A. That does refresh my memory.

Page 10

Page 12

1 Q. All right. And the words at the top that are half cut
 2 off, does that say C O N F and then a W with a slash
 3 mark?
 4 A. That is correct.
 5 Q. Okay. That means conference with?
 6 A. That is correct.
 7 Q. Were those people that are identified on Exhibit 2 all
 8 of the people that were present at that meeting plus
 9 yourself?
 10 A. Some -- yes, they were all present at certain times.
 11 Q. All right. People were in and out?
 12 A. Arnie and Lou Ann did not stay during the whole
 13 meeting.
 14 Q. Okay. Was there anybody else present at any time other
 15 than those three plus yourself that you can recall?
 16 A. Not that I recall.
 17 Q. All right. What was your understanding before the
 18 meeting took place as to the purpose of the meeting?
 19 A. As I recall, basically it was to find out about the
 20 stock that was held by the Francis.
 21 Q. And did you have an understanding that -- that these
 22 representatives of the company wanted to find out
 23 whether or not the Francis family had any interest in
 24 selling their stock or just --
 25 A. That -- that was never discussed as I recall.

1 Q. Okay. I'm going to get to your notes --
 2 A. Yeah.
 3 Q. -- but I'm trying to get what you remember from your
 4 independent recollection.
 5 A. I don't recall.
 6 Q. Okay. Had you made any requests for records of Stinson
 7 Canning Company prior to the meeting of February 17th,
 8 1978?
 9 A. As I recall, no.
 10 Q. What records did you make a request for at the meeting
 11 on February 17th, 1978?
 12 A. I was interested in the bylaws. I was also interested
 13 in whether or not there were any agreements as -- in
 14 the matter of the directors, the stockholders, whether
 15 there were any stock purchase agreements, things of
 16 that nature.
 17 Q. That would restrict or have -- affect the ability of a
 18 shareholder to sell stock in the company?
 19 A. That's right.
 20 Q. And your recollection is Mr. Van Meer told you at the
 21 meeting you had no right to -- to either the bylaws or
 22 the -- or any such agreement if they exist?
 23 A. As I recall, that is correct.
 24 Q. All right. I notice from the file ultimately you got
 25 copies of the bylaws --

Page 13

- 1 A. Yes, I did.
- 2 Q. -- and you got copies of any existing stock purchase agreements?
- 3 A. That is correct.
- 4 Q. Okay. Do you recall any discussion by either Mr. Van Meer or Mr. Kruger -- I'll try to help your memory a little bit -- as to the subject matter of estate taxes that might occur upon the death of any one of the members of the Francis family?
- 5 A. I don't recall that at all.
- 6 Q. Okay. Do you recall any discussion about the estate tax impact of the death of the elder Mr. Stinson?
- 7 A. I do not recall that.
- 8 Q. Okay. All right. Did your practice include any estate planning and trust work at that time?
- 9 A. Yes.
- 10 Q. And does it today?
- 11 A. Yes.
- 12 Q. Okay. Would you agree with me back in 1978 that if the elder Mr. Stinson died, that his death would -- there would be no taxes imposed upon any member of the Stinson -- of the Francis family as a result of the death of the elder Mr. Stinson?
- 13 A. Do you mean on them personally?
- 14 Q. Correct.

Page 14

- 1 A. I agree there wouldn't.
- 2 Q. Okay. And his death could not wipe them out; isn't that true --
- 3 A. That is true.
- 4 Q. -- in terms of taxes anyway?
- 5 A. That is true.
- 6 Q. The only time the taxes could have an impact -- estate taxes could have an impact on the Francis family would be -- strike that.
- 7 If one of the members of the Francis family died back in 1978 or '79, then the value of their stock would be included in their estates, correct?
- 8 A. That is correct.
- 9 Q. And if they didn't have the cash to pay the taxes on the value of the stock and the stock was illiquid and just couldn't be sold on the stock market, they would -- they might have a problem in paying their taxes; isn't that correct? I mean, they'd have to raise the money somewhere to pay the taxes.
- 10 A. If they couldn't sell the stock?
- 11 Q. If they couldn't sell the stock.
- 12 A. The money would have to be raised. I agree with that.
- 13 Q. So the -- the death of -- as a general proposition, isn't it true that when a person dies owning stock in a closely held corporation, there is always potentially a

Page 15

- 1 tax problem in that the value of the stock will be
- 2 taxed in the estate; and unless the people have
- 3 independent liquidity, they're going to have to borrow
- 4 money or somehow raise money to pay the estate taxes --
- 5 A. I --
- 6 Q. -- on stock that they can't dispose?
- 7 A. I don't agree with that in whole.
- 8 Q. You don't. Okay.
- 9 Well, going back to what we did agree upon, if --
- 10 if a person dies owning stock in a closely held
- 11 corporation, the value of that stock will be taxed in
- 12 their estate, correct?
- 13 A. Absolutely.
- 14 Q. And that person will have to either --
- 15 A. Providing -- if I may qualify that. Providing that it
- 16 has value --
- 17 Q. Right.
- 18 A. -- that would -- that would make them --
- 19 Q. I'm assuming --
- 20 A. -- subject to a tax.
- 21 Q. I'm assuming it's in excess of the exemptions.
- 22 A. Yeah. Okay.
- 23 Q. Okay. And if it is -- does have value in excess of the
- 24 exemptions and is taxed in the estate and if the stock
- 25 can't be sold, the person would have to raise the money

Page 16

- 1 from some other source to pay the taxes, correct?
- 2 A. Well, I think you have this problem because back even
- 3 then you had the widow's allowance and so forth. So it
- 4 makes a difference --
- 5 Q. All right.
- 6 A. -- who died.
- 7 Q. Okay. If the -- at that time half of the -- half of
- 8 the estate could be protected from taxes if the widow
- 9 or widower received the estate from the husband's --
- 10 from the spouse: is that correct?
- 11 A. I believe that is a fair statement. I -- I don't
- 12 recall whether all of it could at that time or not.
- 13 Q. Okay. But it --
- 14 A. My memory is I don't recall.
- 15 Q. Okay. Well, let's put it this way. Assuming somebody
- 16 died owning stock in a closely held corporation and
- 17 assuming it had value in excess of the exemptions and
- 18 assuming that there ended up being a -- a tax imposed
- 19 on the estate because -- either because the widow's
- 20 allowance wasn't sufficient to cover all of the value
- 21 or other deductions weren't sufficient to cover all of
- 22 the value of the stock, then if the stock couldn't be
- 23 sold to raise money to pay the taxes, that money would
- 24 have to be raised from some other source to pay the
- 25 estate taxes that would be imposed by the federal

Page 17

Page 19

1 government. Is that a fair statement?
 2 A. Can I answer it in this manner?
 3 Q. Sure.
 4 A. Usually in a close corporation if someone has to raise
 5 money, they redeem the stock. That's usually -- now, I
 6 assume you're trying -- you're saying to me assume that
 7 they wouldn't redeem the stock.
 8 Q. Right.
 9 A. And that is correct, I would agree with you.
 10 Q. So if Mr. Van Meer or Mr. Kruger or both of them did
 11 make any statements at the meeting with you on February
 12 17th that there are potential tax issues or problems
 13 that could arise if one of the members of the Francis
 14 family died owning the shares of Stinson Canning
 15 Company, you would agree that there are at least
 16 potential tax problems in terms of being able to raise
 17 money to pay taxes that could occur in such a
 18 situation; is that true?
 19 A. I don't agree that they said that. I don't believe
 20 that was ever discussed.
 21 Q. You have a memory it was not discussed, or you just
 22 don't recall?
 23 A. My memory is it was never discussed.
 24 Q. Oh, okay.
 25 Well, if one of them were to say -- putting aside

1 A. That is correct.
 2 Q. Now, in your notes, if you refer to them, you also have
 3 a notation that says, book value 8700. Book value
 4 common. Is that information that either Mr. Kruger or
 5 Mr. Van Meer gave you at the meeting?
 6 A. I believe that came from Mr. Van Meer.
 7 Q. And would I be correct in understanding what your notes
 8 mean are that you were told that the stock in Stinson
 9 Canning Company -- the common stock in Stinson Canning
 10 Company had a book value of \$8,700 per share?
 11 A. That is correct.
 12 Q. And have you done -- I assume done corporate work
 13 during your career also as a part of your practice?
 14 A. Yes, I have.
 15 Q. And you would agree that generally the book value of a
 16 corporation is in general lower than the fair market
 17 value of the corporation?
 18 A. Usually.
 19 Q. Have we now exhausted your memory either from your
 20 notes or from your memory as to anything that happened
 21 at the meeting on February 17th, 1978?
 22 A. No. The only thing I can recall is I remember Lou Ann
 23 and Arnie being there. They stayed maybe for about 15
 24 minutes, and they left. They had to be somewhere.
 25 Other than that I don't recall much more -- any more.

Page 18

Page 20

1 for the moment the meeting, if Mr. Van Meer or Mr.
 2 Kruger were to attend a meeting at which such advice
 3 was given, that is that upon the death of a person
 4 owning stock in a closely held corporation that there
 5 are at least potential tax problems that could arise
 6 from the inclusion of that stock in the estate of -- of
 7 a deceased person, you would agree with that as a
 8 general proposition, right?
 9 A. Yes, I would.
 10 (Discussion off the record.)
 11 Q. Do you remember asking for any other records other than
 12 the bylaws and agreements relating to the restrictions
 13 on the sale of stock at the meeting on February 17th?
 14 A. I don't recall. I know that I later wrote a letter to
 15 Tom requesting certain information.
 16 Q. All right. But I'm talking about at the meeting itself
 17 do you --
 18 A. No, I don't recall that.
 19 Q. Okay.
 20 A. And there could have been. I'm not saying that wasn't
 21 so.
 22 Q. I understand.
 23 But then as far as you recall, those two things
 24 you did ask for you ultimately received from Mr. Van
 25 Meer, the by --

1 Q. All right. Do you remember whether they said anything
 2 at the meeting at all?
 3 A. I believe they didn't say a thing.
 4 Q. Did you have either a telephone conversation or a
 5 meeting with them after this meeting to discuss the
 6 subject matter of the meeting?
 7 A. A telephone conversation are you saying?
 8 Q. I said or a meeting. Yes, telephone conference or a
 9 meeting.
 10 A. I believe there were meetings afterwards and telephone
 11 conferences.
 12 Q. And, in fact, we'll get to this as an exhibit; but
 13 you're looking at your time records --
 14 A. Yes.
 15 Q. -- and you did record a telephone conference on
 16 February 21st, 1978 with Lou Ann Francis?
 17 A. That is correct.
 18 Q. And you spent about a half an hour on the telephone
 19 with her on that day?
 20 A. That is correct.
 21 Q. You said you think there were more than -- there
 22 were -- I think you, in your term, plural, telephone
 23 conferences and/or meetings after the February 17th
 24 meeting. Would you approximate for me how many times
 25 you personally met with either or both of Lou Ann and

Page 25

Page 27

1 don't recall at this point in time?
 2 A. That's correct.
 3 Q. What was -- you said there was a second one other than
 4 the meeting in Bath. What was the other circumstance
 5 in which you had a conversation with Lou Ann and Arnold
 6 Francis concerning the stock that you did not write
 7 down?
 8 A. I recall talking with Lou Ann and Arnie I believe it
 9 was either late October or early November 19 -- when
 10 the hell did they sell the stock?
 11 Q. I think it was -- January of '80 was the sale.
 12 February 4th of '80.
 13 MR. CALVIN STINSON: Yes.
 14 A. '80 would -- it would be in '79.
 15 Q. Okay. Was that a telephone conversation or an
 16 in-person meeting?
 17 A. I think they came to my office.
 18 Q. Okay. And both of them came do you think?
 19 A. As I recall, both of them came.
 20 Q. And how long did that meeting take place?
 21 A. Very short.
 22 Q. Okay. Did you ask to see them, or did they ask to come
 23 in and see you?
 24 A. I -- I believe that they came in to -- they were in
 25 town, and they dropped in to see me.

1 the course of the meeting?
 2 A. I think that was just information that was stated to
 3 me.
 4 Q. Okay.
 5 A. I don't recall of getting any documents, and that's why
 6 I asked for them later.
 7 Q. Okay. Did you ask for any financial records at the
 8 meeting on February 17th?
 9 A. I don't recall.
 10 Q. All right. Why did you -- oh, strike that.
 11 How long did the meeting take place with Mr. Van
 12 Meer and Mr. Kruger?
 13 A. An hour and a quarter, approximately.
 14 Q. And that's reflected on your time record somewhere?
 15 A. Yes, it is.
 16 Q. Okay. Do you recall why you in an hour and a quarter
 17 meeting thought it was of particular importance, enough
 18 to write down, the reference to the book value of the
 19 common stock of Stinson Canning Company?
 20 A. Yes.
 21 Q. Okay. Why -- why was it of importance to you, enough
 22 to write it down on a piece of paper?
 23 A. Can I speak to her just a second?
 24 Q. Sure.
 25 A. I don't want to get ourselves into a mess here.

Page 26

Page 28

1 Q. Okay. Did they give you any documents at that time?
 2 A. I -- I don't recall.
 3 Q. Okay.
 4 A. I don't recall.
 5 Q. All right.
 6 (Discussion off the record.)
 7 A. I don't -- I don't recall whether they did or not.
 8 Q. Okay. So between -- let's say between February 17th,
 9 1978 and February 4th, 1980, which I will represent to
 10 you is the date that I believe she signed the -- or
 11 they signed the stock sale agreements --
 12 A. Mm-hm.
 13 Q. -- would all of your telephone conversations and
 14 meetings that you can recall as you sit here today be
 15 reflected either on your time records, Exhibit 3, or
 16 the meeting in Bath and the short meeting in October of
 17 '79 that you just made reference to?
 18 A. I think that's it. I don't recall of any other
 19 conversations.
 20 Q. Okay. Do you remember whether at the meeting of
 21 February 17th, 1978 you requested any financial
 22 information other than -- well, strike that.
 23 Do you remember whether it was you who asked what
 24 the book value of the company was on February 17th or
 25 that was just information that was given to you during

1 (A short recess was taken.)
 2 Q. Do you have the question in mind, Mr. Silsby?
 3 A. Yes.
 4 Q. Okay.
 5 A. I wrote it down basically because I thought that was
 6 information that they would want to know.
 7 Q. And that's because it indicated to you sort of a
 8 baseline or a floor for the value of their stock? Is
 9 that why you wrote it down?
 10 A. Yes, that would be a baseline for it.
 11 Q. And you believed at the time you wrote it down that if
 12 there were any negotiations for the sale of their
 13 stock, that this would be a minimum value per share --
 14 per stock that you would negotiate on their behalf if
 15 you were asked to, correct?
 16 A. No.
 17 Q. No?
 18 A. That wasn't what I wrote it down for.
 19 Q. Well, tell me again. You thought it would be something
 20 they would be interested in knowing?
 21 A. Yes, that's --
 22 Q. And why did you think they would be interested in
 23 knowing it?
 24 A. At that time, as I recall, Stinson Canning was up for
 25 sale.

Page 29

Page 31

1 Q. Okay.

2 A. As I recall. And I believe that my notes reflect that
I got certain financial information showing that it
4 was.

5 Q. So did you then think that this would be some
indication to your clients of the minimum that the --
7 that the company would sell for on a per share basis?

8 A. No, not really because I -- I always felt and was of
the opinion that book value and market value really
10 aren't that closely related. But it did show us the
11 condition of -- maybe of the company and things of that
nature.

13 Q. And did that tell you that the company was in pretty
14 good condition with a book value of \$8700 per share?

A. Well, basically no, not just because it's \$700. I
16 didn't have any idea what was owed or wasn't owed and
17 so forth.

Q. Well, you indicated that there isn't a necessary
19 relationship between book value and market value. But
20 you told me earlier that in general the market value is
usually higher than book value, right?

22 A. That is correct.

23 Q. So this told you at least a floor at which you and your
clients might think that the company could be sold for.
2 In other words, no less than that amount of money at

1 information that would lead into that direction, the
2 privilege would preclude. So I think that's why his
3 answer is perhaps coming out the way it is.

4 Q. Well, let me -- I'm not intending -- I'm trying to stay
5 away from any questions that would require you to
6 convey any conversations that you had with your
7 clients.

8 You indicated to me earlier that when -- I think
9 you said it was Mr. Van Meer said that the book value
10 of the company was around \$8700 per share for the
11 common stock, that you wrote that down because you
12 thought it was important information that your clients
13 might want to know?

14 A. That's right.

15 Q. And what I want to know is as you sat there at the
16 meeting, why did you believe at that time, at that
17 meeting, that \$8700 per common share for book value was
18 an important piece of information?

19 A. Because if they were going to sell it and let's say
20 that the value of the stock was being sold for \$1,000.
21 then why the difference?

22 Q. Okay.

23 A. One of the reasons was because I knew -- as I recall at
24 that time, the company was being sold or was up for
25 sale.

Page 30

Page 32

least in general?

2 A. I don't recall. And the -- one of the problems that I
have is that I don't recall whether this was the common
3 voting stock value or whether it was the other. As I
5 remember, I learned that the stock was in different
classes.

Q. But this says common though, right --

8 A. Common, right.

Q. -- your notes?

1 So it was the common stock?

11 A. Yes.

1 Q. All right. Tell me again -- I'm still a bit unclear --
why it is that you felt that it was important for you
11 to write this down because your clients might be
14 interested in knowing this number. Why did you think
15 that this number was important?

17 A. Because --

18 MS. COLLIER: Excuse me, can I just lay -- state
19 an objection for the record; but, Bill, you can go
20 ahead and answer it.

21 I think one of the troubles Mr. Silsby is having
in answering that question is that at a certain point
23 to fully answer your question would require him to
24 disclose conversations he's had with Mr. and Mrs.
25 Francis. And to the extent that your question asks for

1 Q. Okay. And my point -- and I don't know if you remember
2 this or not -- is that -- taking your example, if it
3 was sold for \$1,000 a share, you would have serious
4 questions about that because generally market value is
5 greater than book value?

6 A. That is correct.

7 Q. So you also believed that if \$8700 per share of common
8 book value that the market value, at least in general,
9 should be higher than that?

10 A. That is correct.

11 Q. Okay. Now, let me show you what has been marked as
12 Silsby Exhibit 17. And is this a copy of Bob Kruger's
13 business card that you received at the meeting on
14 February 17th, 1978?

15 A. That is correct.

16 MR. RUBIN: I don't have any extra copies because
17 you just made them.

18 MS. COLLIER: That's right.

19 Q. And is Silsby Exhibit 18 in your handwriting?

20 A. That is correct.

21 Q. Did you make that notation at the meeting or prior to
22 the meeting?

23 A. I made that at the meeting.

24 Q. Okay. Had you ever met Mr. Van Meer prior to that
25 meeting?

1 A. No, I had not.
 2 Q. So this was sort of an office record for you so you
 3 could write to him or call him if you had occasion to?
 4 A. That is correct. As I recall, he didn't have a
 5 business card.
 6 Q. Okay.
 7 MR. CALVIN STINSON: He couldn't afford it.
 8 THE DEPONENT: I couldn't either. I didn't have
 9 one.
 10 Q. You made reference to a meeting down in Bath sometime
 11 later that you had not made any time record of. Do you
 12 recall that?
 13 A. Yes, I do.
 14 Q. When -- when was that meeting, do you know?
 15 A. I can't remember.
 16 Q. All right. Do you remember in reference to the sale of
 17 the stock -- which again I represent to you occurred on
 18 February 4th, 1980 -- at least early February 1980 --
 19 how much before that the meeting was in terms of weeks
 20 or months or years?
 21 A. I think it was in -- in '79. Early '79. I don't
 22 remember. I'm speculating. I -- I don't remember.
 23 Q. All right. And when you say early '79, is that
 24 speculation too? You just don't recall one way or --
 25 A. As I recall, it was sometime in '79.

1 A. As I recall, Carl Wight was there. Tudy and Buzzy
 2 Fitzgerald. Attorney Fitzgerald.
 3 Q. Did you know Buzzy -- did you know him prior to that
 4 meeting?
 5 A. I had knew -- yes, I knew him.
 6 Q. Okay. How long did that meeting take place?
 7 A. I don't remember.
 8 Q. Well, was it a short meeting or a long meeting? Can
 9 you remember that?
 10 A. I don't recall of it being all afternoon or anything.
 11 Q. But do you recall it going for more than an hour, for
 12 example?
 13 A. I don't really recall how long it was.
 14 Q. All right. Did Mr. Fitzgerald discuss his
 15 investigation of the financial condition of the company
 16 at that meeting?
 17 A. I really don't recall what was discussed.
 18 Q. All right. But you were at Mr. Fitzgerald's
 19 deposition?
 20 A. Yes, I was.
 21 Q. And do you remember him discussing at his deposition
 22 the investigation he made of the financial condition of
 23 the company?
 24 A. Yes, I remember that.
 25 Q. Okay. But you don't have any memory whether he --

1 Q. Okay.
 2 A. And my memory is that it was in early '79, but I
 3 don't -- I don't really remember.
 4 Q. Okay. Well, in any event, how did that -- you come --
 5 become aware of that meeting?
 6 A. Arnie and Lou Ann told me.
 7 Q. Okay. And did they ask you to go to the meeting with
 8 them?
 9 A. Yes, they did.
 10 Q. All right. And was that meeting -- your understanding
 11 that that meeting was being held at the request of Carl
 12 Wight? Was that your understanding?
 13 A. Of who?
 14 Q. Carl Wight.
 15 A. As I recall, I don't recall how it came about.
 16 Q. Okay. Did you and your clients travel down to Bath
 17 together?
 18 A. Yes, we did.
 19 Q. Was anybody else with you other than Lou Ann and Arnold
 20 Francis?
 21 A. Ida Mae was.
 22 Q. Anybody else?
 23 A. Not that I recall.
 24 Q. Who was there at the meeting on the -- who else was
 25 present at the meeting?

1 A. I --
 2 Q. Wait a minute -- imparted any of that information back
 3 in 1979 when you met with him in Bath?
 4 A. I don't have memory of what it was about. I -- I
 5 certainly don't dispute Buzzy. If he says that was
 6 what was said --
 7 Q. Okay.
 8 A. -- I certainly would agree.
 9 Q. So you have no memory of any -- anything that was
 10 discussed at that meeting? Is that -- that what you're
 11 saying?
 12 A. Basically my recollection of the meeting was to find
 13 out the value of the stock plus what were the rights of
 14 the stockholders.
 15 Q. Okay.
 16 A. That's my general basic memory.
 17 Q. So you got information at the meeting concerning the
 18 value of the stock, but can't recall the specifics of
 19 what you were told? Is that -- is that what you're
 20 saying?
 21 A. Are you asking me did I get any documents?
 22 Q. No, no. Did you get information?
 23 A. I'm sure that there was information.
 24 Q. But you can't --
 25 A. I don't recall what it was, and I did not -- as I

Page 37

Page 39

1 remember, I don't think I have anything that
 2 reflects -- any notes or anything.
 3 Q. All right. Let me just make sure I understand.
 4 What -- what you're telling me is that your
 5 recollection is that the purpose of the meeting, from
 6 your perspective anyway, was to find out about the
 7 value of the stock and the rights of shareholders?
 8 A. That is right.
 9 Q. So you're fairly confident that those subject matters
 10 were discussed at the meeting, but you don't remember
 11 anything that was -- just any specific information that
 12 was discussed among the people present?
 13 A. I do not.
 14 Q. Okay. But are you fairly confident those two subject
 15 matters would have been the subject of some discussion
 16 at the meeting?
 17 A. Yes, because the company was up for sale.
 18 Q. Okay. And so -- and, therefore, was the reason that
 19 you were interested in the value of the stock was to
 20 make sure on the behalf of your clients that the
 21 company was sold at a fair price if it was going to be
 22 sold?
 23 A. Yes, basically that is correct.
 24 Q. And as far as the rights of shareholders, you wanted to
 25 find out what their rights might be in case you felt

1 A. Not that I recall.
 2 Q. Did you have any conversations -- telephone
 3 conversations at any time prior to the sale of the
 4 stock in early February of 1980 with anyone --
 5 excluding your clients -- anyone else concerning the
 6 stock in Stinson Canning Company?
 7 A. Not that I recollect.
 8 Q. All right. For example, do you recall whether you had
 9 any conversations with any accountants, either
 10 accountants for the Francis family or accountants for
 11 the Wight family or anybody else -- accountants for
 12 Stinson Canning Company -- concerning the value of the
 13 stock or other issues related to the stock of Stinson
 14 Canning?
 15 A. Prior to the sale?
 16 Q. Prior to the sale.
 17 A. No.
 18 Q. I take it there were some after the sale, conversations
 19 with accountants?
 20 A. Yes.
 21 Q. Okay. And when and with whom did you have
 22 conversations after the sale?
 23 A. I had the Francis -- I always did their income tax
 24 returns. After the sale of the stock and because of
 25 the complexities of their business I felt that I was

Page 38

Page 40

1 the company wasn't being sold at a fair price they
 2 could exercise whatever rights they had?
 3 A. That is correct.
 4 Q. Do you recall anything else that -- any other subjects
 5 that were discussed at the meeting whenever it occurred
 6 in Bath other than the two you've just mentioned to me?
 7 A. No, I don't.
 8 Q. And you have, just so I'm clear, no recollection of
 9 specific information that was spoken by any particular
 10 individual at the meeting or even in general any
 11 information -- specific information that was
 12 articulated at the meeting?
 13 A. I have no recollection of that.
 14 Q. Okay. Now, at any time prior to the sale of stock by
 15 the Francis family in early February of 1980 did you
 16 attend any other meetings with any other -- persons
 17 other than your own clients concerning the stock in
 18 Stinson Canning Company?
 19 A. Other than what I've told you?
 20 Q. Other than the meeting with Van Meer in February -- on
 21 February 17th, '78 and other than the meeting in Bath
 22 with Fitzgerald and the Wights and the other people,
 23 did you attend any other meetings at any time prior to
 24 the Francis sale of stock in Stinson Canning Company
 25 that related to the stock in Stinson Canning Company?

1 not competent and was up on the darn tax laws, so I
 2 told them they should get an accountant to do their tax
 3 work. And as I recall, I believe I took them over to
 4 see Richard Simoneau who did -- who was an accountant
 5 in Rockland.
 6 Q. All right. And that would have been for the tax year
 7 ending December 31, 1980?
 8 A. That would be the tax year that they sold the stock in.
 9 Q. Okay. And I represent to you that was in 1980.
 10 A. Yes --
 11 Q. Okay.
 12 A. -- that would be that tax year.
 13 Q. Okay. So your conversations -- would your
 14 conversations with the accountant then be to give him
 15 the information he would have needed to do the tax
 16 returns?
 17 A. No. I just took them over and introduced them --
 18 Q. Okay.
 19 A. -- and so forth.
 20 Q. And you had no contact with the accountant relative to
 21 the Francis family after that?
 22 A. Well, I knew Dick, and he did our tax work.
 23 Q. No. Relative to the Francis family you had no other --
 24 A. You mean did I learn what their taxes were and so
 25 forth?

1 Q. Yeah.
 2 A. No. I -- I did corporations for them, of course, but I
 3 did not have anything to do with the tax end of it.
 4 Q. As of let's say the end of 1979, did you have an
 5 understanding that the Stinson Canning Company was a
 6 successful -- economically successful company?
 7 A. At the end of '79?
 8 Q. Yeah.
 9 A. I don't think at the end of '79 I knew anything --
 10 Q. As of the --
 11 A. -- at that time.
 12 Q. Excuse me. Okay. As of the time of the sale of stock
 13 of the company by the Francis family in 1980, did you
 14 have an understanding that the Stinson Canning Company
 15 was an economically successful company?
 16 A. I had nothing to do with that.
 17 Q. Okay. Well, I -- my question wasn't whether you had
 18 anything to do with the sale or not. It was whether or
 19 not you had any general understanding as to the
 20 economic status of Stinson Canning Company as of the
 21 time of the sale, whether or not you had anything to do
 22 with it or not.
 23 A. No, I had no understanding.
 24 Q. Well -- and we'll get to them in a little bit. In your
 25 records, you did have copies of -- of year-end

1 financial statements for Stinson Canning Company as of
 2 '77 and '78, I believe: isn't that true?
 3 A. '76, '77.
 4 Q. Okay. '76 and '77.
 5 A. Yeah, that is true.
 6 Q. And -- and based on that information, at least through
 7 1977, it was your understanding that it was an
 8 economically successful company; isn't that true?
 9 MS. COLLIER: I'm going to object to the form of
 10 the question as to when did he acquire that information
 11 and form such an opinion if he ever did.
 12 MR. RUBIN: All right. Well, why don't we just
 13 wait until we get -- get to that point in the records
 14 because we're going to go through them one at a time.
 15 I'll come back to that.
 16 (Discussion off the record.)
 17 Q. All right. Let me show you now what has been marked as
 18 Deposition Exhibit 3, which are your time records. And
 19 can you identify those four pages as your time records
 20 in connection with any recorded activities on behalf of
 21 the Stinsons relative to the stock?
 22 MS. COLLIER: Just compare. Let's just compare
 23 these for a minute because there is only two of these.
 24 MR. RUBIN: Off the record.
 25 (Discussion off the record.)

1 (Deposition Exhibit No. 3 was remarked.)
 2 Q. All right. Mr. Silsby, let me show you again -- and by
 3 agreement, for the record, we have now substituted the
 4 original four-page Exhibit 3 with a new Exhibit 3
 5 composed of two pages which are better copies of the
 6 two pages that are in your records, I believe.
 7 A. Yes.
 8 Q. And let me show you Exhibit 3 and ask you if that now
 9 is a -- Exhibit 3 is a complete set of any of the time
 10 records that you have relative to the representation of
 11 the Francis on the stock?
 12 A. That is correct.
 13 Q. Okay. And why don't you hold onto that one --
 14 A. All right.
 15 Q. -- because I've got a copy too.
 16 (Discussion off the record.)
 17 Q. Now, on the first page of this exhibit anyway the first
 18 entry is 2/17/78; is that correct?
 19 A. That is correct.
 20 Q. And that's the meeting with Mr. Van Meer that we've
 21 already talked about?
 22 A. That is correct.
 23 Q. Then on 2/21/78 you had a telephone conference with Lou
 24 Ann Francis for about a half an hour?
 25 A. That is correct.

1 Q. And was that -- I don't want to know the substance of
 2 the discussion, but was that a discussion that was
 3 related to the meeting on February 17, 1978?
 4 A. I believe it was.
 5 Q. Okay. Then you had another meeting on June 15, 1978
 6 with both Lou Ann and Arnold Francis relative to the
 7 Stinson stock, correct?
 8 A. That is correct.
 9 Q. And that lasted about an hour?
 10 A. Yes.
 11 Q. Was anybody else present at that meeting other than the
 12 three of you, the one on June 15th?
 13 A. No.
 14 Q. Turning to the second page of Exhibit 3 it reflects a
 15 letter you wrote to Tom Van Meer on February 14th, '78.
 16 correct?
 17 A. That is correct.
 18 Q. Now, I notice on that one -- and I don't know if it's
 19 cut off on the original -- there is no amount of time
 20 recorded. Is that true on the original?
 21 A. That is correct.
 22 Q. Can you tell me why that would be true?
 23 A. I probably didn't make a charge.
 24 Q. Okay. And the same thing would be true on March 23rd,
 25 '78. You wrote a letter to Mr. Van Meer but didn't

Page 45

1 charge for it?

2 A. That is correct.

3 Q. And then on May 16th, 1978 you had another conference
4 with your clients, both Lou Ann and Arnold Francis,
5 relative to the Stinson Canning Stock?

6 A. That's correct.

7 Q. And that lasted about a half an hour?

8 A. Yes.

9 Q. Can you tell me why -- and, again, because I don't have
10 the originals -- these are on two separate pieces of
11 paper rather than on -- on one? And the reason I
12 ask -- let me tell you why I ask. Because one of them
13 has a May 16th meeting and the other one has June 15th.
14 They don't seem to be in any kind of chronological
15 order.

16 A. Probably the girl that was doing the bookkeeping didn't
17 see those charges and started them later.

18 Q. So started a separate page?

19 A. That's right.

20 Q. Okay. So does that then at least open up the
possibility maybe there are some other sheets that have
been lost over time, too, that could have recorded
23 other meetings or telephone conversations?

24 A. No, I don't believe that at all.

25 Q. Okay. Do you have any records, accounts receivable

Page 46

books or any other records that would actually show the
2 dollar amount of the charges to the Francis's related
3 to the stock during 1978, '79 or '80?

4 A. No, I do not.

5 Q. Okay. Let's move on.

6 Exhibit 4 is a letter from you to Mr. Van Meer in
which you request a copy of the bylaws: is that
8 correct?

9 A. That is correct.

10 Q. Okay. And this is something you had asked for at the
11 meeting, true?

12 A. Yes.

13 Q. And as a result of this letter, I think you got the
14 bylaws. In fact, there is a -- the next exhibit is a
15 letter back to you on March 17th from Mr. Van Meer
16 where he sent them to you.

17 Why is it that you wanted the bylaws?

18 A. I wanted to see whether or not there was any conditions
19 on the stock.

20 Q. Okay. This was, again, to see whether there were any
21 restrictions on whether they could sell the stock?

22 A. That -- that is correct, any restrictions on the stock.

23 I also wanted to see whether there was any -- who had
24 the authority to run the company and so forth.

25 Okay. And why were you interested in knowing whether

Page 47

1 or not there were any restrictions on the -- your
2 clients' ability to sell the stock?

3 A. Well, I felt that I should advise them everything as
4 far as their stock was concerned.

5 Q. Was it your understanding that there was some thought
6 that -- that they might want to sell their stock to
7 someone else?

8 A. Not -- no, not at the -- I don't believe so. Not at
9 that time.

10 Q. Okay. You just wanted to be able to advise them
11 generally as to what their rights were?

12 A. That is correct. And I wanted to see the bylaws to see
13 how everything was set up as far as who was running the
14 company and so forth and so forth.

15 Q. Okay. All right.

16 (Discussion off the record.)

17 Q. And Exhibit 5 is a letter you received from Mr. Van
18 Meer enclosing a copy of the bylaws: is that true?

19 A. That is correct.

20 Q. Keep it.

21 And when you got the bylaws, did you review them?

22 A. Yes, I did.

23 Q. Okay. And did you find anything in there that you
24 thought was unusual as -- or not normal in terms of how
25 the corporation was set up in terms of the running of

Page 48

1 the corporation and so on and so forth?

2 A. I don't remember.

3 Q. Okay. Do you recall whether there was anything in
4 these bylaws that you saw relative to restrictions on
5 the sale of the stock?

6 A. As I recall, there was restrictions. It had to be
7 offered, I believe, to the company.

8 Q. And in particular look at Page 13, Paragraph 7.1 --
9 Section 7.3.

10 A. 13?

11 Q. Yes. Page 13.

12 A. 12.

13 Q. Is that Section 7.3 what you're referring to?

14 A. Yes. Yep. I remember that.

15 Q. Okay. And would you agree with me that this was a
16 fairly typical type of restriction on the transfer of
17 shares for a closely held corporation?

18 A. Yes.

19 Q. Okay. All right. Excluding discussing the bylaws and
20 what you read with your clients, excluding any
21 conversations with your clients, did you take any
22 action or have any discussions with anybody else as a
23 result of receiving the bylaws?

24 A. Other than my clients?

25 Q. Other than your clients.

STATE OF MAINE

HANCOCK, ss.

SUPERIOR COURT

Civil Action

Docket No. CV-95-127

LOU ANN STINSON FRANCIS, et al.,)

Plaintiffs)

V.)

CHARLES B. STINSON, et al.,)

Defendants)

COPY

DEPOSITION OF DUANE D. FITZGERALD, ESQ., taken pursuant to notice dated December 3, 1996, at the law offices of Bernstein, Shur, Sawyer and Nelson, at 100 Middle Street, Portland, Maine, on December 17, 1996, commencing at 10:55 A.M., before Kimberly B. Arsenault, RPR, a Notary Public in and for the State of Maine.

APPEARANCES:

For the Plaintiffs:

WILLIAM S. SILSBY, JR., ESQ.
SANDRA HYLANDER COLLIER, ESQ.

For the Defendants:

PETER J. RUBIN, ESQ.
KATE S. DEBEVOISE, ESQ.

Also Present:

Mr. Charles Stinson
Ms. Lou Ann Francis
Ms. Eva Wight

1 A. The company was quite successful.

2 Q. Okay.

3 A. I recall that.

4 Q. Okay.

5 A. But it's a business that has its ups and -- has its ups
6 and downs, and I'm sure still does.

7 Q. Was it your recollection that in reviewing the three
8 years of financial statements ending December 30, 1978
9 that those -- in those three years the company had had
10 three good years?

11 A. That's my memory.

12 Q. And do you remember sharing that conclusion with Carl
13 Wight at some time after you reviewed those three years
14 of financial statements?

15 A. Well, I'm sure that we discussed it; but he was
16 certainly capable of arriving at that conclusion
17 independently.

18 Q. Okay. So either independently or through you you're
19 confident he was aware also that the company had had a
20 couple good years prior to this time?

21 A. Yes.

22 Q. Were you aware as of the time that this letter was
23 written at the end of 1979 that there were third
24 parties actively soliciting, negotiating and making
25 offers to buy Stinson Canning Company?

1 A. I have no present recollection of that, although it's
2 quite possible that that was the case.

3 Q. If I were to show you a series of letters from
4 prospective buyers, do you think that might refresh
5 your recollection at all?

6 A. It might.

7 (Discussion off the record.)

8 Q. We're going to get some of those letters, but at this
9 point I take it you have no memory of seeing letters of
10 offering to buy -- either expressing interest in buying
11 or offering to buy Stinson Canning Company prior to
12 let's say January 1, 1980?

13 A. I don't recall.

14 Q. Okay.

15 (Deposition Exhibit No. 6 was marked.)

16 Q. Let me show you what has been marked as Deposition
17 Exhibit No. 6, which is a letter from you to Mr. Van
18 Meer dictated on December 31, 1979 and -- and -- but
19 dated on January 2nd. That letter was dictated on the
20 same day as Mr. Wight's letter to Mr. Stinson is --
21 which is Exhibit 5 -- is dated.

22 Does that refresh your memory in any way that you
23 and Mr. Stinson may have talked on -- or did talk on
24 December 31, 1979 or December 30, 1979 about this
25 matter and discussed Mr. Wight sending a letter to Mr.

1 Stinson and you sending a letter to Mr. Van Meer?

2 A. It doesn't refresh my memory.

3 Q. Okay. In the second paragraph of this letter you say
4 that you've met on several occasions with Ellen Wight's
5 parents who have raised various questions with respect
6 to the interest of the Wight family in the stock of
7 Stinson Canning Company. Can you tell me what the
8 questions were that -- that they raised with you?

9 A. Well, they were the continuing questions of their
10 interest in the company and what they could do to
11 realize some benefit from that ownership.

12 Q. Okay. So it's similar to the questions that initiated
13 their contact with you in the first place concerning
14 Stinson Canning stock?

15 A. Yes.

16 (Discussion off the record.)

17 Q. I'm not going to mark these -- for the record I'll
18 indicate I'm not going to mark these, but I'm showing
19 Mr. Fitzgerald a portion of exhibits which were
20 attached to the agreement with Lou Ann Francis that was
21 signed in February of 1980, all of which are dated in
22 1978 and 1979; and they were part of Lou Ann Francis's
23 Deposition Exhibit No. 1.

24 I'd like you just to go through those, if you
25 would, Mr. Fitzgerald, and look at them and tell me --

1 and perhaps separate out any of them that, as you look
2 at them, you remember having seen at some time before
3 1980. Or let -- maybe -- let me amend that. That
4 you've seen at any time in connection with your
5 representation of the Wights in -- as it relates to
6 their sale of stock interest in Stinson Canning
7 Company.

8 A. I don't recall ever seeing any of these pieces of
9 correspondence before, but I note with great interest
10 that one of the letters is from Lewis van Amerongen of
11 the firm of Gibbons, Green & Rice, Limited in New York.
12 And I know Mr. van Amerongen quite well because it was
13 that firm that put the transaction together by which
14 Bath Iron Works was sold in 1986, and they were part of
15 the ownership from 1986 until 1995.

16 (Discussion off the record.)

17 Q. Even though you have not before or in connection with
18 your representation of the Wights seen these actual
19 documents, were you ever made aware at any time prior
20 to the time that the Wights actually sold their stock
21 in Stinson Canning Company that there had been offers
22 made by other companies to purchase Stinson Canning
23 Company?

24 A. I have no present recollection.

25 Q. And you have no recollection either that either of your

1 clients told you that they were aware of offers that
2 had been made to purchase the company, or do you?

3 A. Their memories would be better than mine on that. If
4 they said they made me aware, I wouldn't dispute that.

5 Q. In Exhibit 6 you make a request to Mr. Van Meer that
6 you be permitted to inspect the corporation's books
7 containing minutes of the meetings of shareholders and
8 directors as well as the list or record of
9 shareholders. Is it your recollection that you were
10 allowed access to those documents to inspect them or
11 that they were provided -- copies were provided to you?

12 A. I don't recall.

13 Q. Okay. I think the next exhibits may -- may help you.

14 A. Okay.

15 (Deposition Exhibit No. 7 was marked.)

16 Q. Let me show you what has been marked as Deposition
17 Exhibit No. 7, which is a letter from Mr. Van Meer
18 to you. And would you agree with me that that's a
19 letter in response to your letter of January 2, 1980.
20 that we -- which is Exhibit 6?

21 A. Yes, it appears to be.

22 (Deposition Exhibit No. 8 was marked.)

23 Q. And let me show you Exhibit 8, which is a letter from
24 Mr. Van Meer to Mr. Kruger referencing your letter of
25 January 2nd. And based upon -- my question is, based

1 upon Exhibit 7 and 8, does that refresh your
2 recollection at all that the information that you
3 requested was, in fact, at some point in time made
4 available to you?

5 A. I believe that it was.

6 (Deposition Exhibit No. 9 was marked.)

7 Q. And lastly on this subject matter let me show you
8 Exhibit 9, which is a letter from Mr. Kruger to Mr. Van
9 Meer which references a conversation with you. And
10 this is one that I don't think you have seen before
11 now, so take your time and read it to yourself, please.

12 A. I haven't seen this before.

13 Q. No, I -- having read it, does it refresh your
14 recollection at all of the subject matter that Mr.
15 Kruger refers to in the letter?

16 A. No, I can't say that it does.

17 Q. Are you in a position to deny anything -- the accuracy
18 of anything that he says in this letter?

19 A. No, I'm not suggesting that it's not accurate.

20 Q. All right.

21 A. I'm just suggesting that it doesn't help take me back
22 16 years.

23 Q. I understand.

24 As far as the valuation of Ellen Wight's stock is
25 concerned, would you agree with -- based upon the law

1 A. I don't recall.

2 Q. Okay. Did you share financial information or your
3 knowledge of the three years financial history of the
4 company with Mr. Silsby and -- and Lou Ann Francis at
5 that meeting?

6 A. Well, their -- the interest of our clients were
7 aligned, and so we were -- we had common objectives
8 which probably led us to share whatever we had.

9 Q. So you think it's likely that you would have shared
10 your knowledge of the financial status and performance
11 of the company over the previous three years that you
12 had been made aware of?

13 A. Again, I don't have a specific recollection of having
14 done so; but had there been a discussion of financials,
15 I'm sure that I would have shared what I had.

16 Q. All right. And -- and if you shared the information,
17 you would have told Mr. Silsby and Lou Ann Francis that
18 the company had performed very well over the last
19 previous three years; is that true?

20 A. To the extent that that was a statement that had to be
21 made. I think Mr. Silsby was as aware as I that the
22 business was quite successful.

23 Q. And what do you base the statement that Mr. Silsby was
24 as aware as you that the company was successful?

25 A. Well, we wouldn't have been chasing this thing if we

1 A. I -- I don't recall.

2 (Deposition Exhibit No. 10 was marked.)

3 Q. Let me show you what has been marked as Exhibit 10 --

4 (Discussion off the record.)

5 Q. Let me show you what has been marked as Exhibit 10.

6 And it has some of my highlighting on it which I
7 intended to be my copy, but I'm not going to change it.

8 This is a letter from you to Mr. Van Meer dated
9 February 11, 1980. And it indicates that you had
10 reviewed some records on Thursday, February 7th. Do
11 you have a recollection of being in Verrill & Dana's
12 offices over this period of time reviewing the records
13 of -- of Stinson Canning Company?

14 A. Well, this letter refreshes my memory.

15 Q. Okay. And your memory is that you did go over --

16 A. Yes.

17 Q. -- to review the records?

18 A. I did.

19 Q. And apparently the records that were available to you
20 at that time covered a period of four years from '75 to
21 '79, at least according to this letter?

22 A. That's what the letter reflects.

23 Q. Okay. And you make a request for the opportunity to
24 review additional records prior to 1975 and since 1979
25 in this letter, correct?

1 A. Right.

2 Q. Do you have a memory that those records were made
3 available to you at some point after your request?

4 A. Not independently.

5 Q. All right. Well, I think we may be coming to some
6 documents that may help you.

7 Do you recall receiving pursuant to your request
8 copies of the schedules of the stock register that you
9 refer to in the third paragraph of your letter?

10 A. Again, I have no independent recollection.

11 (Discussion off the record.)

12 (Deposition Exhibit No. 11 was marked.)

13 Q. Then let me show you your letter of March 4, 1980 to
14 Mr. Van Meer which I've marked as Exhibit 11 which
15 indicates -- does that refresh your memory that you, in
16 fact, received from Mr. Van Meer on -- on or about
17 February 19th a list of shareholders of Stinson Canning
18 Company?

19 A. I accept the letter as accurate.

20 Q. Okay. From the second paragraph I take it -- at least
21 I assume that still at this point you had not had the
22 opportunity to review the corporate records prior to
23 1975? Is that the way you read your -- your letter
24 also?

25 A. Again, that's what the letter states.

1 Q. Okay. Do you have any recollection after having sent
2 this letter, which is Exhibit 9, that the corporate
3 records prior to January 10, 1975 were made available
4 for your review?

5 A. I don't recall.

6 Q. Do you have any recollection of any response by Mr. Van
7 Meer telling you either they don't exist anymore,
8 they're in our offices, they're in the company offices
9 or anything about those -- those records?

10 A. I don't recall.

11 Q. All right. Do you have any memory that at any time
12 before the Wights sold their stock in 19 --

13 MR. RUBIN: '82 or '83?

14 MS. DEBEVOISE: '83.

15 Q. -- 1983 that you had an opportunity to look at those
16 particular records?

17 A. I don't recall.

18 Q. What would it -- would you have been looking for in the
19 corporate records that predated January of 1975? And I
20 assume by corporate records we're referring to minutes
21 of meetings; is that what --

22 A. Fishing.

23 Q. Okay. But corporate -- your reference to corporate
24 records would have been a reference to corporate
25 meetings?

1 A. Yes.

2 Q. And what would you have been fishing for in the minutes
3 of meeting that predated 1975? Was there anything in
4 particular?

5 A. No, just hoping to find something that might provide a
6 little leverage to get negotiations underway.

7 (Discussion off the record.)

8 Q. We're now up to March of 1980. And do you have any
9 independent recollection of anything you did or were
10 involved in in connection with your representation of
11 the Wights involving the Stinson Canning Company stock
12 that we haven't discussed prior to let's say early
13 1980 --

14 A. No.

15 Q. -- independent of these documents of --

16 A. No.

17 Q. Okay.

18 (Deposition Exhibit No. 12 was marked.)

19 Q. The next document I have is a letter from you -- dated
20 January 26, 1980 from yourself to Mr. Van Meer.

21 MS. DEBEVOISE: January?

22 MR. RUBIN: Did I say January?

23 Q. I'm sorry, June 26, 1980 from yourself to Mr. Van Meer.
24 And in that letter you request the opportunity to
25 review corporate transactions for the years '76 to '79,

1 and you now are asking for the 1979 financial statement
2 and various tax returns. And is this -- do I read your
3 letter correctly that in lieu of offering you the
4 opportunity to review all of those documents, you were
5 willing to accept as a substitute answers to the
6 questions that you attached to this letter?

7 A. That's what the letters suggests. I -- I believe the
8 letter is accurate.

9 Q. All right. And I think you may have seen from the
10 documents I sent you that at some point down the road
11 you got a response from Mr. Van Meer with answers to
12 those questions; is that correct?

13 A. I believe I did.

14 Q. So would you agree then that you in all likelihood did
15 not review those documents but accepted the answers to
16 the questions in lieu of that?

17 A. I believe that to be the case. I have no memory of
18 having independently reviewed the records.

19 Q. Okay. And do you have any memory of having ever
20 received either the 1979 financial statement or the tax
21 returns for '76 through '79 that you mention in your
22 letter?

23 A. Again, I don't independently recall it, but I -- I
24 would assume that the request was honored.

25 Q. Would the information that you were looking for by

1 requesting the books and records for '76 through '79 --
2 the financial -- the 1979 financial statement and the
3 '76 to '79 tax returns been information that would be
4 addressed by answering the 11 questions that you posed?

5 A. Yes.

6 Q. And what -- did you have an understanding at this time
7 that the 1979 year had been a good year for the company
8 also?

9 A. I don't recall.

10 Q. In this letter you say that if they choose to answer
11 the questions, that you believe it's complete as of the
12 time you wrote it; but there may be additional
13 questions that occur to you or that the responses may
14 trigger additional questions at a later date. Do you
15 recall after receiving the responses that you ever
16 posed any additional questions to the company through
17 Mr. Van Meer?

18 A. I don't recall.

19 Q. Do you recall having -- when you reviewed the
20 responses, that it triggered additional questions for
21 you to ask?

22 A. I don't recall.

23 (Discussion off the record.)

24 (Deposition Exhibit No. 13 was marked.)

25 Q. Let me show you what is marked as Exhibit 13, which is

1 a letter from you to your clients in which you transmit
2 a letter dated July 3, 1980 from Mr. Van Meer to you.
3 Having seen that letter, do you -- do you remember
4 receiving his response of July 3rd?

5 A. Well, the -- the exhibit refreshes my memory, and I'm
6 sure it's accurate.

7 Q. Okay. Would it be fair to say that in all of your
8 dealings with Mr. Van Meer in this matter up through
9 the time that your clients actually sold their stock
10 back to the company that he was always cooperative with
11 you when you were requesting information or the right
12 to see records and -- or any other data about the
13 company?

14 A. I believe he was.

15 Q. And do you have any recollection that he was ever
16 dragging his feet or stonewalling providing you with
17 any information that you asked for?

18 A. No.

19 (Deposition Exhibit Nos. 14 & 15 were
20 marked.)

21 Q. And the next letter that I have is marked as Exhibit 14
22 and is a letter from you dated August 22 to Mr. Van
23 Meer. And let me show you at the same time Exhibit 15,
24 which is a letter from this Mr. Van Meer to you dated
25 August 22nd, the same date as your letter. And, first,

1 I take it obviously as of August 22nd you still had not
2 received a response from Mr. Van Meer to either allow
3 you to see the documents or answer the questions that
4 you had posed earlier in I believe it was -- was it
5 June?

6 A. Yes.

7 Q. And is it your understanding that one of the reasons
8 that you hadn't received that letter was that Mr. Van
9 Meer was away getting educated at Harvard apparently
10 during a month or so that summer?

11 A. That's what the letter reflects.

12 Q. And you felt you had given him enough time from the
13 time he had got back to get you that information, so
14 you decided to jog his memory a little bit?

15 A. It appears to be the case.

16 Q. And, in fact, apparently crossing in the mail at the
17 same time that you wrote your letter before you jogged
18 his memory were his responses to your requests of June
19 26, 1980?

20 A. The letters are dated the same day, so they appear to
21 have crossed.

22 Q. You -- you weren't harboring any suspicions or concern
23 at that time, that -- that is as of August 22nd, that
24 Mr. Van Meer was in any way recalcitrant or unwilling
25 to provide you with the information that you had

1 requested?

2 A. No.

3 Q. Now, in that response -- in Mr. Van Meer's letter of
4 August 22nd, which is Exhibit 15, in fact, he provided
5 you with the tax returns and the financial statement of
6 the company for the year ending December 29, 1979,
7 correct?

8 A. Correct.

9 Q. So you had offered him the opportunity of either
10 providing you with that information or answering the
11 questions, and he actually did both; is that correct?

12 A. It appears to be the case. He answered some of the
13 questions and then provided the tax returns. Or the --
14 yeah, the tax returns.

15 Q. All right. In your review of the answers to the 11
16 questions that you raised, did you determine that he
17 had not appropriately responded to any of the questions
18 that you -- or let me -- I'll ask it in the
19 affirmative.

20 Were the answers that you were provided pursuant
21 to this Exhibit 15 responsive to each of the questions
22 that you had raised?

23 A. They appear to be.

24 Q. And as you review the responses, do you have any
25 recollection that information that you wished you had

1 been given had been left out of the responses or
2 omitted from the response?

3 A. That does not appear to be the case.

4 Q. Looking for a moment -- because I'm not sure these were
5 a part of the response, and I don't know if you have
6 any memory. The last couple pages of this were in our
7 file, I believe, attached --

8 (Discussion off the record.)

9 Q. This document was produced by the Wight family to -- to
10 us and in this form, I believe. And I'm sort of
11 wondering whether the last two pages really belong with
12 this exhibit. And I'm wondering whether you have any
13 recollection of whether they came with the response or
14 whether they would more likely be a -- a separate set
15 of documents?

16 A. I don't recall, and they don't appear to be responsive
17 to any question that I had posed.

18 Q. In fact, I just realized the last -- next to last page
19 is dated 1981 and the letter was dated 1980, so that
20 would probably indicate to us that it wasn't a part of
21 that exhibit.

22 How about the last page though, do you -- do you
23 remember -- would that appear to be responsive to
24 anything that you had asked for in any of the
25 questions?

1 A. No. That's information I -- I already had.

2 MR. RUBIN: Okay. Let's go off the record for a
3 minute.

4 (Discussion off the record.)

5 Q. When you received the information from Mr. Van Meer in
6 Exhibit 15, did you review the financial statement
7 which is delivered as item No. 1 in the letter?

8 A. I'm sure that I did.

9 Q. And did you review the four tax returns that were
10 listed in -- as items 2 through 5?

11 A. I believe so.

12 Q. And you would have reviewed all of the answers to the
13 questions that you had posed and he had answered?

14 A. Yes.

15 Q. As a result of your review of that information, do
16 you -- did you then have either a conversation over the
17 telephone or a meeting with your clients to discuss
18 what you had learned from the answers to these
19 questions and review of the documents?

20 A. I'm sure I would have shared it with them.

21 Q. Okay. Do you have any recollection of a meeting or a
22 telephone conversation to share this information and
23 your views about it?

24 A. No.

25 Q. That would have been your normal practice though?

1 A. Yes.

2 Q. Did you reach any conclusions concerning the subject
3 matter of either the value of the Wight family interest
4 in Stinson Canning Company or what course of action --
5 strike that.

6 As a result of this information, would you have
7 changed any of your views that you've expressed to me
8 earlier as to the appropriate or preferred course of
9 action for your clients to take in connection with
10 their ownership of the stock?

11 A. No.

12 Q. Would this have -- information have corroborated your
13 previous analysis of the Stinson Canning Company
14 situation?

15 A. Yes, it did. I -- I expected that the majority was
16 receiving substantial benefits from its controlling
17 interest in the company, and the responses simply
18 confirmed that.

19 Q. Okay. At any time prior to the sale of stock -- your
20 clients' stock in Stinson Canning Company back to the
21 company in 19 --

22 MR. RUBIN: Was it February of '83?

23 MS. DEBEVOISE: Yes.

24 Q. -- I believe February of 1983, did you ever receive any
25 information from Stinson Canning Company or anybody --

1 any agent of Stinson Canning Company that you either
2 determined or even suspected was false or misleading?

3 A. No.

4 Q. Did you ever receive any information at any time prior
5 to the sale of the stock of -- your clients' stock in
6 Stinson Canning Company back to the company in February
7 of 1983 that omitted material -- material information
8 concerning the company?

9 A. I have no recollection of that.

10 Q. And -- and I take it subsequent -- well, I don't know
11 if I'll take it or not. Let me -- did you at any time
12 subsequent to the sale of your clients' stock back to
13 Stinson Canning Company in February of 1983 learn or
14 suspect that you had been provided with false or
15 misleading information prior to the time of the sale?

16 A. No.

17 Q. And subsequent to the sale, did you ever learn or
18 suspect that material information had been omitted from
19 the data that was provided to you at any time?

20 A. No.

21 (Deposition Exhibit No. 16 was marked.)

22 Q. Let me show you what has been marked as Fitzgerald
23 Exhibit 16, which is a memorandum from you to your
24 clients dated October 7, 1980 which I believe you have
25 had a chance before today to review?

1 higher price?

2 A. I don't believe I -- that ever came up.

3 Q. The last document that I want to show you is marked as
4 Exhibit 22 and is a copy of the, I believe, signed
5 purchase and sale agreement between Stinson Canning
6 Company and your clients. And I would ask first
7 whether you've ever seen this or saw this document at
8 the time -- at any time prior to February 10, 1983 when
9 it was signed?

10 A. I have no present recollection of it, although I may
11 well have.

12 Q. Would it have been your normal practice in those days
13 to have advised your client that if they ever decided
14 to sell their stock and agreed upon a price, that they
15 should bring the contract to you to review? Would that
16 have been your normal practice?

17 A. That would have been my normal practice. And I might
18 well have done it here, but the Wights' memory of that
19 would be far better than mine.

20 Q. Okay.

21 A. I was looking to see if I could see if I witnessed a
22 signature, and that's --

23 Q. Oh, actually --

24 A. It almost -- well, it's not clear. Maybe I witnessed
25 it.

1 Q. Well, that reminds me, and I had it in my notes. We'll
2 go to it right now. There is a signature -- if you
3 look at the signature page -- and I will tell you that
4 I believe Mrs. Wight's testimony was that this was sent
5 to her to sign, not -- she didn't go to the company
6 offices to sign it. And we all the last time I think
7 were trying to struggle to see who witnessed her
8 signature. And we don't have a better copy, although I
9 don't know where the original is. Are you telling me
10 that looks like your signature?

11 A. It does, if I had to speculate on what little is here
12 because it looks like a D at the beginning, it looks
13 like a D in the middle and it looks the way I would
14 have scrawled my last name.

15 (Discussion off the record.)

16 Q. So the -- as I hear what you're saying, although this
17 is relatively illegible, that the form of it looks
18 similar to your signature?

19 A. It does.

20 Q. If Mrs. Wight had come in to have you sign this, would
21 you have read -- to -- just to witness it, would you
22 have -- would it have been your normal practice to
23 request the opportunity to review it on her behalf?

24 A. Well, it's hard for me to think today that I would have
25 sat there -- this being the subject -- the buyout of

1 her interest being the subject, it's -- I would be very
2 surprised if I didn't read it.

3 Q. And if you had seen anything -- if you did read it and
4 you had seen anything in it that you didn't -- didn't
5 think was good from her prospective, you would have
6 advised her to that effect; is that true?

7 A. I -- I'm sure I would have read it out of curiosity if
8 nothing else. And if anything had occurred to me to --
9 or anything in it caused me concern, I believe I would
10 have expressed it to her.

11 Q. If all this required was a witness signature, it
12 doesn't require a notarization, can you think of any
13 reason why Mrs. Wight would have come in to have you
14 witness her signature if that's your -- if that is,
15 indeed, your signature rather than just having somebody
16 closer geographically to her witness it?

17 A. Well, I --

18 MR. SILSBY: Can I interject?

19 MR. RUBIN: Sure.

20 MR. SILSBY: I would like to make an objection to
21 this kind of inquiry. I believe that this is not
22 proper.

23 MR. RUBIN: Okay. Well, I'm trying to not take a
24 break while we try to find the signature and ask it
25 hypothetically.

1 MR. SILSBY: I understand that. We realize that
2 at the end we can probably -- once it's presented, if
3 ever, we can discuss those issues.

4 Q. All right. Do you remember the question?

5 A. I do.

6 Q. Go ahead.

7 A. I believe that Mrs. Wight would not just have wanted to
8 put this document in front of just anybody. Because it
9 was a matter of -- of, you know, great importance to
10 her, a fair amount of money involved, I don't think she
11 would have just wanted to share that with anybody.

12 Q. All right. So is it your belief that -- that even if
13 she negotiated the financial aspects of it in terms of
14 the ultimate purchase price and so on, that she was a
15 careful woman and would have wanted -- would have
16 wanted at least for you to look it over before she
17 signed it?

18 A. I can't say that because I don't believe I was involved
19 in negotiations. But on the other hand, if she took
20 the time to bring the document to me to witness her
21 signature, I believe that part of her motivation would
22 have been for me to read the document.

23 Q. Well, let me show you the original, which has a very
24 clear signature but illegible, and tell me whether or
25 not that's your signature or not?

1 A. Yes, it is.

2 MR. SILSBY: I'm sorry?

3 THE DEPONENT: It is.

4 Q. All right. I just showed Mr. Fitzgerald, so the record
5 is clear, the original of the stock purchase agreement
6 dated February 10, 1983 between Eva Grace Wight and
7 Stinson Canning Company. And would -- does this --
8 just because this isn't going to be marked as an
9 exhibit -- appear to be the original of what has been
10 marked as Exhibit 22?

11 A. Yes.

12 Q. Okay.

13 (A short recess was taken.)

14 MR. RUBIN: Bill, since he's now identified that
15 it is, in fact, his signature and I don't want to have
16 to go back through all those questions that I asked, at
17 least one of which you objected to, are you willing to
18 withdraw your objection in light of his now affirmation
19 that it is his signature?

20 MR. SILSBY: Yeah, yeah, because he's identified
21 the original.

22 MR. RUBIN: Okay.

23 MR. SILSBY: As to the signature, I objected -- I
24 withdraw my objections.

25 MR. RUBIN: Okay. Well, do you have other

1 objections you raised -- do you have other objections
2 to the questions that I asked other than the fact that
3 it was -- that it was based upon the hypothesis that it
4 was his signature which at that point we didn't know?
5 Are there other bases for that objection?

6 MR. SILSBY: No.

7 MR. RUBIN: Okay.

8 MR. SILSBY: I am satisfied that that's his
9 signature.

10 Q. Okay. Just let me ask one further question to make --
11 since we are -- the series of questions before were
12 based on the hypothesis that it was your signature, Mr.
13 Fitzgerald. Now that we know that it is, is it fair to
14 say that if -- that you would have, in fact, reviewed
15 the document before you witnessed her signature?

16 A. Well, again, I don't recall the specific --

17 Q. Right.

18 A. -- event. But it is clear to me today that I would not
19 have affixed my signature to this document covering
20 this subject matter without having read it.

21 Q. All right. And if you had read it, assuming you read
22 it before you affixed your signature to the document,
23 if you had seen anything in it that you thought was not
24 in Mrs. Wight's interest, you would have advised her to
25 that effect at that time?

1 A. I'm confident that I would have.

2 Q. Okay. Now lastly, based upon your recollection of your
3 representation of the Wights from sometime in the late
4 '70s, '78 or so through at least '81 and if not at
5 least some contacts with them after '81 and before they
6 sold their stock, would it be fair to say that you
7 spent a substantial amount of time investigating this
8 matter on behalf of the Wights?

9 A. I only would take maybe exception to substantial. I
10 think if we're going to talk -- use a term like that,
11 we probably ought to define it.

12 Q. Well, I was going to ask you another question -- and
13 I'll ask you first -- but I assumed I knew what the
14 answer was, and that is can you estimate for me the
15 number of hours that you would have spent in connection
16 with your representation of the Wights on this subject
17 matter?

18 A. No.

19 Q. That's what I thought the answer would be. That's why
20 I used the word substantial.

21 MS. DEBEVOISE: How about significant?

22 Q. If I used significant, would -- would that make any
23 difference in your response to the question?

24 A. Well, let me respond this way. I believe that I spent
25 enough time to understand the issues and understand

Page 19

1 stock certificate. I put it -- he said keep it in
2 safekeeping. I did that.
3 And as your children -- you had two children?
4 A. I do.
5 Q. As they were born, they each got stock certificates
6 from your father upon their birth?
7 Probably. I was amazed. Yes, they have stock. They
8 had stock.
9 Q. Did they get stock at birthdays and things like that,
10 too, or just when they were born?
11 Oh, I have no idea. They had -- some -- whenever
12 they -- the company -- there was certain times that
13 they wanted to disperse of stock, and they all got a
14 share of stock, all of my father's grandchildren and I
15 would say his children and spouses.
16 Okay.
17 I'm not positive of that, only because of that last
18 time it was done, but I do know they all had stock.
19 Q. Is it your understanding that as of 1980 that your
20 family together owned approximately 1/6 of the company
21 in terms of the number of shares that were --
22 Before 1980?
23 Q. No, in 19 -- as of 1980.
24 1980? Yes, except for one thing. On the voting stock
25 I was under the impression -- my father had showed me

Page 20

1 a stock agreement, and my brothers owned 51 percent of
2 the -- of the voting stock.
3 Mm-hm.
4 My other three sisters and I shared 49 percent of the
5 voting stock.
6 Q. Yes.
7 The rest of it we shared as a family sum equally.
8 And as of what period of time was this 51/49 in place?
9 Was that as of 1980 as far as --
10 A. From the -- from the time that I -- I know of that we
11 had stock --
12 Okay.
13 -- in Addison Packing before the reorganization of the
14 company.
15 All right. But as of 1980 -- the company had been
16 reorganized in 1977 --
17 Mm-hm.
18 Q. -- right?
19 A. Mm-hm.
20 Q. And was it your understanding after the reorganization,
21 after 1977, that your brothers owned the voting stock
22 and the -- and the rest of you owned nonvoting stock?
23 A. I knew I had no voting stock when I sold my stock.
24 Q. Okay. So sometime between '77 and when you sold you
25 found that out?

Page 21

1 A. I found that out when I sold the stock.
2 Q. Okay. And when you sold the stock, putting aside the
3 voting rights, in terms of just the number of shares
4 that your family had in -- in the aggregate, in total,
5 was it your understanding that the total number of
6 shares that your family owned in 1980 when you sold was
7 approximately 1/6 of the company?
8 I would say yes. I was under the impression and had
9 been told that each family owned the same number of
10 blocks.
11 Q. Okay. Did there come a time in 19 -- in the 1970s when
12 discussions took place which involved you and the
13 possible sale of your stock?
14 Yes, I -- let's see. '70 -- '78 maybe.
15 Q. Okay. That's the first time you remember any
16 discussions?
17 Mm-hm.
18 Okay. And with whom did those discussions take place?
19 A. I received a phone call.
20 Q. Who did you get a phone call from?
21 Cal, Jr..
22 All right. And what did he -- was there anybody else
23 on his end of the phone or your end of the phone, or
24 was it just the two of you as far as you know?
25 A. Just he and I were talking. My son answered the phone,

Page 22

1 called me to the phone.
2 Q. Okay. Was anybody present in the room while you were
3 talking that could hear your end of the conversation?
4 A. Yes.
5 Q. Who was that?
6 A. My husband Arnold --
7 Q. Okay.
8 A. -- and my son.
9 Q. All right. To your knowledge, was there anybody either
10 on the phone or standing listening to Calvin's end of
11 the conversation?
12 A. No. Why should they?
13 Q. I don't know. I'm just asking whether there was.
14 A. No, no. He's a sweet young man.
15 Q. Okay. Tell me what the conversation was at that time?
16 Do you remember when in '78 it was?
17 A. It was in the fall.
18 Q. Okay. Do you remember -- then tell me about what he
19 said and what you said as far as you remember?
20 A. Well, he told me he'd had a call from my sister Eva and
21 she had a little financial problem, and he was solving
22 that, I guess, or helping her with that. It gave him
23 an idea of maybe it was time we should sell our stock.
24 We would find some benefit from our stock.
25 Q. Did he tell you what the financial problem was that Eva

Page 23

1 was having?
2 A. Good lord, no. That was confidential between them.
3 Q. Okay. What did you say to him when he suggested it
4 might be the time to think about selling your stock?
5 A. I probably laughed and thanked him because he -- he was
6 always giving good news, I guess, somewhere. And I
7 didn't say too much about it. I had to talk it over
8 with my family.
9 Q. All right. Do you remember -- again, one of the things
10 that I said to Mrs. Wight and I say to you is I don't
11 want you to sort of guess or assume what you said. If
12 you remember or think you probably remember, then I
13 want you to tell me. If you don't, then just tell me
14 you don't remember. I have the impression that you
15 don't remember what you responded to Trug when he said
16 that to you. I may be wrong, so let me ask again.
17 As you sit here today, do you have a memory as to
18 how you responded to Calvin when he said something to
19 you about possibly -- your possibly selling your stock?
20 A. Yes, I do remember.
21 Q. All right. And what do you remember saying to him?
22 A. I thanked him for the information and told him I had to
23 talk to my family about it.
24 Q. Did he give you any specifics at that time about what
25 it might be sold for?

Page 24

1 A. No, he didn't.
2 Q. Okay. Was that the end of that conversation?
3 A. It was.
4 Q. All right. And did you talk with your husband about
5 what he had said?
6 A. Oh, yes.
7 Q. And tell me about the conversation with your husband?
8 A. I just told him that Trug had called -- Cal, Jr. had
9 called me and for some reason it was an opportunity to
10 sell our stock.
11 Q. And what did your husband say?
12 A. He was as amazed as I was.
13 Q. Well, did he say no we shouldn't sell or yes we should,
14 let's find out how much we can get for it or what?
15 A. We -- we had no idea. We didn't need the money for the
16 stock. We had no idea of why this came about.
17 Q. What was your next step going to be?
18 A. We didn't do anything until I got another phone call.
19 Q. Okay. Before we go on -- because I want to try to do
20 this chronologically -- do you remember having a
21 meeting with Mr. Van Meer and Mr. Kruger in February of
22 1978?
23 A. I never had such a meeting.
24 Q. Never did?
25 A. Nope.

Page 25

1 Q. Did your husband meet with them?
 2 A. No. To my knowledge, no.
 3 Q. Do you remember a meeting either at the company offices
 4 or at the offices of Mr. Silsby at which Bill Silsby
 5 was present and you were present and Mr. Van Meer was
 6 present and Mr. Kruger was present and -- and --
 7 A. No.
 8 Q. -- your husband?
 9 A. No.
 10 Q. You don't remember a meeting like that?
 11 A. I never attended a meeting like that.
 12 Q. Okay. So it's not that you don't remember --
 13 A. I did not --
 14 Q. -- that no such meeting ever happened?
 15 A. I did not attend one.
 16 Q. Okay. Do you know if your husband attended such a
 17 meeting in Mr. Silsby's office?
 18 A. I would say he wouldn't, not without me; but --
 19 Q. You're not aware of it?
 20 A. I can't -- yeah, I can't speak for him; no.
 21 Q. He never told you that he attended such a meeting?
 22 A. No.
 23 Q. Well, do you -- maybe I've got my date wrong. Let me
 24 ask it more generically.
 25 Do you ever remember having a meeting at any time

Page 26

1 before you sold your stock with either Mr. Van Meer,
 2 Mr. Kruger or both of them in which they talked with
 3 you about what would happen in terms of estate taxes if
 4 you were to die?
 5 A. No.
 6 Q. Do you remember having such a conversation with
 7 anybody, Calvin, Charlie or anyone else associated with
 8 the company about what might happen to you tax wise if
 9 you were to die owning the stock of the corporation?
 10 A. Yes.
 11 Q. And with whom did you have that conversation?
 12 A. With Charles, my husband and myself.
 13 Q. And where did that conversation take place?
 14 A. At Charlie's house.
 15 Q. When did that take place, if you remember?
 16 A. Well, this is hard to put -- the fall after Trug
 17 called. And then there was another call to see if I
 18 had decided to do anything with the stock.
 19 Q. Okay.
 20 A. And my husband and I just couldn't believe this. And
 21 something was wrong, so I called Charles to see if
 22 we -- if he would be home that evening so we could talk
 23 to him. It had to be a week or two weeks from the
 24 first phone call.
 25 Q. So that was still in the fall of '78 then?

Page 27

1 A. I would guess, yes.
 2 Q. Okay. And so you went over to his house. And was
 3 anybody else present other than the three of you during
 4 the conversation?
 5 A. His wife Oris was floating around here or there.
 6 Q. So she was in and out of the conversation?
 7 A. Oh, she was from the kitchen -- which is all wide open
 8 and a window and all -- and she was in the room at
 9 times that I recall.
 10 Q. Okay. So she could -- so she could overhear parts of
 11 the conversation?
 12 A. I would believe if she wanted to, she could hear the
 13 whole thing. It was no secret.
 14 Q. Okay. Tell me what the conversation was that the three
 15 of you had and to the extent you can remember what you
 16 said, what your husband said and what Charles said.
 17 A. Well, we asked Charles why all of a sudden this stock
 18 was no good to us, why would it be of any value now.
 19 And they -- Trug had told me on the phone that since my
 20 oldest sister Eva and myself had nobody working in that
 21 company, that we would never see a benefit from it and
 22 this might be the time to benefit from the stock. So
 23 that was Trug's explanation for them buying the stock
 24 or putting a value on it.
 25 Talking with Charlie -- he and Trug never did get

Page 28

1 along too well. And now they were supposedly not
 2 getting along as good as usual, and the company was in
 3 a financial problem. They -- they felt that maybe now
 4 was the time to sell because if they got a good buyer,
 5 they would probably sell the company.
 6 He told me that if some -- my husband and I,
 7 Arnold, he said if something should happen to me being
 8 the major stock holder, that chances are the
 9 inheritance tax would wipe out my husband's business.
 10 He also said that if the company got in financial
 11 bankruptcy or in bad trouble, I would be responsible or
 12 my family would be responsible for the 1/6 -- our 1/6
 13 of the debts.
 14 Q. Say that again. If the company got into trouble?
 15 A. Yeah. He -- he led us to believe the company was in
 16 financial problems --
 17 Q. But --
 18 A. -- and if it was as serious as they thought, that we
 19 would be responsible for -- for our sixth of their
 20 debt.
 21 Q. 1/6 of the debt of the company?
 22 A. Mm-hm.
 23 Q. Yes?
 24 A. Yes. Excuse me.
 25 Q. All right. Anything else that was discussed at this

Page 29

1 meeting?
 2 A. I don't recall. I know I was very grateful for the
 3 information, but very confused; and so was my husband.
 4 Q. All right. As far as you can remember, did that end
 5 the meeting?
 6 A. That was the most important thing to us in that
 7 meeting, so that's --
 8 Q. All right.
 9 A. -- that's about --
 10 Q. Do you -- I'm sorry.
 11 A. That's about the height of the meeting --
 12 Q. Okay.
 13 A. -- you know, we can -- I can recall because it was so
 14 important to me.
 15 Q. Did you and your husband talk about it when you got
 16 home?
 17 A. We were very confused; and when we got in the car, we
 18 said let's stop and see if my brother Cal, Jr. was home
 19 because, you know, I could always chat with him pretty
 20 much. Arnie could chat more with Charlie.
 21 Q. Okay. Was he home?
 22 A. He was.
 23 Q. And -- and did you have a conversation with him?
 24 A. I did.
 25 Q. Okay. Who -- was there anybody present other than the

Page 30

1 three of you?
 2 A. I believe his wife was there, Arlene.
 3 Q. Okay. Tell me what --
 4 A. Maybe -- excuse me. Maybe one children -- child or
 5 something. His children were younger.
 6 Q. Okay. But you don't remember that, whether they were
 7 or not? And you said they were younger anyway?
 8 A. They were younger, so, you know.
 9 Q. Tell me what the three of you talked about?
 10 A. I told him what Charles had said, that we had just come
 11 from Charlie's and what was going on. And Trug said
 12 that, no, he and Charlie were not getting along that
 13 well, that the company was rocky financially. And he
 14 said that Charlie and -- and the rest of them wanted to
 15 sell the company. And I asked him if he wanted to, and
 16 he said he didn't believe he would, but he was
 17 outvoted.
 18 I told him if my stock -- giving it to him would
 19 help him save the company for himself and his sons,
 20 then maybe I should do that. He said no. I said,
 21 well, maybe I should buy more life insurance on myself,
 22 which I already have, and he said no. He advised
 23 selling the stock also. If he was in my position, he
 24 would sell the stock.
 25 Q. Okay. Anything else that was said by you or your

Page 31

1 husband or -- or Calvin at the meeting at his house?

2 A. No. He mentioned that -- you know, the financial

3 things about the Calvin L., the vessel, and he told me

4 how much it cost to build it and how much it cost to

5 keep it per year with it being idle. And that's --

6 that's -- I thanked him for the information and his

7 time and we proceeded home.

8 Did you and your husband talk about what you had heard

9 from Calvin and Charles when you got home?

10 A. I think we talked about it on the way home, and then we

11 informed our children of what we had found out.

12 Okay. Did you and your husband conclude anything from

13 the information that you had been given by Charles and

14 by Calvin?

15 A. My husband was pretty upset about the idea that he had

16 no control or didn't know anything about the financials

17 of the company.

18 Mm-hm.

19 A. And my brothers ran the company and they had control of

20 the company, he felt that they were very honorable

21 people, and if they advised selling, especially

22 Charles, then that's the thing we should do. I agreed

23 and my two children agreed.

24 Q. Okay. How old were your children at the time?

25 Oh, I believe 22 and 23.

Page 32

1 Q. Did you call either Charles or Calvin back the next day

2 or some days later to communicate any decisions you had

3 made?

4 No.

5 Q. Well, was -- did you wait for them to call you back

6 again?

7 A. I was still sitting on it and we were still discussing

8 it --

9 All right.

10 A. -- and I received a call from Charles.

11 Q. And when was this?

12 Well, I -- a week or so later, a few days. I -- I

13 really don't know.

14 All right. It was still in the fall of '78 though?

15 We're still there, yes.

16 Q. All right. Well, before we go on to that, I want to

17 now go back and talk a little about the things that you

18 and Charlie talked about and the things that you and

19 Calvin talked about, if we could.

20 You say that Charles told you at the meeting at

21 his house that the company was in financial trouble,

22 right?

23 Mm-hm.

24 Q. Did he tell you what kind of financial trouble the

25 company was in?

Page 33

1 A. No, he didn't.

2 Q. So all he made was that general statement without any

3 specifics to back it up?

4 Right, mm-hm.

5 Did you ask him?

6 A. Yes. Excuse me.

7 Q. Thank you. Did you ask him what he meant by saying the

8 company was in financial trouble?

9 No.

10 Q. Up until that time had you been receiving at least once

11 a year, if not more often, any financial reports about

12 the operations of the company?

13 No. I received nothing until '77.

14 Okay. What did you receive in '77?

15 A. I believe there was a financial report along with the

16 stockholders agreement or something.

17 Q. That was as part of the reorganization you said?

18 Well, that was the meeting.

19 Yes. So you got a financial report at the meeting in

20 1977?

21 A. Well, it sort of looked like one.

22 All right. When was the meeting in '77? Do you

23 remember what part of the year?

24 A. Oh, I don't know. But I'm sure you have it there in

25 your files.

Page 34

1 Q. You don't remember?

2 A. No.

3 Q. Okay. Was it a financial report for the previous year

4 that you received at the meeting?

5 A. '76 and '77, I believe.

6 Q. But it was for a 12-month period?

7 A. They -- they showed -- I remember seeing some balance

8 sheet, and they showed something of '76 and '77.

9 Q. Okay. Did you receive any other financial information

10 about the company between that meeting in '77 and these

11 meetings in the fall of '78?

12 A. Not that I can recall.

13 (Discussion off the record.)

14 Q. Did you look at the financial information that was --

15 concerning 1976 and 1977 that was on that financial

16 report that you received?

17 A. I glanced at it, yes.

18 Q. Okay. Well, did -- when you say glanced at it, did you

19 study it?

20 A. Well, as much as I knew about what they had on there,

21 yes.

22 Q. Well, you were somewhat familiar with financial records

23 because you kept the books of the lobster business,

24 right?

25 A. They don't look like their books.

Page 35

1 Q. They don't?

2 A. No.

3 Q. Okay. Well, do you have to prepare a year-end

4 statement in the lobster business of revenues and

5 expenses and net -- gross profits and then net profits?

6 A. I used to.

7 Q. And isn't that sort of what this looked like?

8 A. Very similar.

9 Q. So you knew generally about how to read a financial

10 statement?

11 A. Somewhat.

12 Q. And the one that you got in 1977 showed that the

13 company was successful, did it not?

14 A. It did.

15 Q. So did you conclude at Charles's house that night that

16 something must have happened between 1977 when you got

17 this financial report and the fall of '78 to lead him

18 to say to you that the company was in financial

19 trouble?

20 A. I would -- I would conclude that, yes.

21 Q. Okay. Did you know anything about the operation of the

22 company in that past 12 or so month period that would

23 have gotten it into trouble in -- in the previous year?

24 A. Oh, no. They -- they had gotten so large and out of

25 hand from the time I was a kid. I only worked down

Page 36

1 there when I was a kid.

2 Q. You hadn't heard any rumors in town that the company

3 was in trouble, had you?

4 A. You you can hear rumors anytime.

5 Q. I know you can and especially in a small town. I grew

6 up in Bath. But you didn't hear any rumors between '77

7 and '78 that the company was in trouble, did you?

8 A. I never talked about the company. Yes, I heard some

9 rumors of different things; but I -- I -- I -- I

10 wouldn't believe in rumors.

11 Q. Okay. Was the -- did the company, to your knowledge,

12 lay off any people between '77 and '78 when you were --

13 met with Charles at his house?

14 A. As I say, I'm very busy running my own company. I'm

15 not running theirs. I really don't know much about

16 their company other than what they tell me.

17 Q. Was there a packing operation up in that area?

18 A. What do you -- what do you mean packing operation?

19 Q. A sardine packing operation in the Prospect Harbor

20 area?

21 A. Oh, sure. That's Stinson Canning Company.

22 Q. It was probably a -- was it a pretty big employer in

23 that area?

24 A. They drew people from all over, I believe. I -- you

25 have to ask them. I mean, it's their business, not

Page 37

1 mine. I'm -- I'm really not in the sardine business.
 2 Q. You don't have any idea how many people were employed
 3 by it?
 4 A. Oh, no. I would not have any idea.
 5 Q. You wouldn't even know that it was more or less than
 6 100 people, for example?
 7 A. Oh, no. But I would guess it was 100 people.
 8 Q. And --
 9 A. Excuse me. It's according to whether you're talking
 10 about packers, people packing, or people just working
 11 year round for the company.
 12 Q. I'm talking about people working all the time for the
 13 company.
 14 A. It would have to be over 100 people, yes.
 15 Q. Yes. And you -- and -- but I guess my point is, you --
 16 wasn't it a big employer in that area? I mean, you
 17 must have known that.
 18 A. It was the only -- sure.
 19 Q. Sure. And if something bad were happening, that's the
 20 kind of thing that gets passed around town, isn't it?
 21 A. Living in that small town, being a Stinson, something
 22 always bad was happening.
 23 Q. Well, had you heard anything in the past 12 months
 24 before you met with -- with Charles bad about the
 25 company's operations?

Page 38

1 A. You always hear things bad about the company's
 2 operations.
 3 Q. All right. What did -- had you heard bad about the
 4 company's operations in the 12 months before you met
 5 with Charles?
 6 A. I hadn't heard too much. Just the usual gossip that
 7 they -- they spend a lot of money. They had gone
 8 through a lot of money.
 9 Q. But when you met with him that night and having known
 10 that a year or so before the company was in pretty good
 11 shape and that something must have happened, you didn't
 12 follow up with him and ask him what had gone wrong in
 13 the last 12 months with the company to make it in
 14 financial trouble or anything like that?
 15 A. No. They were building a new ship. We were told about
 16 how much the ship cost. And looking on that financial
 17 statement, didn't they show a profit of \$1,000,000, a
 18 little over?
 19 Q. I've seen a number of them. I can't remember that
 20 year.
 21 A. Yeah, I think -- I think glancing at it that's what it
 22 was. I mean, what is \$1,000,000 today when you're
 23 building -- or you're in a big company like they are.
 24 Q. I'm sorry, \$1,000,000 was the profit or the cost of the
 25 ship?

Page 39

1 A. Oh, I wouldn't know the cost of the ship. My husband
 2 does because of Trug, talking with Cal, Jr.. They --
 3 you know, he likes boats, he knows his figures. I -- I
 4 don't really pay much attention to figures with boats.
 5 Q. Did you ask to see -- strike that.
 6 Were -- when -- when Francis told you the company
 7 was in financial trouble and you had received these
 8 good economic or financial reports 12 months or so
 9 before, were you at all suspicious of his telling you
 10 that the company was in financial trouble?
 11 A. Oh, no.
 12 Q. You weren't at all?
 13 A. No. I believe my brothers.
 14 Q. Okay.
 15 A. Why would they tell me anything but what was right or
 16 good?
 17 Q. Do you now believe or understand that the company was
 18 not having any financial problems in 1978 when your
 19 brother told you this?
 20 A. I don't know that from them. I only know that from a
 21 few documents that's come in that says they've made
 22 money every year.
 23 Q. Okay. But I didn't limit it -- the source being them.
 24 As you sit here today, do you now believe that the
 25 company was not in financial trouble in 1978?

Page 40

1 A. As I sit here today, I believe they were not.
 2 Q. Okay. Do you have any explanation as to why your
 3 brother told you that they were in financial trouble in
 4 1978, any belief as to why he told you that?
 5 A. You want my explanation of it?
 6 Q. I want your -- yeah.
 7 A. I believe they weren't getting along and somebody
 8 wanted to sell and somebody did not want to sell, some
 9 saw a good profit, some didn't. I think it's between
 10 the two boys.
 11 Q. Okay. So you don't attribute anything he said to you
 12 at that time as intentionally lying to you to get you
 13 to sell out your interest in the company, at least as
 14 to what he said then?
 15 A. Oh, I believe they wanted to now thinking about it --
 16 Q. Yes.
 17 A. -- and -- after fact?
 18 Q. Mm-hm.
 19 A. I believe they definitely wanted my family's shares of
 20 stocks as inexpensively as they could get it.
 21 Q. And do you believe that they now -- that he -- that
 22 Charlie now lied to you at that meeting in the fall of
 23 1978 to try to get you to sell out your stock cheap?
 24 A. I don't know what their intentions were because I
 25 believe in both of my brothers and --

Page 41

1 Q. I want to keep them separate. We're talking about the
 2 meeting with Charles now. Your --
 3 A. The meeting with Charles?
 4 Q. Yes.
 5 A. I believe very much in Charles. Charlie, he was my
 6 little God, you know; and I would never believe him to
 7 tell me a falsehood.
 8 Q. Well, do you believe today that he intentionally told
 9 you a falsehood at that time?
 10 A. I believe he did, but I believe he must have had a
 11 reason.
 12 Q. You believe that he told you a falsehood which he knew
 13 to be false or that he believed what he was saying but
 14 it turned out to be wrong? If you -- do you understand
 15 the distinction between -- what I was making?
 16 A. I understand. I think he told me a falsey.
 17 Q. That he knew to be false?
 18 A. Yes.
 19 Q. But you don't know why he told you that?
 20 A. Nope. Just have my own reasons.
 21 Q. Okay. Well, what are your -- what are your reasons why
 22 you think he told you that?
 23 A. Because he wanted the stock cheaply.
 24 Q. Okay. Now, the next thing he -- you say he told you in
 25 that conversation was that now is the time to sell the

Page 42

1 company?
 2 A. Right.
 3 Q. And he told you that -- did he -- did he tell you
 4 why now was the time to sell the company, sell your
 5 stock -- to sell the company or to sell your stock in
 6 the company?
 7 A. To sell my stock in the company.
 8 Q. Okay. And did he tell you why now was the time to sell
 9 your stock in the company?
 10 A. Because they were thinking of selling the company; and
 11 that if they sold it and made a good profit out of it,
 12 then -- then they would make up the difference of this.
 13 They -- they felt if they sold it, it would be out of
 14 hoots.
 15 Q. I'm sorry, it would be what?
 16 A. Be out of hoots, out of dire straits or wherever they
 17 were, supposedly.
 18 Q. All right. So what he was telling you was that they
 19 were thinking about selling the company --
 20 A. Mm-hm.
 21 Q. -- and that you should sell out now, get whatever you
 22 could get now; and then if they sold out the company in
 23 the near future, they would make up the difference to
 24 you?
 25 A. That's what he said.

000045

Page 43

1 Okay. Was there anything else said by either Charles
2 or you concerning now was -- about the subject matter
3 that now was the time for you to sell your stock in the
4 company?
5 No.
6 All right. Was there a discussion about what would
7 happen -- well, strike that.
8 The next thing that -- that you and he talked
9 about was that Charles told you that he and Calvin
10 didn't get along?
11 Mm-hm -- yes.
12 Did you have any independent information, whether it
13 was hearsay or not, that they didn't get along other
14 than what he told you and then when you went to
15 Calvin's house, Calvin told you the same thing? I
16 mean, did you know that on your own?
17 A. Oh, as a child, yes. They never really got along that
18 well.
19 I didn't --
20 They didn't see eye to eye.
21 I don't want to go back to childhood, but while they
22 were in the business, in the last few years before
23 1978, did -- did you have any information from anybody,
24 spouses, wives -- their wives or children or friends
25 that they weren't getting along in the business?

Page 44

1 A. No, I wouldn't have any information other than from the
2 two of them.
3 Okay. So your only source was what Charlie told you
4 that night and what Calvin told you when you went to
5 his house afterwards about them not getting along?
6 Not just that night. As -- as time went on.
7 Okay. So after this they --
8 Before that and after that.
9 Q. -- they both reiterated the same thing?
10 A. Mm-hm, yes.
11 Okay. As you sit here today, do you have any reason to
12 believe that they were lying to you about that, that
13 they actually did get along okay and they were just
14 trying to make you believe that they didn't?
15 Let me clarify that. No, they didn't always see eye to
16 eye.
17 Okay. Well, let me -- and I just did something that I
18 told you not to do in that I've combined the two of
19 them. And I want to stick with Charles for a minute.
20 As you sit here today with whatever you know
21 today, whatever you've learned from reading things and
22 over the last, you know, 15 years, do you now believe
23 that Charles was not telling you the truth that night
24 when he told you that he and Calvin didn't get along?
25 I can't make that statement. I do know as young people

Page 45

1 when I was younger, there was a little conflict between
2 my brothers.
3 Okay.
4 And I only know what they told me.
5 Q. All right. So you -- in other words then, you haven't
6 learned anything since then that would prove what they
7 said to be untrue? You don't know one way or the other
8 other than what they've told you; is that right? Let
9 me -- let me start over again.
10 A. Maybe that's right, yes.
11 Q. Yes. What I'm trying to find out is whether you have
12 any information that what Charles told you that night
13 is -- was untrue?
14 A. No, I don't have any information.
15 Q. Okay. The next thing that he told you is that if you
16 were to die, that inheritance taxes could wipe out your
17 husband's business; is that correct?
18 A. That's true.
19 Q. Okay. And did he explain to you that if you died, the
20 value of the stock would be taxed in your estate? Did
21 he tell you that, or did you know that if he didn't
22 tell you?
23 A. He said that.
24 Q. Okay. And did you and your husband have any assets of
25 substantial value at that time? Let's say worth more

Page 46

1 than \$10,000.
2 A. Oh, yes.
3 Q. Okay. What assets did you have at that time, that is
4 in 1978, that were worth more than \$10,000?
5 A. Well, you probably have that on my husband's record.
6 Q. Well, we may. But there is a lot of paperwork in this
7 case, and I would just like to -- did you own -- did
8 you own a home? Let's try it this way.
9 A. He would know better than I would. Yes, we owned a
10 home.
11 Q. All right. And do you know what equity in a home
12 means?
13 A. Yes.
14 Q. Okay. And did you have any equity in your home in
15 1978?
16 A. No.
17 Q. No?
18 A. No.
19 Q. Okay. Did -- was there any -- if your husband wanted
20 to sell his business, was it the kind of business that
21 he could sell and get money for, or was it the kind of
22 personal business that, you know, he couldn't sell to
23 somebody and -- and -- for a sum of money, that it
24 would just have to be -- somebody would just take it
25 over for nothing?

Page 47

1 A. No, he would get money for it.
2 Q. All right. Do you have any idea what your husband's
3 business was worth? What he could get for it back in
4 1978 if he wanted to sell it?
5 A. I believe like anything else, what anybody is willing
6 to pay.
7 Q. Okay. Had he ever received an offer for his business
8 in the 1970s, let's say?
9 A. He'd received an offer sometime or other but had turned
10 it down.
11 Q. Okay. And how much was the offer?
12 A. Oh, I thought around 1,000,000.
13 Q. Okay.
14 A. That may be less. You'd have to ask him more about
15 that. That's way back.
16 Q. All right. So his business had some real value to it
17 then?
18 A. As long as you had him working it.
19 Q. Well, it's -- I guess that was my point when I asked
20 you about selling the business. If he wanted to sell
21 the business and wasn't going to be working there and
22 somebody else was going to buy it and pick up what he
23 was doing, did it have any value to that person who was
24 buying it?
25 A. Yes, it did. Yes, it did.

Page 48

1 Q. And when he was made the million dollar offer, was that
2 based upon him staying in the business with whoever was
3 going to buy it?
4 A. You would have to ask him about that offer.
5 Q. Okay.
6 A. There was an offer made, and I'm not sure of the facts.
7 I do know he told the gentleman if he had \$1,000,000,
8 he wouldn't get it.
9 Q. Oh, so he never made an offer of 1,000,000, that's just
10 sort of what you --
11 A. He made a big offer.
12 Q. Do you know --
13 A. And whether it was 1,000,000 or just under it and my
14 husband had made the statement you wouldn't get it for
15 1,000,000.
16 Q. Okay. Do you know what -- back in 1978 what your
17 husband's business would have been worth if he wanted
18 to sell it and not stay in the business himself? Do
19 you have any --
20 A. No, I don't.
21 Q. Did you have any other assets, you and your husband,
22 other than the business that were worth more than
23 \$10,000?
24 A. Oh, sure.
25 Q. What else at that time?

Page 49

1 A. Oh, CDs, mutual funds.
 2 Q. Okay. What were the total value of all of your CDs and
 3 mutual funds at that time?
 4 A. I couldn't tell you right now.
 5 Q. Were they more than \$100,000?
 6 A. I couldn't tell you that.
 7 Q. Did you -- were you concerned when Charles told you
 8 that if you were to die, that the inheritance taxes on
 9 the value of your stock in the company could wipe out
 10 your husband's business? Did that concern you when he
 11 said that?
 12 A. That concerned me quite a bit. I was wondering how
 13 much it was because I had some life insurance on myself
 14 and -- I guess nowhere near enough.
 15 Q. Well, did -- did you and Charles at that time talk
 16 about how much the taxes would be?
 17 A. No, we did not.
 18 Q. Did you talk about how much your stock was worth if you
 19 were to die?
 20 A. No, we did not.
 21 Q. Is there anything you know today that was untruthful
 22 about what Charles told you that night concerning the
 23 inheritance taxes on your stock if you were to die and
 24 the consequences it could have?
 25 A. That's a hard question now.

Page 50

1 Q. Well, let me simplify it. I'm just -- you know, on
 2 this subject matter of inheritance taxes on your stock
 3 if you were to die that Charles spoke with you about
 4 that night, as you sit here today, have you learned
 5 anything that would make what he told you that night
 6 untruthful?
 7 A. I believe so. I believe the company might have picked
 8 up and bought that, and I didn't realize that.
 9 Q. Picked up and bought some of your stock?
 10 A. Right.
 11 Q. Okay.
 12 A. I think they would have picked up that inheritance --
 13 picked up that inheritance tax and bought the stock.
 14 The company might have done that.
 15 Q. Okay. Anything else that you now know that would make
 16 what Charles told you that night untruthful?
 17 A. I can't recall at this time.
 18 Q. Do you remember attending a meeting at the company
 19 offices in June of 1978 to discuss what might happen in
 20 the event a family member were to die owning stock in
 21 the corporation?
 22 A. There was a meeting in, as I said, '77 or '78 which I
 23 think the financial report was '76/'77.
 24 Q. Mm-hm. Okay. Well --
 25 A. I named those people that were there, and they did

Page 51

1 discuss the reorganization of -- of the company.
 2 Q. Well, did -- do you remember a meeting at any time
 3 before you met with Charlie that evening at the company
 4 offices in which the various family members were there
 5 and in which the options available to you as
 6 shareholders were spelled out to protect you in the
 7 event you were to die and that the following three
 8 options were described to you, that -- nothing, do
 9 nothing. Just hold onto your stock and hope you don't
 10 die, I guess; or, two, to sell your company -- stock
 11 back to the company right then and get rid of it so
 12 you -- it wouldn't be in your estate and you had --
 13 would have cash rather than -- rather than stock
 14 certificates; or, three, that the company could enter
 15 into an agreement or take a vote to buy back as much of
 16 your stock as would be necessary when you die to pay
 17 the inheritance taxes? Do you remember a meeting at
 18 the company offices in which those options were
 19 described to you?
 20 A. As I sit here right now, you jogged my memory talking
 21 to my sister about it. I do remember something of a
 22 meeting, but I don't -- I do remember --
 23 Q. Okay.
 24 A. -- what you're talking about, but I -- I believe that
 25 my brother Trug, Cal Jr., felt that the company should

Page 52

1 pick up if something happened to one of we females.
 2 Q. All right. So -- and -- now that I've jogged your
 3 memory a little bit, do you -- do you remember when
 4 that meeting took place?
 5 A. I -- I was under the impression I heard about that in
 6 that '77 meeting.
 7 Q. Okay.
 8 A. I think Tom Van Meer and Bob Kruger had -- when they
 9 talked about reorganizing, they talked something about
 10 estate --
 11 Q. Okay.
 12 A. -- and I believe that was brushed on then; and I don't
 13 believe anything was solved.
 14 Q. Okay. Do you remember that the company at that time or
 15 shortly after that took a vote to agree to buy back
 16 from any shareholder who died enough of their stock to
 17 pay off any inheritance taxes?
 18 A. To my knowledge, I was not informed of that.
 19 Q. Okay. Well, in any event, when you met with Charles in
 20 the fall of 1978 at his house, you were aware that that
 21 was discussed as an option at a company meeting with
 22 Tom Van Meer and Bob Kruger present sometime in '77 is
 23 your best recollection?
 24 A. I wasn't aware of it that night because I was really
 25 frightened of what I heard.

Page 53

1 Q. You had forgotten -- I mean, you obviously had heard it
 2 before, but you didn't remember it that night? Is that
 3 what you're saying?
 4 A. As I said, you jogged my memory talking to my sister
 5 Eva here today.
 6 Q. Okay. Well, is today then when I was talking with your
 7 sister about it the first time you had remembered that
 8 discussion about buying back some of the stock to pay
 9 inheritance taxes since 1977? Is that the -- is today
 10 the first time you've remembered it?
 11 A. I remember the meeting in '77.
 12 Q. But is today the first time that you've remembered it
 13 since 1977?
 14 A. I remember the three options that came up. Tom Van
 15 Meer and Bob Kruger was talking about this --
 16 Q. Right.
 17 A. -- estate planning and this reorganization.
 18 Q. And you remembered -- you recall that they had
 19 discussed those options -- strike that.
 20 At the time you met with your brother at his
 21 house in the fall of '78 and he was describing these
 22 things to you that we're talking about, you hadn't
 23 forgotten at that point that -- that there had been
 24 that discussion about the three options, had you?
 25 A. I -- I felt they had probably solved it. My brother

Page 54

1 Cal, Jr. preferred that the company pick up the stock.
 2 He didn't want -- I believe, he did not want his
 3 sisters to be liable of this hanging over them. He
 4 didn't think this was right.
 5 Q. And he had told you that before this evening when you
 6 met with Charles, that he felt that he wanted to be
 7 sure the company would pick up enough stock to pay off
 8 your inheritance --
 9 A. He felt that, yes.
 10 Q. Had he told you that on more than one occasion before
 11 the --
 12 A. No, I don't believe so.
 13 Q. Just once?
 14 A. Just once.
 15 Q. Okay. And was it your impression after talking with
 16 him that's what the company would do if you were to
 17 die?
 18 A. I had an idea he would fight for it.
 19 Q. Okay. And let's see. The last thing that you told me
 20 Charles told you that night was that if the company got
 21 into trouble, that the Francis family would be
 22 responsible for 1/6 of the debt of Stinson Canning. He
 23 told you that?
 24 A. Charles.
 25 Q. He told you that that night; is that right?

Yes, at his house.
 Was your husband's business run in a corporate form or -- or not, the lobster business?
 A. Right now it's personally.
 No, back then. Back then.
 Oh, you would have to ask him. I can't remember. He has -- he has a corporation. I think back then corporation.
 Q. All right. And when you ran that dress business back in -- when was it, the '60s or something? Did you run that as a corporation or personally?
 A. Personally.
 Q. Okay. And when your husband ran his lobster business in -- back then in the '70s as a corporation, did you understand that if you ran a business as a corporation, that the individual shareholders of the business would not be responsible for the debts of the business? Did you know that back then?
 I -- I don't know that at this date. The only -- the only stockholders in our company is Arnold and myself.
 Q. All right. Were you a stockholder back in the '70s?
 A. I never saw any stock from my husband's company, but I'm supposedly --
 You understood back in the '70s you were a stockholder in the company?

Well, I don't know. If there was stock issued, I probably had stock; so did he. But we didn't issue stock to -- to the children or anybody.
 Q. All right. Did -- did you understand back in the 1970s that when that -- Arnold's lobster business was formed in a corporate form and that you were a shareholder -- you and your husband were shareholders that if something happened -- bad happened to the business, that you and your husband wouldn't be responsible for the debts of the business unless you signed personally to guarantee them? Did you know that?
 But we were the business.
 Well, did you understand legally that you form a corporation -- one of the reasons you form a corporation is that if the business gets into trouble, then you personally will not be responsible for the debts of the business? Did you know that back in the '70s?
 Well, yes. You're talking about -- yeah. You're talking about insurance wise of somebody suing you and doing this, that and the other?
 Q. Well, if you bought -- if you bought a -- some refrigeration equipment --
 Mm-hm.
 -- and you didn't -- and the company bought it, the

corporation bought it --
 Yes.
 -- and -- to keep your lobster meat in and you didn't pay -- the company didn't pay for the refrigeration equipment, you knew back in the 1970s that if the seller, whoever sold that equipment was going to sue to collect the money that was owed, they would have to sue the company and not you personally, right?
 That's true. But we were the company.
 But you knew that ultimately if -- you wouldn't have to personally pay that debt if -- if -- if the company couldn't pay it, right?
 We were the company.
 I understand that you were, in fact, the company, but you understood legally that if the company didn't pay or the refrigeration equipment in my example, that -- that the company that sold it couldn't sue you and your husband personally to take your CDs and your mutual funds and -- and your home away from you, right?
 I could agree to that, but we were the company. We had to come up with the money for the company to pay that.
 Right.
 Okay?
 So when Charles told you that Stinson Canning -- let me strike that first.

1 Did you have a lawyer back then generally? Did
 2 you use any lawyers back in the 1970s?
 3 A. Very seldom did I need a lawyer.
 4 Q. All right. And when you did need a lawyer, who did you
 5 use?
 6 A. Maybe I needed one, but I didn't use one. I'll put it
 7 that way.
 8 Bill Silsby.
 9 Q. Did he form or his office form the corporation for your
 10 husband's lobster business?
 11 A. He might have.
 12 Q. Okay. Well, were there any other lawyers in -- that
 13 you used in the 1970s that you can recall?
 14 A. I've never used anybody other than Bill or his brother.
 15 Q. Okay. All right. When Charles told you that night
 16 that if the company got into trouble that the Francis
 17 family would be responsible for 1/6 of the debt, you
 18 didn't -- you knew that you as shareholders were not
 19 responsible -- legally responsible for any debts of the
 20 company, right?
 21 A. No, I did not. I -- I was thrown back by what he said,
 22 and I believed what he said.
 23 Q. Now I'm confused because you've just told me that you
 24 knew that in your husband's lobster business that if
 25 the lobster business owed some money, that you

1 wouldn't -- weren't legally responsible to pay the
 2 debts even though if you wanted to keep the business
 3 going, you would have to find the money somehow, right?
 4 A. I agreed with you, but I said my husband and I would
 5 have to get the money to pay that company -- for the
 6 company to pay.
 7 Q. But if --
 8 A. We were the company.
 9 Q. But you understood -- let's go back to that then. If
 10 you and your husband didn't have the money to pay for
 11 that refrigeration equipment in my example, you
 12 understood that because the business was run as a
 13 corporation that that refrigeration company that sold
 14 the equipment could not sue you and your husband
 15 personally to take your house away, for example?
 16 A. Not personally, but they could take part of that
 17 business.
 18 Q. Right. And so similarly with Stinson Canning, if
 19 Stinson Canning was in trouble, the creditors could
 20 come and take the business, but they couldn't come
 21 after you personally. And you understood that, didn't
 22 you?
 23 A. No, I didn't think about it that way. I didn't think
 24 about it that way because of our own personal business.
 25 Our own personal business means as much to my husband

1 as life and death. Stinson Canning meant as much to my
 2 father as life and death, and I felt it probably did to
 3 my brothers.
 4 Q. Well, would it be fair to say that you understood that
 5 night you would have a moral obligation to come up with
 6 the business so that your brothers could keep it going,
 7 but you knew that you didn't have a legal obligation,
 8 nobody could sue you to collect 1/6 of the debt; is
 9 that fair?
 10 A. I did not think about it. I did not think about
 11 anybody suing me. I knew if my brother said -- if my
 12 family had to come up with 1/6 of the debt, honorably I
 13 would expect to come up with it.
 14 Q. Do you remember whether you were thinking he was
 15 talking to you in terms of legal obligations as opposed
 16 to moral obligations to come up with the money when he
 17 made that statement to you?
 18 A. I believe you'd have to ask him. I have no idea. He
 19 was my brother. He told me what was what. I believed
 20 it.
 21 Q. All right. As you sit here today with everything you
 22 know today, do you believe that anything he told you on
 23 this subject matter was untrue?
 24 A. I know better today. You just told me so.
 25 Q. Before I just told you that, did you know that you had

1 no legal obligation as a shareholder of the company to
2 pay for the debts of the corporation?
3 A. I should have known that -- I wasn't sure what they had
4 done. I'm not sure what -- how they run the company.
5 Q. Well, that -- that wasn't my question. Before I just
6 said to you that as a shareholder of the company you're
7 not obligated for the debts of the company, did you
8 know that that was true, that as the shareholder you're
9 not obligated for the debts?
10 A. You just told me that.
11 Q. I'm asking before I told you that did you know it?
12 MS. COLLIER: I object to the form of the
13 question, but you can answer it if you can.
14 A. With that statement, yes, I know I'm not responsible
15 today.
16 Q. At any time after these statements were made to you by
17 Charles did you go to Mr. Silsby or any other lawyer to
18 ask him whether or not you were responsible for 1/6 of
19 the debts of the Stinson Canning Company if it got into
20 financial trouble?
21 A. No, I did not.
22 Q. Let's move on to the conversation with Calvin that
23 night when you stopped at his house. He told you that
24 he and Charles were not getting along, correct?
25 A. That's true.

1 MR. SILSBY: Which one is this now?
2 MR. RUBIN: Calvin.
3 MR. SILSBY: Yes, okay.
4 Q. And I take it from the same line of questions I asked
5 you about that statement from Charles that you don't
6 know other than what they told you whether that's true
7 or not; is that --
8 A. Now, what statement are you talking about?
9 Q. That they don't get along. Other than what the two of
10 them told you, you have no independent knowledge
11 whether that statement was true or not?
12 A. I know they always locked horns a little, but how well
13 they got along -- they survived.
14 Q. Okay. But as far as how they got along in the business
15 in terms of making business decisions, did you have any
16 independent knowledge of whether they got along in
17 running the business other than what they told you that
18 evening?
19 A. Other than what they told me, no.
20 Q. Okay. Now, you say that Calvin also told you that
21 night that the company was in a rocky financial
22 condition?
23 A. Right.
24 Q. Okay. And did he explain to you what he meant by a
25 rocky financial condition?

1 A. He didn't have to.
2 Q. Why not?
3 A. He just said if Charles keeps spending money the way he
4 is there, we're all going down the tubes.
5 Q. Okay. And did he explain what Charles was spending
6 money on?
7 A. No. And I did not ask.
8 Q. Was that what he meant by -- as far as you understood
9 it by rocky financial condition, that Charles was
10 spending too much money?
11 A. I didn't ask him that.
12 Q. Okay. But he made that statement to you that Charles
13 was spending too much money?
14 A. No. He said if Charles keeps spending money the way he
15 is, we'll be down the tubes.
16 Q. Okay.
17 (Discussion off the record.)
18 Q. As you sit here today, do you have any reason to
19 believe that what Calvin told you that night about if
20 Charles were to continue to spend money the way he was
21 that the company would -- I don't remember how you put
22 it, but be down the tubes, was untrue?
23 A. As I sit here today, I believe they told me a
24 falsehood.
25 Q. Okay. And why do you believe that that was false?

1 A. I believe that was false because of the financial
2 statement. They made more money each year.
3 Q. Okay. And when did you first learn that the company
4 was doing okay in 1978?
5 A. We had a meeting before this suit came up at my house
6 with Eva, myself, Charles and Trug; and I mentioned
7 this about the financial situation, and Charles laughed
8 back at me and says there wasn't a year we didn't make
9 money and a hell of a lot of it.
10 Q. And was that the first time that you realized that what
11 they had told you that evening was wrong?
12 A. I was proud of them, but I was shocked.
13 Q. Is that -- the answer to my question, yes, that's the
14 first time you learned, or did you know it before that?
15 A. I didn't know it before that, no.
16 Q. Had you received any financial information about the
17 company prior to that meeting with Charles and Calvin
18 short --
19 A. That meeting in '77?
20 Q. After the meeting with them on the evenings that we've
21 been talking about, did you receive any financial
22 information about the company after that?
23 A. Not that I recall.
24 Q. All right. Then trying to fast-forward a little bit,
25 you and your husband went home, you talked about what

1 had happened. And then a few days later you got a
2 phone call from Charles; is that right?
3 A. Yes.
4 Q. Okay. And what -- what was discussed on that phone
5 call?
6 A. He offered me around 300,000 for my stock.
7 Q. Before he did that, did you tell him you were
8 interested in selling?
9 A. Did I tell him I was interested?
10 Q. Yes.
11 A. He asked me if I had made a decision to sell.
12 Q. And what did you tell him?
13 A. I said we were discussing it.
14 Q. All right. And then what did he say?
15 A. He said it was worth around 300,000.
16 Q. Okay. What did you respond to that?
17 A. I said I would talk to my husband and family.
18 Q. Was that the end of the conversation?
19 A. It was.
20 Q. Then did you talk with your husband and family about
21 the offer?
22 A. I did.
23 Q. And what was the discussion with your husband and
24 family?
25 A. We just couldn't believe it. Maybe the company was in

1 that bad a state, but we just couldn't believe it.
2 Q. Okay. And so what did you do next? Or strike that.
3 I assume you were not going to accept a \$300,000
4 offer; is that right, or what --
5 A. We were discussing it. I believe that's the time I
6 called Charles and went to visit him. I think this --
7 you hadn't got this offer, this first offer in before I
8 visited Charles and then Trug.
9 Q. Oh. Well, I thought I was taking you chronologically.
10 A. Then there was another offer.
11 Q. All right. So the first offer came before the meetings
12 that we've already talked about?
13 A. Right.
14 Q. Oh, okay.
15 A. Excuse me. To clarify this, Trug gave me the first
16 phone call.
17 Q. Right.
18 A. It was probably a week or so later. Just about a week
19 later Charlie called and offered the 300,000, and then
20 we went to see them about this as I recall.
21 Q. All right. And then after you went to see them and
22 after you and your husband talked about it a little
23 more, did you get a phone call from someone after that?
24 A. I did.
25 Q. And who did you get a phone call from?

Page 67

1 Charles.
 2 Now, in that phone call what did you and Charles talk
 3 about?
 4 A. He offered a little over 600,000.
 5 MR. SILSBY: Wait a minute. I'm confused with
 6 your question. You're talking about Trug's call or
 7 Charlie's call?
 8 THE DEPONENT: Charlie's.
 9 MR. RUBIN: Charlie's.
 10 Just -- as I understand it, Trug called you initially,
 11 then Charlie called you with a \$300,000 offer, then you
 12 went to Charles's house and Calvin's house one night,
 13 and then Charles called you again with another offer a
 14 little over 600,000. Have I got that right?
 15 That's the way I recall, yes --
 16 All right.
 17 A. -- it happened step by step.
 18 MR. RUBIN: Okay, Bill?
 19 MR. SILSBY: Yes, now I'm straight.
 20 Okay. Had -- between the time that Charles offered you
 21 the 300 and he called back with the 600, had you
 22 rejected the \$300,000 offer?
 23 A. I -- I guess you would say yes.
 24 And how did you do that?
 25 I had -- I was discussing it with a businessman in my

Page 68

1 house, and he said, Lou Ann, I have just the person for
 2 you. There is a gentleman that would love to buy your
 3 stock. So I wrote a letter to my brothers -- I typed
 4 it, rather, a letter to my brothers and gave them this
 5 offer.
 6 Well, now you're confusing me again. I think my
 7 question was had you ever told Charles or Calvin that
 8 the \$300,000 offer was not acceptable?
 9 A. I probably did. I mean, I wrote them a letter -- I
 10 wrote them a note with another offer --
 11 Was that --
 12 -- outside offer.
 13 -- before you got the \$600,000 offer from Charles or --
 14 Yes, I believe so; yes.
 15 All right. Well, just so I'm clear, what I'm trying to
 16 do here is take you chronologically through everything
 17 that happened from the time questions of selling first
 18 happened until you actually sold in 1980. So if
 19 something happens before the next thing happens, I want
 20 to know about it. And I take it you're saying that
 21 before Charles called you with the \$600,000 offer, you
 22 sent this letter to him?
 23 A. I'm -- I'm saying it.
 24 Okay. Now, the -- the reason you sent that letter is
 25 there was a businessman at your house one evening who

Page 69

1 told you he had somebody who would buy your share of
 2 the business?
 3 Right. That would offer more than that he was sure.
 4 More than the 300,000?
 5 A. Right.
 6 Who was the businessman at your house that told you
 7 that?
 8 Do I have to name a name?
 9 Q. Yes.
 10 A. J.C. Strout.
 11 MS. DEBEVOISE: Strout?
 12 THE DEPONENT: Strout.
 13 And where does he live?
 14 A. He's deceased.
 15 Q. Who was the businessman that he told you would pay you
 16 more?
 17 A. Shaw Mudge.
 18 Q. M U D G E?
 19 A. I would guess.
 20 And Shaw is S H A W?
 21 I would guess.
 22 Is he deceased too?
 23 A. Not that I know of.
 24 Q. Oh. Where does he live?
 25 A. I don't know.

Page 70

1 Q. Does he live in Maine as far as you know?
 2 A. J.C. Strout worked for him more or less back and forth.
 3 He's in the perfume business.
 4 Q. Okay.
 5 A. I believe you inquire in Milbridge and you'll find how
 6 to reach him.
 7 Q. I'm sorry, inquire where?
 8 A. In the town of Milbridge and you can reach him.
 9 Q. Oh.
 10 Before you sent your letter to -- that you've
 11 described to me, did you speak with Mr. Mudge?
 12 A. I spoke with J.C..
 13 Q. Did J.C. make an offer on behalf of Mr. Mudge to buy
 14 your stock?
 15 A. Evidently. He gave me a figure.
 16 Q. What figure did he give you?
 17 A. 10,000 for the Common and 100 for the Preferred per
 18 share.
 19 Q. Now, how was it that Mr. Strout was at your house this
 20 evening making this offer to you? How did that happen?
 21 A. I'm not sure it was an evening.
 22 Q. Well, at your house whenever it was, how?
 23 A. He was there on business.
 24 Q. On lobster business?
 25 A. Yes. Or seining business, whatever. Fishing business.

Page 71

1 (Discussion off the record.)
 2 Q. So Mr. Strout came over to your house one -- at some
 3 time to discuss lobster business with your husband or
 4 with you?
 5 A. I believe he was trying to find some extra netting or
 6 something to do with the fishing business.
 7 Q. All right.
 8 A. He was -- he was trying to get something from my
 9 husband.
 10 Q. Okay. And did you -- how did the subject matter of the
 11 Stinson Canning stock come up?
 12 A. Oh, he knew my family very well and he asked how things
 13 were going. And I had told him -- I just told him that
 14 they were considering buying my stock, but I was
 15 surprised it was worth so little.
 16 Q. And did you tell him what they had offered you?
 17 A. Yes.
 18 Q. And what -- and he said at that time that he had
 19 somebody who would be interested in paying you more?
 20 A. He thought he did, yes.
 21 Q. All right. And did he tell you right then what -- what
 22 the offer was?
 23 A. No. No, no. He had to talk to Mr. Mudge.
 24 Q. Okay. What -- did he make a phone call, or did he go
 25 away and come back another time?

Page 72

1 A. Oh, he went away and came back.
 2 Q. How much later did he come back?
 3 A. Oh, I couldn't say that for sure. A few days,
 4 whatever. Maybe the next day. I mean, it was --
 5 Q. It wasn't the same day?
 6 A. It was not the same day, no.
 7 Q. Okay. And when he came back the next time, did he
 8 actually say he had an offer to make, the \$10,000
 9 per --
 10 A. Yes.
 11 Q. And then you wrote the letter?
 12 A. I typed the letter, I signed it, my husband signed it
 13 and my children signed it.
 14 (Discussion off the record.)
 15 Q. Why did you write that kind of a letter?
 16 A. Because of the bylaws of the company.
 17 Q. And the bylaws of the company required what?
 18 A. It said if the family wants to buy the stock, they have
 19 the first offer. And if not, you could offer it to an
 20 outsider.
 21 Q. Okay. So if -- if an outsider had made an offer,
 22 you had to first offer it to the -- to the family
 23 members --
 24 A. Right.
 25 Q. -- to match -- to match the price?

Page 73

1 A. Well, I guess if the family didn't want it, then you
2 could do it with an outsider. This is the way the
3 bylaws read.
4 Q. Right. But if the family wasn't willing to match the
5 price you got from the outsider, then you were free to
6 go ahead and sell it to the outsider. Is that what
7 your understanding was?
8 A. That's what I believed by the bylaws.
9 Q. So that's why you wrote the letter because you had to
10 inform them?
11 A. I had a price. I would like to know if it was
12 somewhere near or if they were going to accept it.
13 Q. Okay. And you understood you had to tell them about it
14 so that they could have a chance to match it?
15 A. Definitely. Well, they had to know about it.
16 Q. Okay. Did you have a copy of the bylaws in -- at your
17 home?
18 A. Somewhere I had a copy of the by -- stockholders
19 agreement, I believe, back when I first knew I had some
20 stock or something.
21 Q. Is that back in the '50s or as a result of the
22 reorganization, the stockholder agreement?
23 A. Oh, no. This was before the reorganization.
24 Q. Okay. So you had a stockholders agreement when you
25 first got stock; is that --

Page 74

1 A. I had -- I had a -- something on it, yes.
2 Q. Okay.
3 A. I had some bylaws or something about the stockholders
4 agreement.
5 (Discussion off the record.)
6 MR. RUBIN: We're going to be checking the
7 request for documents that we filed because right now I
8 can't tell you whether -- I think they were broad
9 enough to cover this stockholders agreement and bylaws
10 that she says she has somewhere. If it is, then we'll
11 make a request upon you to produce those records. If
12 it isn't, we'll file a new one.
13 MR. SILSBY: If she has them.
14 MR. RUBIN: If she has them.
15 MR. SILSBY: I don't think your other request --
16 MR. RUBIN: I don't know.
17 MR. SILSBY: -- got to that.
18 MR. RUBIN: It may not have. I'm not going to --
19 I'm not going to suggest it did, Bill. I just said
20 we're going to look; and if it did, we'll --
21 MR. SILSBY: I don't recall that issue coming up
22 at all.
23 MR. RUBIN: Okay.
24 Q. Okay. Do you still have the -- this stockholder
25 agreement and bylaws that you've been telling me about

Page 75

1 in your records somewhere?
2 A. I think I do.
3 Q. Okay.
4 A. I'm not sure of that. But I'm pretty sure if I had it
5 once, I must still have it.
6 Q. All right. And you're not going to throw anything away
7 while this litigation is pending relating to Stinson
8 Canning, are you?
9 A. I don't throw much away.
10 Q. Okay. Let me show you what has been marked as Lou Ann
11 Francis Deposition Exhibit No. 5 and ask you whether or
12 not --
13 MR. RUBIN: Why is there a blank one attached to
14 this? Should that not be there?
15 Q. Could I have that back for a minute? I think there is
16 an extra page there.
17 MS. COLLIER: We can go off the record.
18 (Discussion off the record.)
19 (Deposition Exhibit No. 5A was marked.)
20 Q. First let me show you what has been marked as Exhibit
21 5.
22 A. Mm-hm.
23 Q. And is that the letter that you were referring to?
24 A. It looks like the letter I was referring to.
25 Q. Okay.

Page 76

1 MR. RUBIN: Again, off the record for a minute.
2 (Discussion off the record.)
3 Q. Looking at Exhibit 5 for a minute, is this the letter
4 you've been referring to?
5 A. That is.
6 Q. Okay. And you typed this up yourself?
7 A. I did.
8 Q. And nobody gave you any assistance in typing it up?
9 A. No.
10 Q. You didn't have the assistance of Mr. Silsby or anybody
11 in his office typing this up?
12 A. No. Lou Ann did this.
13 Q. All by your lonesome?
14 A. All by my lonesome.
15 Q. Your son is not a Jr., is he?
16 A. No.
17 Q. Why if you did this didn't you get your son's name
18 right?
19 A. Because I believe they have all his stock as Arnold G.
20 Francis, Jr..
21 Q. Okay.
22 A. Everything they've written to him is Arnold G. Francis,
23 Jr.; so I kept it the same, and he can write it
24 legally.
25 Q. Okay.

Page 77

1 A. I'm guessing at this point this is why I did this
2 because everything refers to him as a Jr..
3 Q. All right.
4 A. Okay.
5 Q. Have you had any legal training courses?
6 A. No.
7 Q. Okay. And you're sure that you got no assistance from
8 Mr. Silsby or anybody in his office in drafting this
9 document?
10 A. I'm positive. I write a lot of legal papers, whatever
11 has to be done for our company.
12 Q. Do you usually talk in terms of copy of said stock
13 certificates, stocks attached here to, that kind of --
14 using those kinds of words, said stocks?
15 A. Well, this would have to be because of -- I believe
16 when you see the -- the bylaws of the company, that's
17 what they refer to. I referred to the bylaws to -- to
18 type this.
19 Q. I was referring to the word said. That's a term that
20 lawyers use but most other people in the world don't
21 use it.
22 A. I believe it was the lawyer who drew up the terms of
23 the company.
24 Q. I see. So you think if I look at Section 7.3 of
25 Article 7 of the bylaws, I'll see something about said

Page 78

1 stocks attached hereto or something like that?
2 A. I believe so. I believe it would refer to this or I
3 wouldn't put it in there. I did it as near to the book
4 as possible.
5 Q. Okay.
6 A. Or to the bylaws. I should put it that way.
7 (Discussion off the record.)
8 Q. You never were offered \$10,000 per share for the Common
9 stock or \$100 per share for the Preferred stock by
10 Stinson Canning Company, were you?
11 A. No.
12 Q. And yet --
13 A. I -- excuse me. I take that back. I think they did
14 pay \$100 for the Preferred and 100 for the rest when
15 they finally come down to doing this.
16 Q. I think you're wrong. I think if you're looking at
17 your agreement, if you looking at 2(a), it was \$50 for
18 the --
19 A. Yeah, I see that now, sir.
20 Q. Okay. So you were never offered \$10,000 a share for
21 the Common stock or \$100 a share for the Preferred
22 stock by Stinson Canning Company, were you?
23 A. This says 100 and 100. This says -- yeah, \$50 for the
24 purchase price. No, not according to this purchase --
25 stock purchase agreement.

Page 79

1 Okay. And you never sold the stock to Mr. Mudge for
 2 \$10,000 per share Common or \$100 per share Preferred,
 3 right?
 4 A. No. My brother called back -- my brother called back
 5 and offered me just under 700,000, I believe.
 6 Okay. And your brother being Charles?
 7 Yes.
 8 Okay. And did you accept that offer?
 9 A. Well, he kind of laughed about this here and did his
 10 thing. And he says, you know, I don't have to pay you
 11 a goddamn thing. That's what he said. And he offered
 12 me close to 700,000 for the family block of stock.
 13 Q. What did he say about -- when you say this thing,
 14 you're referring to Exhibit 5, right?
 15 Yes, Exhibit 5.
 16 And what did he say about Exhibit 5 when he called you?
 17 A. He said it was a joke.
 18 Q. Why did he say it was a joke?
 19 A. I didn't ask him.
 20 Did you tell him it wasn't a joke, it was serious?
 21 He knew it was serious. A legal form and we signed it.
 22 A legal paper. He had to know it was serious.
 23 Q. When he -- when he told you it was a joke and didn't
 24 have to pay you anything and then offered you a little
 25 under 700,000, what did you say to him?

Page 80

1 A. I said I guess I would talk it over with my family.
 2 Did you talk it over with your family?
 3 I did.
 4 Q. Before you talked it over, was there anything else that
 5 you and Charles discussed in that conversation?
 6 A. Not that I recall at this moment.
 7 Okay. And then you talked with your family about the
 8 conversation with Charles?
 9 A. Yes.
 10 Q. And -- and what was the conversation with your family?
 11 My husband was getting pretty upset about the thing and
 12 he said why don't you just sell. For one thing, it's a
 13 family business. We tried to keep it family. We'd
 14 like to honor that much. But just get out of the mess.
 15 He did not really want the debt of me passing away on
 16 his shoulders or them being in dire straits and coming
 17 with 1/6 of the company. That's the main reason why we
 18 sold the stock.
 19 Q. So you called Charles back and said you would take the
 20 offer?
 21 Yes.
 22 Q. How many shares of Common stock did your family own,
 23 approximately?
 24 A. I think there is a list of it underneath that.
 25 Yes.

Page 81

1 A. There you go. They -- I believe Trug -- Cal, Jr. sent
 2 this listing of stock. He was very informative.
 3 Would you agree with me that it was approximately a
 4 little -- or approximately 200 shares of Common stock,
 5 does that sound about right, for the whole family?
 6 A. Probably. I -- I don't know right sitting this moment.
 7 You're looking at it. You can give the figure. I will
 8 agree to that.
 9 Q. Yeah. I added them up and there was around 202 shares
 10 or something like that.
 11 A. Right, that sounds good.
 12 Okay. And if you had sold to Mr. Mudge at 202 -- let's
 13 round it off to 200 so I can do my math easier, that
 14 would be -- would be, what, 1,000 -- add a couple
 15 zeros. It would be \$1,000,000 -- \$2,000,000? I'm
 16 sorry.
 17 A. I believe -- I was going to say \$2,000,000 would be
 18 more like it. And that sounds more like he knew what
 19 the company was worth.
 20 Q. Okay.
 21 Two years from the time I sold this my sister wanted
 22 \$2,000,000.
 23 And then you had some Preferred shares too, right?
 24 A. I did.
 25 Q. And it looks to me like the family had, oh, 1700 shares

Page 82

1 of the Preferred stock. Does that sound about right to
 2 you?
 3 A. That sounds right.
 4 Q. And Mr. Mudge had offered you \$100 a share, so that
 5 would be about another 16 -- say \$16,000?
 6 A. Mm-hm.
 7 Q. So his offer was \$2,016,000?
 8 A. I believe his offer was around 2,170,000 or 90,000,
 9 something like that.
 10 Q. All right. And the -- Charles's offer on behalf of the
 11 company was a little under \$700,000?
 12 A. That's right.
 13 Q. And you accepted Charles's offer and gave up \$1,470,000
 14 or so?
 15 A. Would you believe in your brother or a stranger?
 16 Q. I'm asking the questions here today -- tonight.
 17 A. That's my answer.
 18 Q. Your answer is you believed in your brother so you gave
 19 up the opportunity to get an additional million four
 20 hundred and seventy? That was the reason you gave up
 21 the opportunity?
 22 A. I believe in my brothers, and I don't believe they
 23 would have allowed an outsider to buy my stock.
 24 Q. Explain to me how they could have prevented an outsider
 25 from buying your stock if they refused to match the

Page 83

1 offer that the outsider had made?
 2 A. I don't know as they did refuse to match it. When they
 3 called with the 6 or 700,000, my husband was very upset
 4 with this and he said sell the stock. You are
 5 protected. They will make up the difference if they
 6 sell the company. Or if another person in the family
 7 sells their stock and has a higher value on it, then
 8 they will give you the same amount of money --
 9 Q. Now, you're --
 10 A. -- as this family.
 11 Q. Now, you're referring me back to an earlier
 12 conversation that you had had with --
 13 A. With Charles.
 14 Q. -- Charles?
 15 A. Right.
 16 Q. And that's what he told you at that time?
 17 A. That's what he told my husband and I.
 18 Q. Okay. Let me show you what has been marked as Exhibit
 19 5A, which is an unsigned copy of the same document --
 20 at least the first page is -- of Exhibit 5 but appears
 21 to be in a different typewriter.
 22 A. Right.
 23 Q. Okay. Do you have any explanation as to why it was
 24 typed up twice on different -- on different
 25 typewriters?

Page 84

1 A. I would have -- I don't know where -- I don't know.
 2 Couldn't tell you. This -- this one here looks like my
 3 typewriter.
 4 Q. That's Exhibit 5?
 5 A. Only because it's --
 6 Q. Excuse me. That's -- Exhibit 5 is the one you're
 7 referring to now?
 8 A. Yeah, it looks like my typewriter.
 9 Q. Does -- and do you have more than one typewriter at
 10 home?
 11 A. No, I don't.
 12 Q. So Exhibit 5A, at least the first page, was typed up on
 13 a different typewriter than yours at home?
 14 A. Well, I guess -- yes, it's a different type for some
 15 reason. I'm not sure of that. I'm not an expert in
 16 this.
 17 Q. I understand you're not an expert, but it -- based on
 18 visualization of it, anyway, it looks like a different
 19 typewriter?
 20 A. I'm not sure of that because one is black -- yeah, this
 21 E is missing, but that could be a copy machine. That
 22 E's got a slot in it and -- I don't know. I really --
 23 the wording is the same.
 24 Q. Were the two pages attached to Exhibit 5A which list
 25 the members of your family and what stocks they own --

Page 85

1 did you attach those to either Exhibit 5 -- well, to
2 Exhibit 5 when you sent it to the company?
3 A. I believe I did because Trug had sent me the listing of
4 family stock when -- when they approached us to sell
5 the stock.
6 Q. Okay.
7 A. And I believe I sent this because of the bylaws.
8 Q. Okay. So that the two pages that are attached to
9 Exhibit 5A were actually attached to Exhibit 5 when you
10 sent it?
11 A. One of those exhibits. I mean, this is the one that we
12 signed. This is our signature. I'm sure it had to be
13 with the signed document.
14 MR. RUBIN: Okay. Would counsel agree based on
15 her testimony that I can take these two pages and put
16 them with Exhibit 5 rather than Exhibit 5A since she
17 said they were, in fact, sent -- these two pages were
18 sent with the signed copy?
19 MR. SILSBY: Yeah.
20 You've stated that, haven't you, Lou Ann?
21 THE DEPONENT: Yes.
22 MR. RUBIN: Is that okay?
23 MR. SILSBY: Fine.
24 MR. RUBIN: Let the record reflect that I've
25 removed the last two pages of Exhibit 5A and put them

Page 86

1 with Exhibit 5 consistent with the testimony of the
2 witness. Is that okay?
3 MS. COLLIER: Yeah. I was looking at something
4 else. Could we go off the record for a minute?
5 (Discussion off the record.)
6 Q. Okay. So after Charles called you back concerning his
7 response to his receipt of Exhibit 5 and offered you
8 the 700,000, you talked it over with your family then
9 called him back and said you would accept; is that
10 right?
11 A. Right, mm-hm.
12 Q. What happened -- when was that? Do you remember when
13 that occurred?
14 A. Oh, I don't know because -- it had to be after January
15 something.
16 Q. All right. So that takes us to January '79?
17 A. January '80.
18 Q. I know that the agreement was signed in February of
19 '80, but you've been telling me that all these
20 conversations with Charles and Calvin were in the fall
21 of '78. Did you mean the fall of '79 then?
22 A. '78, '79, anywhere in there.
23 Q. Well, would they have been the fall previous to when
24 you signed the contract?
25 A. Yes, I would guess.

Page 87

1 Q. And -- and you --
2 A. I think there was some correspondence though in '78,
3 but most of this conversation took on '79.
4 Q. All right. So on all of the questions and answers and
5 conversations you've been telling me about with Charles
6 and Calvin at their home and then over the telephone
7 about selling the company and things that they told you
8 and then the 300,000 and the 600,000 --
9 A. That would be --
10 Q. -- would have been fall '79 -- fall of '79?
11 A. I would say '79, yes. Fall of '79.
12 Q. And to the extent you said '78 earlier, you want to
13 correct that?
14 A. I'm sorry. I'm sorry, I do.
15 Q. Okay. Because a year didn't go by from the time you
16 accepted to when you signed the deal, did it?
17 A. No, no, no, not from the time we accepted; no.
18 Q. Within a few months after that you signed it?
19 A. Right.
20 Q. Did -- were there any discussions -- did you have any
21 more discussions with either Charles or Calvin from the
22 time you called Charles back to accept the little under
23 \$700,000 offer until the time you signed the contract?
24 A. I don't believe so other than probably a notice of
25 meeting at the office to -- well, when it was ready and

Page 88

1 a meeting at the office to sign the papers.
2 Q. Okay. That would have been something in writing? You
3 would have gotten a letter or notice to come?
4 A. I believe I do have a notice of that.
5 Q. Okay. So other than that notice to come down to the
6 office and sign the papers, you had no other written or
7 oral communications with Calvin or -- or Charles
8 concerning the subject matter of selling your stock
9 between the time you accepted the offer and the time
10 you actually signed the papers; is that correct?
11 A. Oh, I'm sure I had some conversation, something with
12 Trug. I'm sure -- Cal, Jr.. I'm sure Cal, Jr.
13 probably sent a notice of when to go, when it was
14 ready.
15 Q. I said other -- other than that notice though.
16 A. Oh, other than? Not that I --
17 Q. Other than the notice.
18 A. Not that I can recall. There might have been some
19 little conversation or -- giving us -- how much -- a
20 record of how much stock we had or something.
21 Q. Okay. You don't remember anything of substance though
22 that you -- they talked about?
23 A. No, I don't.
24 Q. Okay.
25 A. Not at this time.

Page 89

1 Q. All right. So that at the time -- have we now talked
2 about -- well, strike that.
3 You at some point were informed of when you
4 should come down to the company offices to sign the
5 papers?
6 A. Yes.
7 Q. Okay. And did that occur on the day that you signed
8 the agreement? And the agreement is dated February 4,
9 1980. Is that the day you went down to the offices?
10 A. I -- I wrote that date in there on those, and I believe
11 that's -- because it wasn't in there I put it in there.
12 Q. Okay.
13 A. And that was the date.
14 Q. Okay. How long did the meeting take place in the
15 office -- company offices?
16 A. Not very long.
17 Q. Five minutes, a half an hour, an hour? How long?
18 A. It might have been five minutes.
19 Q. All right. Was there any discussion while you were
20 there concerning -- anything said by Charles or Trug?
21 A. Not that I recall.
22 Q. You were given the agreement; is that correct?
23 A. Not that I recall.
24 Q. Weren't -- you were handed the agreement to sign; is
25 that correct?

Page 90

1 A. Not that I recall.
2 Q. Well, how did your signature -- well, let me show you
3 what has been marked as Exhibit No. 1 and turn you to
4 page -- the next to last page of the document. And is
5 that your signature that appears on the next to last
6 page of the document?
7 A. Yes, that is my signature.
8 Q. And did you sign this Exhibit 1 on February 4, 1980?
9 A. What do you call Exhibit 1, stock purchase agreement?
10 Q. Yes.
11 A. Yes, I did.
12 Q. And did somebody hand you the agreement for you to sign
13 it on February 4th?
14 A. Not that I recall.
15 Q. Well, how -- then explain to me how it is that you
16 ended up putting your signature on the document?
17 A. I believe it was all placed by your seat in the
18 conference room; and they told us to go in here, and we
19 sit down. That's the stock purchase agreement. I
20 believe we glanced at it, we signed it, we shook their
21 hands, they passed me a stack of paper in a Manila
22 gizmo that was here and we said good-bye. They also
23 gave me a check.
24 Q. For the first payment?
25 A. For a down payment. And then as you can see on the

Page 91

1 agreement here, a payment every year, 7 percent for 10
 2 years.
 3 Q. Okay. And you've gotten all those payments under the
 4 agreement?
 5 I have.
 6 You got --
 7 One was a little late coming in.
 8 Q. How late?
 9 A. A few days.
 10 Okay.
 11 When they were very, very prompt.
 12 Okay.
 13 A. I thought it might have been my last one.
 14 Q. Okay. When you say you glanced at this agreement
 15 before you signed it when it was on the conference room
 16 table, did you read it?
 17 A. No. I just glanced at it.
 18 Q. Did you ask any questions about it before you signed
 19 it?
 20 No. My brothers and I had discussed this sale; and
 21 they're honorable people, so we just believed what they
 22 said. They wouldn't have me sign something I shouldn't
 23 be signing.
 24 Did -- when you glanced at the agreement, did you
 25 notice that it referred to a bunch of offers that had

Page 92

1 been made by other companies?
 2 No, I did not.
 3 Did you -- when you say you glanced at the agreement,
 4 tell me what you -- exactly what you did?
 5 A. I looked at the thing and -- this agreement made, so
 6 and so. I read this.
 7 All right.
 8 The witness, what the amount was, whatever was there
 9 and the closing date and signed it.
 10 Q. So let's take it paragraph by paragraph. Maybe that
 11 will be an easier way to do it. Did you read the --
 12 you read the first four lines of -- at the top of Page
 13 1; is that right?
 14 Yeah, I read that.
 15 Did you read the three whereases that come after that?
 16 I glanced at this.
 17 When you say you glanced at it, does that mean you read
 18 the three whereases or --
 19 A. No. I just glanced at it. I -- I saw the figures
 20 there and -- down through.
 21 Okay. Did you read Paragraph 1?
 22 A. What are you calling -- No. 1?
 23 Q. Yes, No. 1. I'm sorry.
 24 No, I really didn't read too much of this. I glanced
 25 at it.

Page 93

1 Q. All right. Well, did you --
 2 The figures looked right.
 3 -- glance at Paragraph 1?
 4 I glanced, the figures looked right and I signed it.
 5 Q. Did you read or glance at Paragraph 2?
 6 A. I glanced at the glance.
 7 All right. Did you read Paragraph 3?
 8 Not to my knowledge, I didn't read any of this. I just
 9 glanced at this.
 10 Q. All right. You glanced at Paragraph 3?
 11 No. I glanced at the first of this, that it was a
 12 stock purchase agreement. I signed it.
 13 All right. So just so I understand, you saw that it
 14 was a stock purchase agreement, you glanced at
 15 Paragraphs 1 and 2 to make sure the numbers were
 16 correct?
 17 I just glanced at the numbers just because they were
 18 sitting there.
 19 Q. And you neither glanced nor read anything from
 20 paragraph numbered 3 to the end of the agreement; is
 21 that correct?
 22 I didn't bother to read the stock purchase agreement.
 23 We made an agreement verbally, and I signed the papers.
 24 Q. Well, that doesn't answer my question. My question
 25 was whether -- did you either read or glance at

Page 94

1 paragraph -- any of the paragraphs beginning with --
 2 numbered 3 to the end of the agreement?
 3 A. I did not read the stock purchase agreement.
 4 Q. Did you glance at any of the paragraphs --
 5 MR. SILSBY: Wait a minute. Wait a minute.
 6 She's already answered it. She didn't read the stock
 7 purchase agreement. Why get into this paragraph stuff?
 8 She has answered the question.
 9 MR. RUBIN: Because she is using the word glance
 10 as something different from the word read.
 11 MR. SILSBY: She told you that she glanced at
 12 it. She said I glanced at those two paragraphs and the
 13 heading and I signed it. I didn't read the agreement.
 14 Q. Did --
 15 MR. RUBIN: I'm just asking a very simple
 16 question.
 17 Q. Did you glance at any paragraphs other than paragraphs
 18 numbered 1 and 2 of this agreement?
 19 A. I did not to my knowledge as I sit here tonight.
 20 Q. Okay. Were the other documents that I have included as
 21 a part of Exhibit 1 -- and feel free to look at them --
 22 attached to the agreement or lay underneath the
 23 agreement when you signed it?
 24 A. The promissory note was with the agreement, I believe.
 25 I'm not sure of that.

Page 95

1 Q. Okay.
 2 A. These stack of papers here which I have been over since
 3 were in an envelope and handed to me as I left.
 4 Q. Okay. So your testimony is they were not on the table
 5 underneath the stock purchase agreement at the time you
 6 signed it?
 7 A. They could have been in a Manila envelope.
 8 Q. Okay.
 9 A. But I did not see these.
 10 Q. Okay.
 11 A. They told me they were papers that went with the
 12 company.
 13 MR. SILSBY: Pete, can I interrupt you for a
 14 minute? Are you including the whole thing as Exhibit
 15 1? I just thought it was --
 16 MR. RUBIN: Yes, I am. Yes, I am.
 17 MR. SILSBY: Okay.
 18 MR. RUBIN: I'm including because it is -- these
 19 are attachments to them.
 20 MR. SILSBY: All the documents we supplied you?
 21 MR. RUBIN: Yes.
 22 MR. SILSBY: Okay. Yes.
 23 Q. So your testimony is that the attachments could have
 24 been in a Manila envelope underneath the stock purchase
 25 agreement you signed at the time that you signed

Page 96

1 it?
 2 A. I have -- excuse me. I have no idea where they were.
 3 They were handed to me. They could have been under
 4 there. They were handed -- I saw those after -- I
 5 didn't see them. They were in a Manila envelope.
 6 Q. Okay.
 7 A. I was to take them with me when I left.
 8 Q. If they were in a Manila envelope on the table
 9 underneath the stock purchase agreement, you did not
 10 look at them until after you left; is that correct?
 11 A. That's true. But I don't believe they were on the
 12 table at the time. But I can't recall that.
 13 Q. Okay. Now, have you now told me every conversation
 14 that you remember having with either Charles or
 15 Calvin -- let's take them separately.
 16 Have you now told me every conversation you
 17 remember having with Charles prior to the time that you
 18 signed the agreement on February 4, 1980 concerning the
 19 subject matter of your sale of your stock back to the
 20 company?
 21 A. As I sit here right now, I believe so; yes.
 22 Q. All right. And have you now told me all of the
 23 conversations that you have had with -- with Calvin
 24 Stinson prior -- at or prior to the time that you
 25 signed this agreement, Exhibit 1, in the offices of the

Page 97

1 company on February 4, 1980? Have you told me every --
 2 all the conversations that you can recall having with
 3 him prior to that date?
 4 A. What I recall this evening, yes.
 5 Q. Do you -- do you think that there were any others of
 6 substance that -- that you haven't told me about with
 7 either of them?
 8 A. I can't think of any. But maybe if you jog my memory
 9 on something, something might come to me; but as far as
 10 I know, this is all I know.
 11 Q. I take it from your testimony that the only
 12 conversation you had concerning the paying you of extra
 13 money if the company were sold at a later date was a
 14 conversation with Charles that you've described to me
 15 earlier?
 16 A. That I recall. My -- my husband and I went to the
 17 office at one time -- at his office in Prospect Harbor,
 18 but I -- I only -- hearing his testimony I recall being
 19 there with him. I couldn't tell you what time or where
 20 or why, but it had to do with the sale of stock.
 21 Q. Okay. But as I hear your testimony here, you recall
 22 talking with Charles on one occasion where he told you
 23 that if you sold your stock to the company, that if the
 24 company was sold within the near future after that,
 25 they would make up the difference between what you sold

Page 98

1 for and what the company was sold for; is that right?
 2 A. He told us that twice.
 3 Q. Twice, all right. And when was the -- the second time
 4 you think was --
 5 MR. SILSBY: Now, just a moment. I object to the
 6 form of the question.
 7 MR. RUBIN: Listen, only one -- who is objecting?
 8 One attorney can participate in objections. I believe
 9 that that can be either you or Ms. Collier, but it
 10 can't be both of you.
 11 MR. SILSBY: All right. Just a second.
 12 (Discussion off the record.)
 13 Q. Was -- was -- let me simplify the question. Was the
 14 second conversation, whatever it was, the one you were
 15 just referring to that your husband made reference
 16 about in the -- in Charles's office?
 17 A. He made reference about it, then it jogged my memory.
 18 But I didn't want to mention it because it was his
 19 reference that jogged my memory --
 20 Q. All right.
 21 A. -- that I do remember being at Charles's office in
 22 Prospect Harbor and he had discussed the same thing.
 23 Q. All right. And what did -- and what Charles -- now, do
 24 you remember the substance of what was discussed in the
 25 office or just that there was a meeting?

Page 99

1 A. I -- I remember him discussing -- as my husband told
 2 it, I remember, oh, yes, I was present. I remember
 3 hearing that.
 4 Q. All right. And was what Charles told you in the office
 5 the same substance that he had told in the first
 6 conversation?
 7 A. Yes, at his home.
 8 Q. At his home?
 9 A. Yes.
 10 Q. And have you had any conversations with either Charles
 11 or -- let's -- I'm sorry. Let's keep them separate.
 12 With Charles at any time since you've sold your stock
 13 in the company concerning any of the discussions that
 14 you and he had had before February 4th of 1980?
 15 A. Not that I recall.
 16 Q. And have you had any conversations with Calvin since
 17 you sold your stock concerning any conversations that
 18 you had with either he or Charles before February 4,
 19 1980?
 20 A. I take this back. Now, are you referring to us trying
 21 to settle this without attorneys involved of them
 22 coming to my house and we're trying to discuss this
 23 case?
 24 Q. Well, I'm -- right now, yes. I'm talking about any
 25 conversations that you've had with either of your

Page 100

1 brothers between February 4th when you -- after you
 2 walked out of the room after signing the agreement,
 3 between then and today have you had any conversations
 4 with either of your brothers concerning what was
 5 discussed between you and them before February 4, 1980?
 6 A. Well, we did talk on that meeting of something, but,
 7 you know, I'm not sure whether it's --
 8 Q. Well --
 9 A. -- we discussed these facts or terms over again, the --
 10 saying we discussed the promise to make up the
 11 difference, which they said it's too late. I sold at
 12 that time or whatever. I shouldn't add anything to it,
 13 but --
 14 Q. Well, wait a minute. When was this -- when was this
 15 meeting that you had with --
 16 A. I don't recall now, but it was at my house with Eva and
 17 myself and Charles and Trug.
 18 Q. Was it in the 1990s?
 19 A. It was after my father passed -- our father passed
 20 away.
 21 Q. So it was after 1992?
 22 A. Right.
 23 Q. And who asked for the meeting?
 24 A. Eva and myself.
 25 Q. All right. And tell me again what each person said at

Page 101

1 that meeting at your house to the best of your
 2 recollection?
 3 A. Well, I couldn't recall to -- everything everybody
 4 said. We just asked the boys -- our brothers if they
 5 were going to uphold their word or stick by their word,
 6 whichever way you want to put it. And we asked them
 7 if they thought it was fair. We talked about a couple
 8 of things that we thought was unfair, and they didn't
 9 seem -- they just discussed what happened, I guess, and
 10 that -- that nothing has changed in their minds.
 11 Q. All right. Well, do you remember what you told them
 12 you thought was unfair?
 13 A. For one thing that they did not uphold their word in
 14 honoring the difference in the stock.
 15 Q. Mm-hm.
 16 A. It was -- it was unfair to threaten my family with my
 17 death, I believe, and it's very unfair to threaten us
 18 with -- with the -- 1/6 of the payment if the company
 19 went over, something we had no control of -- went
 20 under. Excuse me. It was unfair, I believe, to take
 21 our voting stock without us knowing it.
 22 Q. Okay.
 23 A. I -- I feel -- as we had voting stock from the time we
 24 were younger, I feel we should have been more informed
 25 about the company.

Page 102

1 Q. Now, make sure we're all -- you're answering the
 2 question that I asked you. Are you now telling me
 3 things you told them at that meeting or things that you
 4 today think are unfair about what happened?
 5 A. We told them at that meeting, and we told them it was
 6 unfair.
 7 Q. Okay. Anything else that you told them that was unfair
 8 other than the -- the things you already told me?
 9 A. I doubt it. That was the extent of our conversation.
 10 Q. All right. What did either Charles or Trug say when
 11 you asked them whether or not they were going to live
 12 up to their promise to make up the difference?
 13 A. They said it had been too long a period of time, they
 14 didn't have to. In fact, my sister Eva stood up for me
 15 more than anybody. She tried to get some barrier in
 16 there.
 17 Q. What did Eva say about this subject?
 18 A. She just -- she just felt that it was very unfair, the
 19 price that they offered. And if they had upheld their
 20 word and -- then it would be more fair. But they said
 21 no and this was it. And my brother Trug as we were
 22 leaving -- Cal, Jr. said, well, where do we go from
 23 here? And I said, I guess we see you in court because
 24 they would not answer two or three questions.
 25 Q. Well, what questions wouldn't they answer?

Page 103

1 They -- they would not answer why they -- when they
 2 offered -- why they did not uphold their bargain and
 3 their agreement.
 4 Q. Okay. What else didn't they -- what other questions
 5 wouldn't they answer?
 6 What -- I guess why they took the voting stock. I
 7 don't recall right now. I do recall the main thing was
 8 making up the difference in the stock if it was sold.
 9 Well, they did tell you -- when you asked them why they
 10 wouldn't uphold their bargain, they did tell you
 11 because too long a period of time was -- had gone by?
 12 Is that the answer they gave you?
 13 A. That was Trug's remark, but only two years between
 14 Tudy's sale and mine.
 15 But it was -- it had been 10 years from the time of
 16 your sale to the sale of the company, correct?
 17 A. Yes. But I didn't know what the company was worth or I
 18 didn't know they had another offer or sold it until it
 19 was in the paper.
 20 Okay. Now, with regard to these things that you told
 21 them that were unfair, you've talked about the
 22 difference in the stock, you told them that it was
 23 unfair to threaten the family with the tax consequences
 24 of you dying; is that right?
 25 A. Mm-hm, yes.

Page 104

1 And that's a reference to --
 2 Excuse me.
 3 Q. -- what Charles told you about the inheritance taxes if
 4 you were to die would take your husband's business
 5 away?
 6 That's true.
 7 And you said it was unfair to tell you about -- that
 8 you would be responsible for 1/6 of the company's debts
 9 if it got into trouble?
 10 Yes, I feel that's unfair today.
 11 Okay. And why didn't -- why didn't you tell them that
 12 in 19 -- sometime after 1992 when you met with them?
 13 At that time why didn't you tell them that?
 14 We were trying to tell them why -- why we felt -- why I
 15 felt the way I felt, and I suppose why Eva feels the
 16 way she feels. They have been a little unfair, and we
 17 thought this was a chance for us as a family to be
 18 fair. Now, if they would like to be fair and do it and
 19 prove it at this time, then we could avoid all this.
 20 All right.
 21 A. Excuse me, but I think that's no more than fair.
 22 Q. I understand you think that.
 23 To your knowledge, as you sit here today, other
 24 than the statements by Charles and Calvin that you've
 25 referred to that the company was in financial trouble

Page 105

1 or rocky financial condition, do you have any
 2 information that you received either in writing or
 3 orally, any information about the financial condition
 4 of the company that was untrue?
 5 A. The only other time I ever heard anything about the
 6 company my dad was always going broke.
 7 Okay. But let's say from 1977 to the time you sold.
 8 Do you, as you sit here today, have any information
 9 that you were ever told orally or received in writing
 10 any information about the financial condition of the
 11 company that was untrue other than -- other than --
 12 Did I ever receive any information that was untrue?
 13 Q. Either orally or in writing other than what you told me
 14 that Calvin and Charles told you when you went to their
 15 houses that night, that the company was in rocky
 16 financial condition?
 17 A. That's the only information I heard about it that was
 18 untrue --
 19 Q. Okay.
 20 -- is my brothers.
 21 Okay.
 22 Excuse me. As I sit here, I feel is untrue.
 23 Q. Right. Okay.
 24 (A short recess was taken.)
 25 C. I'm going to show you what has been marked as Exhibit

Page 106

1 2, and this is a letter from the company to you dated
 2 May 15, '78. And do you have any memory of getting
 3 this letter?
 4 A. I believe I have this letter.
 5 Q. Okay. And this is the meeting that -- when I asked you
 6 some questions, that jogged your memory about the
 7 meeting where the options were talked about?
 8 A. Right.
 9 Q. Let's move on and see if we can fast-forward a little
 10 bit here.
 11 Let me show you Exhibit 3. And for some reason I
 12 only have one copy of this, but it's the same one I
 13 used in the previous one. Do you remember receiving a
 14 copy of that agenda for the meeting on June 9, '78?
 15 A. Yes, I do.
 16 Q. Okay. All right. And -- let's see. And your memory,
 17 I guess, again, as I've jogged it, is consistent with
 18 the fact that there was an item on this agenda about a
 19 presentation by Mr. Van Meer on estate problems?
 20 A. Right.
 21 Q. Let me show you what has been marked as Exhibit 4 and
 22 ask you if you remember receiving this document?
 23 MR. SILSBY: Did we get the agenda? I don't
 24 think we did.
 25 MS. COLLIER: He didn't have it.

Page 107

1 MR. RUBIN: No, I don't have -- for some reason
 2 didn't have three copies. It's the same one that was
 3 used in the other deposition.
 4 MR. SILSBY: Okay.
 5 A. Yes, I remember this.
 6 Q. And this was an offer that had been received from the
 7 Zapata Corporation for \$12,000,000?
 8 A. Right.
 9 Q. So you knew in 1978 that the company had been
 10 offered -- in August of 1978 the company had been
 11 offered \$12,000,000 -- an offer had been made of
 12 \$12,000,000 for the company?
 13 A. Yes.
 14 Q. Okay.
 15 A. But I don't know why they didn't sell it.
 16 Q. Okay.
 17 A. I don't know who refused the offer, Zapata or Stinson.
 18 Q. Did you ever talk with anybody about why the offer was
 19 never accepted and the deal was never done?
 20 A. No, I did not.
 21 (Discussion off the record.)
 22 Q. And it's your memory that it was Charlie who called you
 23 as opposed to you calling Charlie in late 1979
 24 indicating that you would sell for approximately
 25 \$700,000; is that right?

Page 108

1 A. Yes.
 2 Q. And if Charles were to testify that it was you that
 3 called him and said you would sell your stock for
 4 approximately \$700,000, you would disagree with that?
 5 A. I would.
 6 Q. Did you ever have a meeting at the home -- the
 7 Trenholms' home to discuss the issue of the estate tax
 8 consequences of owning the stock in the corporation?
 9 A. Not that I know of.
 10 Q. Did you ever meet at their home to discuss the possible
 11 sale of your stock back to the company?
 12 A. Not that I know of. I would have no reason to discuss
 13 any of my business with anybody other than who it
 14 pertained to.
 15 Q. Okay. In your discussions that you were having with
 16 Charles and Calvin from whenever it was -- let's say
 17 '77 up until the time you actually sold your stock in
 18 February of 1980 -- was it your understanding whenever
 19 you were discussing the sale of your stock that -- that
 20 it would be the company that would buy back your stock
 21 as opposed to Charles or Calvin individually,
 22 personally?
 23 A. I really didn't give that a thought. They were the
 24 company.
 25 Q. Okay. Well, when you actually signed the agreement on

Page 109

1 February 4, 1980, did you at that point understand that
 2 it was the company that was buying your stock back and
 3 not either Calvin or Charles personally?
 4 A. They -- they were the company. Like we were our
 5 company, they were the company. They ran Stinson
 6 Canning Company. They called all the shots. They were
 7 the company.
 8 Q. Did you have an understanding as of February 4, 1980
 9 who had undertaken the legal obligation to pay you the
 10 monthly payments each month for your stock?
 11 A. The check was Stinson Canning Company, and it was
 12 signed by my brother Cal, Jr. who was the treasurer
 13 which would be his duty.
 14 Q. But if you didn't get a payment, did you have an
 15 understanding back in 1980 as to who you could sue to
 16 get the payment if you had to bring a lawsuit?
 17 A. I would not have sued either one of them if I didn't
 18 get a payment. I felt they would have gone under, and
 19 I -- why would I sue them?
 20 Q. Well, who did you think had a legal obligation to pay
 21 you if there was money available to pay you and for
 22 some reason it just wasn't paid?
 23 A. Oh, I would talk to them if a check didn't come in. If
 24 they could not pay it, I wouldn't have said a word.
 25 Q. Well, that wasn't my question. My question was who you

Page 110

1 thought you had a legal obligation to sue if you wanted
 2 to in the event that you weren't paid and the money was
 3 there to pay you?
 4 A. But you misunderstood. I didn't want to sue anybody.
 5 Q. Okay.
 6 A. I would not have sued either one of them nor the
 7 company.
 8 Q. When you got home after -- on February 4th after you
 9 signed this agreement, did you read it that day?
 10 A. No. I never looked at it again. Not until this suit
 11 came up.
 12 Q. So you never read the agreement until -- the stock
 13 purchase agreement until sometime in the 1990s; is that
 14 right?
 15 A. I had no reason to.
 16 Q. Well, is the answer that you didn't read it?
 17 A. I did not read the stock purchase agreement.
 18 Q. All right. And when you got home and you -- did you
 19 open up the Manila package and look at all of the
 20 exhibits that were in that package?
 21 A. I glanced at it.
 22 Q. And did you see the letters offering the company money?
 23 A. I did.
 24 Q. Okay. And did you see that some of them, I think, if I
 25 remember right, were as much as \$16,000,000 for the

Page 111

1 company?
 2 A. I did. I was amazed.
 3 Q. Okay. And did you call Trug or Charlie back and say,
 4 hey, you know, this company is worth more than I
 5 thought it was and you should -- should agree -- pay me
 6 more than you agreed to pay me?
 7 A. I did -- I did not.
 8 Q. Why didn't you do that?
 9 A. My brothers would pay me what they thought they should
 10 pay me. They know their company better than any piece
 11 of paper here. And they didn't sell to those people.
 12 Q. Okay.
 13 A. How do I know they even had the backing or my brothers
 14 thought that was a good deal. If they did, they would
 15 have sold to one of those companies.
 16 Q. Okay. Did you talk with Eva about her discussions to
 17 sell her stock before she sold her stock to the
 18 company -- back to the company?
 19 A. I did.
 20 Q. Okay. Tell me about those conversations.
 21 A. I just called because I was amazed. I called to tell
 22 her that I -- they had offered to buy my stock. I
 23 heard she had a financial problem and so then they had
 24 offered to buy mine also. So I had told them what the
 25 first offer was, and it was Carl more or less I talked

Page 112

1 to from -- the first time I called and talked to her,
 2 then she turned -- Carl wanted to do the talking, I
 3 would guess, because it was Carl mostly I talked to.
 4 Q. Can you put a time frame on this for me? A year or a
 5 decade or --
 6 A. Oh, from whenever they -- the first time Trug called me
 7 about purchasing our stock.
 8 Q. So that would have been, like, '77, '78?
 9 A. That was in the fall of -- I think we defined '78.
 10 Q. Actually, I think we corrected it to '79.
 11 A. Yes, '79. Okay. You got me.
 12 Q. Okay. All right.
 13 A. That was like '79. And I did call Tudy because I --
 14 Eva because I knew that's the reason they were asking
 15 me for my stock.
 16 Q. Well, I guess my question -- I think my question was
 17 that at any time after you sold your stock, after
 18 February 4th of 1980 and before Eva Wight sold her
 19 stock in 1983 -- I believe it was February of '83
 20 also -- did you have any conversations with her in that
 21 time frame about the sale of her stock?
 22 A. Oh, good lord, no. I didn't even know whether she sold
 23 her stock or not.
 24 Q. Okay. When was the first time that you learned that
 25 she had sold her stock back to the company?

Page 113

1 A. After this suit started.
 2 Q. Okay. So you didn't know until after 19 --
 3 MR. RUBIN: What is the docket number?
 4 MR. CALVIN STINSON: '95.
 5 Q. Sometime in 1995 you first learned that she had sold
 6 her stock back to the company in 1983?
 7 A. I might have surmised that after father passed away in
 8 '92.
 9 Q. And why would you have surmised that then?
 10 A. Some little conversation going on. Mainly Ida had
 11 asked Cal, Jr. if -- if when they did sell this
 12 company, if they were going to make up the difference
 13 to my husband Arnold -- my family. And he said, no,
 14 they didn't have to because of a period of time.
 15 Q. Is that the conversation you were telling me about
 16 where you were trying to resolve this thing after your
 17 father died at your home with the --
 18 A. No. This conversation was at my father's house after
 19 he passed away and we were cleaning out the house.
 20 Q. And it was a conversation with whom? I'm sorry.
 21 A. Ida. Ida Mae --
 22 Q. I'm sorry. And --
 23 A. -- Trenholm, my sister.
 24 Q. Yes, right. And what did -- tell me the conversation
 25 again. I guess I've lost -- I've lost track of it.

Page 114

1 A. I'm not sure I can repeat it the same way, but the
 2 drift of the thing was she asked -- she had let me
 3 know -- she had asked Trug -- Cal, Jr. if -- with the
 4 sale of the stock if they had made up the difference
 5 to the Francis family. She referred to it as my -- as
 6 me --
 7 Q. Right.
 8 A. -- Lou Ann. He said no. It had been too long a time.
 9 Q. Okay. You learned in 1990 that the company had been
 10 sold through the newspaper?
 11 A. I did.
 12 Q. And the newspaper reported that it was in the range of
 13 \$24,000,000 that the company had sold for?
 14 A. I would have to refer to my newspaper clipping, but I
 15 think it said 25, in that -- thereabouts.
 16 Q. All right. Well, let's --
 17 A. Round figures.
 18 Q. Let's take 24 because it divides by six a lot easier
 19 than 25 does, all right?
 20 A. Okay.
 21 Q. So at that time you understood that they were supposed
 22 to make up the difference to you between what you got
 23 and what they had sold the company for, right?
 24 A. I understood that.
 25 Q. And so when you read in the newspaper that the company

1 had been sold for, let's say, 24,000 -- million
 2 dollars, you felt you were entitled to 1/6 of that less
 3 what you had been paid previously, correct?
 4 A. I would say so, yes.
 5 And 1/6 of 24 is \$4,000,000, correct?
 6 That's true.
 7 And how much did your family get in total for the sale
 8 of their stock? It was around 700,000 plus interest
 9 over the 10 years?
 10 That's true.
 11 Do you know what that totaled including the interest?
 12 A. I believe you have a paper there with me hen scratching
 13 something down there about what the interest would be
 14 if I invested properly.
 15 Okay. How about what the interest was that -- that
 16 Stinson Canning paid you over the 10-year note?
 17 A. That the interest was 7 percent.
 18 So that would be maybe another 4 or \$500,000; is that
 19 right?
 20 That sounds right.
 21 Q. So that you would -- you and your family would have
 22 received a total of -- let's say it's another half a
 23 million dollars -- about a million two over the 10
 24 years. Does that sounds about right?
 25 A. A million one, a million two the whole family.

1 So if -- if you were entitled to have the difference
 2 made up, then your family was entitled to another
 3 \$3,000,000 or so when the company was sold?
 4 A. Of the working assets, yes.
 5 Q. And at no time between the time the company was sold in
 6 1990 and until this -- according to your testimony,
 7 anyway, this meeting at your house with Charles and
 8 Calvin and yourself and Eva Wight, at no time until
 9 that meeting did you ever make a request to -- for them
 10 to make up the difference -- to either Charles or
 11 Calvin, did you?
 12 Oh, no. I waited for them to approach me.
 13 (Discussion off the record.)
 14 The meeting at your house where Charles and Trug were
 15 present that you told me about earlier, was it Eva who
 16 was present with you or was it Ida who was present with
 17 you?
 18 A. Eva.
 19 Okay. Do you think that you were close to your sister
 20 Eva during, let's say, the 1980s?
 21 She lived too far away. I -- yes, I'm always close to
 22 my family; but I don't see them all the time and I
 23 don't associate with them. I'm in a different line of
 24 work altogether and I run in a different circle, but I
 25 do try to keep in touch.

1 Q. How many -- how often during the 1980s do you think you
 2 either -- well, first spoke with your sister Eva on the
 3 telephone?
 4 A. Not very often.
 5 Q. And does that mean a few times a year?
 6 Oh, no.
 7 More than that?
 8 Oh, less. Maybe not even once a year back then.
 9 Q. How many times did you see her in person?
 10 A. I wrote -- I gave her a Christmas card every year and
 11 her birthday cards and that.
 12 All right. And would that be all the written
 13 communication you would have with her?
 14 A. Yes.
 15 Q. Okay. How about seeing her face to face? How many
 16 times a year would you see her face to face?
 17 Only when she came to visit my father and -- you know.
 18 And she would usually stay overnight, and I would make
 19 a point to go see her.
 20 Where would she stay overnight when she came to visit
 21 your father?
 22 Usually with Ida. I believe it's -- once she might
 23 have stayed with Trug. Once or twice.
 24 Q. And it's your testimony that at no time either before
 25 or after Eva sold her stock until this -- until the

1 1990s did you know that she had sold her stock for
 2 \$8,000 a share?
 3 A. At no time did I know what she sold her stock for or if
 4 she sold it.
 5 Q. Okay. Did you talk with Carl -- getting back now to
 6 before you sold --
 7 A. Mm-hm.
 8 Q. -- and conversations you had with Carl or Eva Wight,
 9 can you tell me what the conversations were that you
 10 had with either of them before you sold your stock,
 11 that is before February 8th -- February 4, 1980?
 12 A. I called just to get a better understanding of -- of
 13 why I was being approached. And the excuse to me was
 14 that Tudy was in financial problems and -- and Cal, Jr.
 15 suggested she -- I guess she asked for a loan or
 16 something. He suggested maybe she sell some of her
 17 stock or maybe she suggested, I don't know. But he
 18 felt it was a good chance for us to see some profit out
 19 of the company which we might never see. I called to
 20 see what was up. I -- I had no idea, I mean, why
 21 anybody would be offering to buy my stock.
 22 Q. Did you ever talk with Carl about it?
 23 A. He's the one that came on and chatted about it. I -- I
 24 had mentioned, I guess, when Charles had offered
 25 300,000. And he said, well, don't be foolish or

1 something to that effect, that it was worth a lot more
 2 money. And I said, yeah. I have no idea what any of
 3 it's worth. I did call and tell him as it progressed
 4 what I was doing, and I did tell him when he offered
 5 just under 700,000.
 6 Q. And what did he say then?
 7 A. He said -- he -- I'm not sure exactly what he said. He
 8 said it was worth a lot more money or something, and I
 9 said -- told him with the threat against my family and
 10 what have you, my husband and I felt that we should --
 11 we should sell with our respectful promise to make up
 12 the difference if they ever sold.
 13 Q. Okay. And you told Carl in one of those conversations
 14 that you had with him before you signed the agreement
 15 on February 4, 1980 that you didn't trust Calvin and
 16 you were going to take your money and run, didn't you?
 17 A. I told Carl that?
 18 Q. Yeah. Do you remember telling --
 19 A. I don't remember ever not trusting either one of my
 20 brothers.
 21 Q. Well -- but the question is, you -- do you remember
 22 telling Carl that you didn't trust Calvin and were
 23 going to take the money and run?
 24 A. I do not remember that.
 25 Q. Would -- if Carl said you said that, would you deny it

1 or just you don't remember it?
 2 A. I would never remember such a phrase.
 3 Q. Okay. You were told at a meeting with Mr. Silsby --
 4 well, strike that.
 5 Have you ever -- did you ever consult Mr. Silsby
 6 prior to February 4, 1980 with regard to your sale of
 7 your stock?
 8 A. Yes, I did.
 9 Q. And on how many occasions did you consult him?
 10 A. Once that I recall.
 11 Q. Okay. Who was present? Just you and he?
 12 A. Ida, Arnold, Lou Ann, Carl, Tudy, Buzz Fitzgerald.
 13 Q. Okay.
 14 A. January 12, 1980.
 15 Q. You have a good memory of that one.
 16 A. My grandson.
 17 Q. That's his birthday?
 18 A. My number one grandson.
 19 Q. Where did the meeting take place?
 20 A. In Carl Wight's office in Bath.
 21 Q. Okay. And what was the purpose of that meeting?
 22 A. Because I had been approached to sell this stock and
 23 mainly Tudy had -- was selling her stock. I couldn't
 24 seem to find out what it was worth. These figures are
 25 flopping around here, and I wasn't sure what I was

Page 121

1 supposed to do. So I asked Mr. Silsby if he would
2 consult somebody to find out what the stock was worth.
3 Q. All right. What -- when did you ask him to do that?
4 When was that?
5 A. After my first offer, I believe.
6 Q. So that would have been sometime in the fall of '79?
7 A. Right.
8 Q. Okay. Then what happened with regard to his
9 investigation?
10 MS. COLLIER: All right. I object if that's
11 going to get into attorney/client privilege. At least
12 I would instruct the client she has a right to assert
13 the attorney/client privilege vis-a-vis direct
14 communications just between Mr. Silsby and herself.
15 MR. RUBIN: Let me try to rephrase the question
16 to avoid that.
17 MS. COLLIER: Okay.
18 Q. As a result of your requesting Mr. Silsby to look into
19 the matter, did you have further conversations with
20 him? And that can be just answered yes or no without
21 telling me --
22 A. No.
23 Q. Did you have any further meetings with him before the
24 meeting of January 12, 1980?
25 A. No.

Page 122

1 Q. Okay. So was the next thing that happened is that
2 there was a meeting in Mr. Wight's office on January
3 12, 1980?
4 A. Yes.
5 Q. Somebody must have informed you about that meeting, I
6 assume?
7 A. Carl Wight asked for the meeting.
8 Q. He did? Did he call you and ask you to -- to meet with
9 him?
10 A. He suggested it would be a good idea.
11 Q. Okay. And you asked Mr. Silsby to go along with you?
12 A. I asked him to go along in case there was anything
13 that --
14 Q. All right. And what happened at that meeting? Who
15 said what to the extent you can recall either
16 specifically or generally?
17 A. Buzz Fitzgerald said that -- I believe he had been in
18 touch with probably Van Meer, I would guess. I mean,
19 you would have to --
20 Q. We'll talk to him, so don't worry.
21 A. All right.
22 Q. What he told you.
23 A. All right -- Van Meer or Kruger, and they said the boys
24 could pay what they wanted to pay. They could do
25 whatever they wanted to do. Whatever they offered was

Page 123

1 probably a good thing.
2 Q. Did Mr. Wight tell you why he wanted you to come down
3 to the Bath area to meet when he called you up?
4 A. It was all over discussion of finding out the value of
5 the stock.
6 Q. Okay. When Buzzy Fitzgerald made that statement, did
7 anybody respond or say anything?
8 A. Not that I recall.
9 Q. Was this a short meeting then?
10 A. Yes, it was.
11 Q. How long did it last?
12 A. Oh, I couldn't remember. It's been long ago, you know.
13 Q. I mean, less than a half an hour?
14 A. Oh, I would imagine.
15 Q. Did you ask any questions of Mr. Fitzgerald or Mr.
16 Silsby at that meeting?
17 A. No, I didn't.
18 Q. Did you ask any questions of Mr. Wight or any of your
19 brothers or sisters who were -- who were there?
20 A. No, I didn't.
21 Q. Is it -- is the only thing you remember happening at
22 that meeting is that Mr. Fitzgerald said he had talked
23 to Van Meer or Kruger and they basically could buy you
24 out at any price they wanted and you probably should do
25 it or words --

Page 124

1 A. He had -- he had done quite a bit of research on it and
2 this is what he came up with. This is what he stated.
3 Q. Okay.
4 A. And I believed it and I listened and I had listened to
5 my brothers and I believed my brothers, so I have no
6 questions.
7 Q. All right. And did you rely on what Mr. Fitzgerald
8 said at that meeting in making your decision to sell
9 your stock?
10 A. Not really, but I know my brothers named their own
11 price, and that was it. I had no idea -- I mean, I do
12 not know their business.
13 Q. All right. Did Mr. Silsby ever tell you in the
14 presence of -- either at that meeting or in the
15 presence of a third party, that is somebody not
16 employed in his office and not your husband, that he
17 didn't recommend that you sell your stock in the
18 company without reviewing the records and other
19 financial information of the company?
20 A. I should answer no to that. I don't know -- I don't
21 know -- would you repeat that again?
22 Q. I'm trying to avoid the attorney -- excluding any
23 conversations that you had with him one on one, or in
24 his office --
25 A. Right.

Page 125

1 Q. -- with other people present -- did he ever tell you in
2 the presence of other people, like at the meeting on
3 January 12th or at any other time when other people
4 were present that he would not recommend that you sell
5 your stock in the company without reviewing the company
6 records and other financial information about the
7 company?
8 A. I don't recall Mr. Silsby saying too much to me at all.
9 He might have talked to Buzz Fitzgerald, but -- but
10 whatever he and I discussed is private between us.
11 Q. I'm talking about conversations in the presence of
12 other persons.
13 A. Not that I recall.
14 Q. Okay. And you never asked Dick Trenholm for his advice
15 on what you should do about selling your stock?
16 A. No.
17 Q. Okay.
18 (Discussion off the record.)
19 Q. At -- in 1979 what was the annual income of you and
20 your husband?
21 A. I do not know.
22 Q. Can you approximate it for me?
23 A. No, I cannot.
24 Q. Was it in excess of \$25,000?
25 A. Yes.

Page 126

1 Q. Was it in excess of \$50,000?
2 A. Yes.
3 Q. Was it in excess of \$100,000?
4 A. I cannot answer. I do not know for sure what my
5 husband earned at that time or myself.
6 Q. Okay. Describe your relationship with your father in
7 the five years before you sold your stock.
8 A. My relationship with him?
9 Q. Yes.
10 A. As good as always, I suppose. He's my father. I
11 respected him very much.
12 Q. All right. Did you -- do you consider you had a close
13 relationship with him?
14 A. I believe as close as anybody can be to a -- in our
15 family.
16 Q. Okay.
17 (Discussion off the record.)
18 Q. How would you describe your father in let's say the
19 last five years before he died, five years before 1992?
20 Describe his physical and emotional condition.
21 A. Pretty sad.
22 Q. What physical problems did he have other than his
23 hearing problems in those five years?
24 A. Well, he was an old man. He was dying. There is no
25 getting around it. He was all worn out. I mean,

Page 145

1 that he had and some we should hang on to if something
 2 happened to him or blah, blah. He was always going on
 3 with these things. So I -- I felt from his
 4 conversation to us that he had property in his name.
 5 Q. And you were surprised when his will was probated that
 6 there weren't any properties in his name?
 7 A. That's right.
 8 Q. So that prompted you to call Diane to ask --
 9 A. That's right.
 10 Q. -- her to look in the registry?
 11 A. Right.
 12 Q. Did she -- did she send you copies of the deeds for
 13 these parcels that you just mentioned to me?
 14 A. She did.
 15 Q. And were all of these deeds in 1990, or were they at
 16 different times?
 17 A. I think some of this actually started like -- I had --
 18 I had that figure written down, but I didn't dare bring
 19 any dates with me. But --
 20 Q. Okay.
 21 A. -- I think it -- it started late '80s --
 22 Q. Well --
 23 A. -- through '90.
 24 Q. -- do you remember that the clam wharf and reservoir
 25 deeds were in connection with the sale of the business

Page 146

1 or at least in the same year?
 2 A. I would almost guess if they didn't clarify that, they
 3 wouldn't have sold the company.
 4 Q. And -- and do you remember, like your sister said, that
 5 it wasn't only your father that was signing off on
 6 those deeds, but other relatives who were signing off
 7 on the deeds for the clam wharf and the reservoir?
 8 A. Yes, I -- I understood that.
 9 Q. Okay. And is it your claim that on those two deeds --
 10 we'll get to the water rights and Bar Island in a
 11 minute -- that there was something wrong with your
 12 father signing off any possible rights he might have on
 13 those properties as a part of the sale?
 14 A. I feel he should have been compensated for it if he was
 15 going to sign off. If it's his property, they should
 16 have compensated. I don't -- I didn't find where they
 17 had.
 18 Q. Well, do you know whether or not the reason he was
 19 signing off was because a mistake had been made
 20 earlier -- years early on the property and he hadn't
 21 signed off years earlier when he should have?
 22 A. We all pay for mistakes.
 23 Q. Well, do you know whether that was the reason that he
 24 was being asked to sign in 1990?
 25 A. I've been told, but I shouldn't get into this.

Page 147

1 Q. What have you been told?
 2 A. I've been told by my brothers it's something that
 3 should have been taken care of earlier and it was
 4 neglected. My father probably should have taken care
 5 of it, and it was not done.
 6 Q. Okay. Do you know whether any of the other people that
 7 signed off on the clam wharf and the reservoir got paid
 8 any money for signing off? In other words, was your
 9 father treated any differently than any of the others
 10 were?
 11 A. I have -- I -- I've only been told that -- something
 12 about the Lowells or something, they swapped property
 13 or did something with them. I -- I only hear certain
 14 things.
 15 Q. So is it your understanding that some of the other
 16 people that signed off on the clam wharf or the
 17 reservoir actually got something in exchange for it?
 18 A. I don't know who else would sign off on the reservoir.
 19 (Discussion off the record.)
 20 A. I believe the clam factory wharf was the Lowells and
 21 maybe somebody else there.
 22 Q. All right. Is it your recollection that your father
 23 had a potential claim for 1/3 of the clam wharf as one
 24 of three heirs of his mother Eva T. Stinson?
 25 A. I'm not sure of that. I would figure that would be the

Page 148

1 reservoir. But I don't know too much about these
 2 deeds. You would have to ask --
 3 Q. Okay. All right.
 4 A. -- my brothers.
 5 Q. Do you have any understanding of how it is that your
 6 father acquired whatever interest he had in the clam
 7 dock?
 8 A. I don't know.
 9 Q. Okay. And with regard to the reservoir, do you have
 10 any idea about how your father acquired his potential
 11 claim to an interest in the -- in the reservoir?
 12 A. Well, from some of that I understand my grandfather
 13 owned the property and it's supposedly -- parts of it
 14 handed down to his family.
 15 Q. And do you have an understanding as to whether any
 16 mistakes were made in that process in terms of getting
 17 people to sign off over the years when that property
 18 was used in the canning company?
 19 A. I do not because they didn't discuss that business with
 20 us.
 21 Q. Now, what is -- again, the water rights, what was that
 22 deed about?
 23 A. That was just -- seemed to be a lot of activity
 24 about -- which I feel, by looking at the deeds, was the
 25 water rights. There is a pipe that runs from the

Page 149

1 reservoir all the way to the factory that feeds it
 2 water.
 3 Q. Mm-hm.
 4 A. And I have an idea from what little I could read on
 5 that -- but I'm not an expert on this -- that they paid
 6 so much lease or rent or something to each one that had
 7 it and --
 8 Q. Keep talking. You can go ahead.
 9 A. That's all.
 10 (Discussion off the record.)
 11 Q. Were there people in that deed who signed off other
 12 than your father, or was it only your father's
 13 signature on that deed?
 14 A. What deed are you referring to?
 15 Q. The water rights deed.
 16 A. I'm not sure who signed that. All I know there were
 17 water rights deeds that were --
 18 MR. CALVIN STINSON: No, I never heard it.
 19 Q. Well, when this Diane did the search for deeds, she
 20 sent you -- what did you ask her to do? What was her
 21 job?
 22 A. I asked her to check out what my father owned in
 23 property before his death.
 24 Q. Okay. And so this must have been -- is there a piece
 25 of property that he still owned at his death or a piece

Page 150

1 of property that he had signed a deed on before he
 2 died?
 3 A. I'm not sure where all this property is. I'm not very
 4 good at chasing property. I surmise it was the water
 5 rights.
 6 Q. Are there four separate deeds that you were given by
 7 Diane?
 8 A. Three or four. I don't --
 9 Q. Okay. All right. Well, let's move on. Bar Island,
 10 what is Bar Island?
 11 A. Bar Island evidently was sold before father passed
 12 away, I believe. I found out later. I think Trug gave
 13 us that information. And Inner Bar Island was really
 14 not much good to anybody. I think we all signed off
 15 and gave that away to somebody. I don't know, but
 16 that's what I'm referring to.
 17 Q. Who -- before your -- whose name -- who owned Bar
 18 Island before your father passed away?
 19 A. My father, I believe.
 20 Q. All right. And did he sell it directly to some
 21 nonrelative?
 22 A. I don't know that. I understood from my brother Cal,
 23 Jr. that Outer Bar Island was sold earlier. Now,
 24 whether my father sold it, I didn't question him.
 25 Q. All right. Well, what was the deed -- I guess what was

Page 151

the deed that Diane gave you?

A. Inner Bar Island.

Q. Inner Bar Island?

A. Yes, Inner Bar Island.

Q. And was it a deed from your father to some other person?

A. The deed -- the deed was in father's name.

Q. But the deed -- no.

A. No, later on after we all knew about it --

Q. Mm-hm.

A. - I believe -- you'll have to ask Cal, Jr. -- but I believe it was given to a bird sanctuary or something. Somebody who owned half of it or wanted it.

MR. RUBIN: Off the record.

(Discussion off the record.)

MR. RUBIN: While we were off the record I believe we've discussed so that we -- I don't have to spend any more time on this --

MR. SILSBY: No.

MR. RUBIN: -- that the issue about Bar Island is not the subject of this case.

MR. SILSBY: No.

MR. CALVIN STINSON: I don't think we ever heard of the water rights.

MR. RUBIN: Well, you have now.

Page 152

MR. CALVIN STINSON: Yeah, this is the first me.

Q. Do you have any information as to what the value of the clam dock or the reservoir property are?

A. That's not for me to say, I don't believe. I don't believe they could operate their sardine plant without the reservoir.

Q. Okay. Well -- and do you understand that part of the reservoir property was transferred to the purchaser of the property -- of Stinson Canning Company?

A. I understand that.

Q. And part of it was not? Do you understand part of it was not?

A. I understand that later, yes.

Q. Okay. And do you have -- so it was reasonable to sell whatever part of the reservoir that was necessary with the sale of the company for -- because the company couldn't operate without it, is that what you're saying?

MS. COLLIER: Object to the form of the question.

A. You can answer.

Q. Well, let me --

A. I would guess -- I would guess they would need the reservoir to make the sale of the company.

Q. All right. What was left --

A. In a layman. I don't know.

Page 153

Q. Do you have any information about the value of either the clam dock or what was left of the reservoir after a portion of it was sold to the buyers of Stinson Canning Company?

A. I -- I wouldn't have --

Q. Okay.

A. A value on that.

Q. Do you know who paid the real estate taxes on the clam dock and the reservoir property over the years before your father died?

A. I do not.

Q. Do you know whether or not the company has -- had recorded those properties on its books as being owned by the company, that is the clam dock and the reservoir?

A. I do not know what is on their books.

(Discussion off the record.)

Q. Was there ever a time that you and your husband purchased one of the houses from Stinson Canning Company?

A. Yes.

Q. When was that?

A. I -- I wouldn't know the date.

Q. Can you give me the decade?

A. Maybe -- maybe late '50s or early '60s.

Page 154

1 Q. And that was a house that you lived in as your personal residence?

2

3 A. After I bought it.

4 Q. After you bought it?

5 A. Right.

6 Q. It had nothing to do with the operation of the company, did it?

7

8 A. It did not.

9 Q. Okay. And then there came a time when you moved to Pigeon Hill; is that right?

10

11 A. That's right.

12 Q. And when you did that, you sold that house back to the Stinson Canning Company, didn't you?

13

14 A. We did.

15 Q. So you knew at least that house was both owned by Stinson Canning Company before you bought it and owned by Stinson Canning Company after you moved out of it, correct?

16

17 A. I'm not sure of that. My father did the dealing on that. My father asked me to buy the house and he also said he wanted it back if I left.

18

19 Q. So you're telling me you don't know who actually owned it before you bought it and who owned it after you sold it?

20

21

22

23

24

25 A. My dad bought all that property so he could put his

Page 155

1 canning plant on it down in the front there and buy more store. He bought all that. I couldn't tell you what check bought it. My dad was Stinson Canning Company.

2

3 Q. No, no. When you bought it, do you know that the deed came to you from Stinson Canning Company?

4

5 A. I probably didn't look at the deed. My husband might have.

6

7 Q. Okay. And when you sold it, did you know you were selling it back to Stinson Canning Company?

8

9 A. I was selling it to my father. We had a family meeting and says we would sell it to him for a price.

10

11 Q. Who did -- do you remember who -- when you bought the house, did you make a down payment, pay any cash, write out a check?

12

13 A. We swapped houses plus money.

14

15 Q. Who paid who the money?

16

17 A. We paid my father the money.

18

19 Q. Okay. And did you have to write out a check at the closing?

20

21 A. My husband did that, not me.

22

23 Q. And you never saw the check?

24

25 A. I couldn't tell you what the difference -- check amounted to.

Q. Okay. So as you sit here today, you don't know whether

Page 156

1 you bought the house from Stinson Canning Company or from your father?

2

3 A. I wouldn't know, so -- but I dealt with my father verbally.

4

5 Q. I understand. And when you sold it and moved to Pigeon Hill, you don't know whether you sold it -- made out the deed to Stinson Canning Company or out to -- or to your father?

6

7 A. I did not make out the deed. I do not know.

8

9 Q. You signed the deed, didn't you?

10

11 A. I probably did.

12

13 Q. You didn't look at it when you signed it?

14

15 A. I don't even recall signing it.

16

17 Q. Was the house owned in both your names?

18

19 A. Probably. Everything is, usually.

20

21 Q. In the notice of deposition you were asked to bring with you today any documents constituting, relating or referring to communications between you and any of the other plaintiffs. That would be your sister, her children, your husband and your children. Do you have any written communications between yourself and any of those people concerning the subject matter of this lawsuit?

22

23

24 A. Not that I know of.

25

Q. All right.

Page 157

1 MR. RUBIN: Can you give us a minute?
 2 (A short recess was taken.)
 3 Q. I want to go back to the meeting that you had at
 4 Calvin's house the night you met with Charles first and
 5 then on your way home stopped at his house. I guess
 6 that would have been in the fall of '79?
 7 A. Right.
 8 Q. Do you remember telling me about that?
 9 A. Mm-hm.
 10 Q. When you were at Calvin's house that evening, did
 11 you -- did he offer to get for you a financial
 12 statement or financial information about the company?
 13 A. I can't answer that.
 14 Q. Why? Because you don't remember?
 15 A. I don't recall it at all.
 16 Q. Okay. Let me see if I can try to jog your memory.
 17 Maybe I can do it another -- a second time. Do you
 18 remember he got up and went into his den and looked in
 19 his desk to see if he could find a financial statement
 20 for you that evening?
 21 A. I don't recall that. We were just talking about the
 22 business and what went on. I do not recall it.
 23 Q. Okay. If he testified that he offered to get you some
 24 financial information about the company, would you deny that?
 25

Page 158

1 A. I couldn't admit it or deny it because I do not know.
 2 Q. Okay. Do you remember being told by anybody that a
 3 company by the name of -- well, strike that.
 4 Do you remember earlier when I was talking -- to
 5 try to shorten this up -- to Eva that I mentioned --
 6 she mentioned a company by the name of Connors
 7 Brothers?
 8 A. She did, yes.
 9 Q. And that I showed her a letter where her husband wrote
 10 a letter saying, you know, if you're going to sell the
 11 company, you ought to sell it to somebody like Connors
 12 Brothers. Do you remember my talking --
 13 A. I -- I remember that.
 14 Q. Okay. And -- and do you remember I -- that Connors
 15 Brothers had actually made an offer to buy the company
 16 at one point? Do you remember that?
 17 A. I remember you saying so in her -- yes.
 18 Q. Okay. Were you aware at any time about the fact that
 19 the company had received an offer from Connors
 20 Brothers?
 21 A. No, I wasn't. After this case started, I kind of
 22 looked through these other documents and I noticed
 23 Connors Brothers in there.
 24 Q. Okay.
 25 A. But, no, I was not aware of it.

Page 159

1 Q. All right. Well, I think you told me also that when
 2 you got home after you signed the stock purchase
 3 agreement, you also went through those offers and
 4 stuff?
 5 A. I just glanced. I'm not surprised. Clorox was one
 6 name, Connors Brothers was in there. I don't recall
 7 them all.
 8 Q. And when you saw that -- when you saw -- looked through
 9 those offers after you got home after you signed the
 10 contract, did you call Trug or Charlie back and say,
 11 hey, what is the deal with all these offers that are
 12 being made? I thought the company was in rough
 13 financial shape?
 14 A. Oh, no. I wouldn't question them. For some reason
 15 they knew what they could pay or what they could do.
 16 They are the company. They did it, and I took their
 17 word for it.
 18 MR. RUBIN: All right. I have no further
 19 questions.
 20 MS. COLLIER: I do, actually. Just a couple.
 21 MR. RUBIN: All right.
 22 EXAMINATION
 23 BY MS. COLLIER:
 24 Q. Ms. Francis, I want to show you the amended complaint
 25 in this case dated April 29, 1996 and direct your

Page 160

1 attention to Paragraph 14 of said complaint. Would you
 2 take a moment to read that through to its completion?
 3 A. Yes.
 4 Q. I'd like to direct your attention particularly to the
 5 last clause in that paragraph stating that, to wit:
 6 quote, if the said plaintiffs -- and we're talking
 7 here, do you understand, about your family, the Francis
 8 family --
 9 A. Right.
 10 Q. -- plaintiffs, sold their stock at said price per share
 11 in 1980, the defendants promise to pay to the
 12 plaintiffs the difference between the price per share
 13 paid to them in 1980 and the price per share received
 14 upon the sale of the company in the future, period, end
 15 quote.
 16 Did anyone make that promise to you?
 17 A. Yes.
 18 Q. Who?
 19 A. Charles.
 20 Q. And particularly the last part of that where it states
 21 upon the sale of the company in the future, is that the
 22 way you remember that promise being made to you?
 23 MR. RUBIN: Objection just to form.
 24 A. Yes.
 25 Q. Was anything said to you by Charles when he made this

Page 161

1 promise to you that would -- to the effect that that
 2 promise was limited to a sale of the company in the
 3 near future?
 4 MR. RUBIN: Objection as to form. It's leading.
 5 A. No. In the future. He -- if they ever sold the
 6 company and it was -- my shares of stock was worth more
 7 than what he had paid me, they would make up the
 8 difference.
 9 Q. Was there any time limit put on that promise?
 10 MR. RUBIN: Objection.
 11 A. No, not to my knowledge. He just said he would do
 12 that. I believed that.
 13 Q. Did that promise influence your decision to sell your
 14 stock?
 15 A. Definitely, yes.
 16 Q. Did you rely on that promise?
 17 A. I sure did, and so did my husband.
 18 MS. COLLIER: Okay. That's all I have.
 19 MR. RUBIN: I'm going to object to that last
 20 question and move to strike the answer. It was
 21 leading, and also part of it was nonresponsive to the
 22 extent that it referred to her husband.
 23 EXAMINATION
 24 BY MR. RUBIN:
 25 Q. With regard to the line of questions that you were just

Page 162

1 asked, Mrs. Francis, was it your understanding that if
 2 the company was sold for a greater price in the future,
 3 that the company would pay you the difference between
 4 what you had been paid and what was paid for the
 5 company in the future?
 6 A. My brother said if they sold the company in the future
 7 for more money per share than what they had paid me and
 8 my family, that he -- they would make up the
 9 difference. Who they are, I don't know. Whether they
 10 are the company -- whether it's Stinson Canning Company
 11 or whether it's my brothers, somebody -- I assumed the
 12 business would make that up, somebody.
 13 Q. If we're talking about what is fair, some -- when the
 14 company was sold, two of your other sisters got their
 15 share -- are they sisters? Yes, sisters --
 16 A. My sisters.
 17 Q. -- got shares of the sale price, right?
 18 A. Right.
 19 Q. And wouldn't it -- if, in fact, you are entitled to
 20 have the difference made up, wouldn't you think it
 21 would be fair that each of the people that received
 22 money from the sale of the company would make up the
 23 difference pro rata?
 24 A. That's not for me to say.
 25 Q. I'm asking you what you think is fair. You've been

Page 37

1 Q. Okay. What is the next thing that happened that you
2 have a memory of concerning the possible sale of your
3 stock or anybody else's stock in Stinson Canning
4 Company after that telephone call?
5 A. After our daughter died --
6 Q. And when was that?
7 A. It was September 28, 1979.
8 Q. Okay.
9 A. -- we had to turn her stock in. And at that time Carl
10 engaged Duane Fitzgerald to do some investigating of
11 the whole Stinson stock situation. And apparently
12 there was -- I don't recall that his interest in doing
13 that was for us to sell our stock, but there was that
14 discussion in the correspondence.
15 Q. Okay. What -- well, now you're -- you apparently have
16 looked at some correspondence --
17 A. Right.
18 Q. -- that deals with that?
19 Do you have a memory -- I want to try to, if we
20 can here today, separate your testimony to at least two
21 categories. One is your own memory without resorting
22 to the documents, independent of the documents; and
23 then what you've learned from reading the documents.
24 Do you have any independent memory of your own
25 that your husband retained Buzzy Fitzgerald to

Page 38

1 investigate the stock -- the Stinson Canning Company
2 stock situation?
3 A. Yes, I do.
4 Q. Okay. And do you remember your talking about that with
5 your husband? In other words, why he wanted to do it
6 and that sort of thing?
7 A. Not specifically.
8 Q. Do you -- can you tell me anything about any
9 conversations that you and your husband had concerning
10 his retention of Buzzy Fitzgerald to investigate the
11 Stinson stock situation? Do you have any memory?
12 A. Of conversations?
13 Q. With -- with your husband about his doing that?
14 A. Not specific.
15 Q. Okay. Well, do you have any general memory of general
16 conversations with him in which he expressed what he
17 was doing and why he was going to do it or where you
18 asked him why -- why are you doing this Carl? Why do
19 you want to do this?
20 A. I think he just was suspicious that things weren't
21 right.
22 Q. Okay. And you were still suspicious yourself in 1979
23 that things weren't right?
24 A. Yes.
25 Q. Okay. Did anything -- what did Buzzy Fitzgerald do to

Page 39

1 your knowledge to investigate the Stinson stock
2 situation?
3 A. He communicated with I think the accountant and the
4 lawyer. The company's accountant and lawyer.
5 Q. That would be Mr. Van Meer and Mr. Kruger?
6 A. Yes.
7 Q. And did he get any -- ask for any information about the
8 company?
9 A. Yes.
10 Q. Financial information?
11 A. Yes.
12 Q. Did he receive financial information about the company?
13 A. Yes.
14 Q. Okay. Any other kinds of information that he asked for
15 to your knowledge other than financial information?
16 A. He asked for benefits, salaries, bonuses, benefits that
17 the active members were receiving.
18 Q. Did he get that information?
19 A. Yes, he did.
20 Q. Okay. Anything else you remember him asking for,
21 categories of information?
22 A. Not in -- direct memory, no.
23 Q. Okay. From reading documents have you learned that he
24 asked for other kinds of information other than
25 financial information and benefits and salary type

Page 40

1 information?
2 A. I think that was essentially it.
3 Q. Okay. To your knowledge as you sit here today, was any
4 of the information that he got from either Mr. Van Meer
5 or Mr. Kruger false?
6 A. I don't know that it was.
7 Q. As a result of his acquiring that information, did he
8 sit down with you and your husband to discuss it?
9 A. I don't remember that -- I don't remember it.
10 Q. Okay.
11 A. But he probably did.
12 Q. Okay. But you have no memory yourself?
13 A. I don't.
14 Q. Do you have a memory of your husband telling you that
15 he sat down with Buzzy Fitzgerald to review what Buzzy
16 had found as a result of getting this information from
17 the company?
18 A. No, I don't.
19 Q. Okay. Have you read anything?
20 A. I know it happened, but I don't remember it.
21 Q. Okay. Have you read anything that tells you that it
22 happened and what was said among the three of you at --
23 at such a meeting?
24 A. Well, sitting down is what I don't recall. There is
25 correspondence.

Page 41

1 Q. Okay. My question though was whether you've read any
2 correspondence that tells you what you did when you sat
3 down together? In other words, is -- you have no
4 memory of sitting down and discussing it. My question
5 is whether or not you've seen any documentation, like,
6 for example, a memo that says I -- we sat down today
7 and we talked about what I found and this is what I
8 told them --
9 A. No.
10 Q. -- or something like that.
11 Okay. What you do remember is you got apparently
12 letters or correspondence from Buzzy telling you
13 certain things that he had learned or certain views
14 that he held concerning this subject?
15 A. Yes.
16 Q. Okay. And we'll get to those -- we have some of
17 those -- in a minute.
18 Did whatever he tell you raise your level of
19 suspicion more than it was before?
20 A. Yes.
21 Q. Okay. And also your husband's?
22 A. Yes.
23 Q. And you would have received this correspondence from
24 Mr. Fitzgerald sometime in either 1979 or early 1980?
25 A. Yes.

Page 42

1 Q. As a result of his investigation and his correspondence
2 with you, what was the next thing that happened
3 relative to either your sale of stock or anybody else's
4 sale of stock in Stinson Canning Company that you can
5 recall of your own memory?
6 A. Well, the investigation did not prompt us to sell.
7 Q. Okay. In fact, you concluded at that time that your
8 stock was -- strike that.
9 You felt before this that your stock was worth
10 more than was -- you were being offered, correct, or
11 that you had been offered back in 1978?
12 A. I don't recall an amount.
13 Q. Okay. Well, what was your state of mind and -- after
14 Buzzy had done this investigation and had communicated
15 with you in writing, what was your state of mind with
16 regard to whether you wanted to sell your stock?
17 A. Well, we didn't.
18 Q. Okay. You didn't -- and you didn't want to sell it at
19 that time?
20 A. Apparently not.
21 Q. Okay. Do you remember that you didn't want to sell it
22 because you just wanted to keep your stock or because
23 what you perceived you were being offered was unfair?
24 A. I don't recall that the reason was -- the
25 investigation -- I don't recall that the investigation

Page 43

1 was for the purpose of selling our stock.
 2 Okay. What was the purpose -- well, you -- strike
 3 that. You've already told me.
 4 Between 19 -- February of 1978 when Mr. Van Meer
 5 and Mr. Kruger met with you and let's say early 1980
 6 when Mr. Fitzgerald was doing his investigation and
 7 reporting to you, had you had any conversations
 8 yourself with either Trug or Charlie concerning Stinson
 9 Canning Company and its value or sale of stock by any
 10 of the siblings?
 11 Between February 17, '78 and 1980?
 12 And the end of '79 early '80 when Mr. Fitzgerald was
 13 doing this investigation and reporting to you, did you
 14 talk with either Trug or Charlie concerning what they
 15 felt the company was worth and what they were willing
 16 to have the company pay to buy back your stock or
 17 anybody else's stock in the company?
 18 A. I don't think so.
 19 Okay. As a result of Mr. Fitzgerald's investigation,
 20 was -- were there any discussions with Mr. -- with
 21 either Charlie or Trug about what was happening in
 22 Stinson Canning Company?
 23 A. Not by me.
 24 Okay. But do you know whether or not Mr. Fitzgerald or
 25 your husband engaged Charlie or Trug in any

Page 44

1 conversations about what Mr. Fitzgerald had found?
 2 I don't know.
 3 Okay. What is the next thing you do remember happening
 4 after the end of '79 relative to either your sale of
 5 the -- of your stock or anybody's sale of their stock
 6 in Stinson Canning Company?
 7 Somewhere along the way I learned that Lou Ann sold
 8 hers.
 9 Q. Okay.
 10 But I don't recall where or how.
 11 Q. Okay. Would it have been in the early '80s though?
 12 Yes.
 13 Okay.
 14 I think so.
 15 And do you have any -- without guessing, any idea from
 16 whom you learned that?
 17 Well, there was that meeting.
 18 Q. Which meeting now are you talking about?
 19 A. When we all met prior to her -- at Carl's office prior
 20 to her selling it, but I don't recall where I first
 21 learned that she actually had done it.
 22 Q. Okay. Now, at that meeting -- that was the one you
 23 told me about at the beginning of the deposition?
 24 Yes.
 25 You have no memory of what was discussed at that

Page 45

1 meeting, right?
 2 Right.
 3 So you don't know whether or not at that meeting -- she
 4 might have, but you don't have a memory as to whether
 5 she told you she either had or was going to sell her
 6 stock? Is that what you're telling me?
 7 That's right.
 8 It might have happened there, but you -- you don't
 9 remember?
 10 A. Well, I don't think she sold her stock at that meeting.
 11 Q. No, but at that meeting she might have told you that
 12 she either intended to sell her stock or that she
 13 already had sold her stock, but you have no memory of
 14 what she said?
 15 A. Well, I don't think she already had.
 16 Q. Okay. So that meeting would have taken place before --
 17 (Discussion off the record.)
 18 Q. If she sold her stock in February of 1980, then this
 19 meeting in Carl's office would have been before then to
 20 your memory?
 21 Yes, I think.
 22 Okay. So --
 23 A. Yes.
 24 Q. So she might have told you that she intended to sell
 25 her stock, but you don't have a memory of that as you

Page 46

1 sit here?
 2 A. I don't have a memory of that.
 3 Q. Okay. Any other possible sources that you can think of
 4 that are likely sources for your having learned that
 5 Lou Ann sold -- either was going to or had sold her
 6 stock in Stinson Canning Company other than that
 7 meeting?
 8 A. Carl used to talk with Trug quite often. It might have
 9 been through that.
 10 Q. Okay. Once -- whatever the source was, once you
 11 learned it sometime in the early 1980s, did you have --
 12 then within some time frame after that talk with Lou
 13 Ann about it?
 14 A. I have no memory of talking with her about this.
 15 Q. Okay. So you don't remember wanting to know,
 16 for example, how much she was paid so that you could
 17 figure out whether or not you might have any interest
 18 in selling also or anything like that?
 19 A. I don't think I had any interest in selling up to a
 20 point.
 21 Q. Okay. And we'll get -- I guess we're going to get to
 22 that point at some point here. Then let's move on.
 23 What -- what is the next thing after you -- at
 24 some point learning that Lou Ann had sold her stock,
 25 what is the next thing that you can recall happening

Page 47

1 with regard to either your sale of your stock in
 2 Stinson Canning Company or the sale by anybody else of
 3 their stock in Stinson Canning Company?
 4 A. In, I'm not even sure when, but probably 1980 --
 5 probably somewhere in early 1981, I started thinking
 6 about the possible -- the feasibility of my selling
 7 mine.
 8 Q. Okay. And what was it that prompted you to start
 9 thinking about the feasibility of selling your stock?
 10 A. I had left home in October of 1980 and had -- was
 11 working in the travel office for Carl and was quite
 12 miserable and didn't want to stay. I was -- didn't
 13 feel that I was in great shape to go back to teaching
 14 school. And since there was no income from the stock
 15 or relatively none and knowing that Lou Ann had sold
 16 hers and it was possible to do so, I started
 17 considering that that might be a good option for me.
 18 Q. Okay. At -- at that time -- had you ever been told
 19 prior to that time if any family member wanted to sell
 20 out, it would be necessary for the entire family to
 21 sell their interest?
 22 A. Yes, yes.
 23 Q. And how -- how had you learned that?
 24 A. I think it was in the documents originally.
 25 Q. Okay. So did you then have any conversations with your

Page 48

1 husband Carl or your children about thinking about
 2 selling the family's interest in Stinson Canning
 3 Company?
 4 A. Yes.
 5 Q. Okay. And tell me about those conversations. And I'm
 6 not going to ask you to tell me when they occurred and
 7 who was present, but just general --
 8 A. Good.
 9 Q. I assume you can't break out conversations you had into
 10 discrete conversations at this point in time. Is that
 11 true or not? Do you want me to try that again?
 12 A. Yes.
 13 Q. Can you remember distinct conversations with your
 14 husband or children concerning the possible sale of the
 15 stock back in 1981?
 16 A. No.
 17 Q. So the best you could do for me is to sort of generally
 18 sort of lump together all these conversations and tell
 19 me generally what your family talked about; is that
 20 true?
 21 A. I called each one of them --
 22 Q. Okay.
 23 A. -- separately --
 24 Q. All right.
 25 A. -- individually --

1 Q Okay. Do you remember anything else that happened --
 2 and I take it -- strike that for a minute.
 3 I take it we're now -- again, you had several
 4 meetings with them --
 5 Yes.
 6 -- over the course of that year?
 7 A Yes.
 8 Q And did you have several telephone conversations too?
 9 A I don't recall telephone conversations.
 10 Q Okay.
 11 A There may have been.
 12 Q Okay. And what you've been telling me in the last
 13 series of questions is what you remember happening in
 14 all of those meetings as opposed to the first one? In
 15 other words --
 16 A Yes.
 17 Q -- you can't distinguish between the first meeting and
 18 the second meeting and the third meeting at this time,
 19 correct?
 20 A I cannot.
 21 Q Okay. So I just want to make sure I understand. When
 22 you're giving me answers to my questions, they are
 23 things that happened at one of these meetings, but you
 24 can't be sure which?
 25 A That's right.

1 Q Okay. Can you recall anything else that was said at
 2 any of these meetings that led you to believe that Trug
 3 was supporting your position and Charles was resisting
 4 you other than the one example you just gave me?
 5 A No, not specifically. What I recall is that -- that
 6 Charles was reluctant to be at all generous and that
 7 Trug was not reluctant.
 8 Q Okay. And my only point is, you obviously were left
 9 with that impression and the only -- today, anyway, in
 10 1996, the only thing you can remember that led you to
 11 that impression was the one example that you gave me
 12 about the discussion about salaries and owner -- versus
 13 ownership of stock?
 14 A Well, amounts. You know, figures that -- that were
 15 being offered.
 16 Q All right. Well, tell me about that. Who -- were some
 17 different figures being offered to you beyond what was
 18 offered to Lou Ann at some point in time?
 19 A Well, I didn't know what was going on, but my
 20 recollection from then -- I really don't recall what
 21 the conversations were. I just recall that it was
 22 quite a struggle to reach the amount of money that I
 23 was asking for.
 24 Q Okay. Were these -- did these discussions take place
 25 continuously -- and I don't mean every day but without

1 a large gap in time -- between 1981 and the time you
 2 sold in 1983, or did there come a time in that
 3 approximately two-year time frame that the discussions
 4 stopped for months --
 5 A Yes.
 6 Q -- and then picked up again?
 7 A Yes.
 8 Q All right. Then let's try to break things down. How
 9 long did the discussions go on in 1991 before they just
 10 sort of stopped because you weren't getting anywhere?
 11 MR. SILSBY: '91 or '81?
 12 A '91?
 13 Q I'm sorry, '81. Did they go into '82 continuously, or
 14 did there come a time in 1981 when these conversations
 15 stopped because you felt you weren't getting anywhere
 16 or they felt they weren't getting anywhere with you?
 17 A As I recall, I just, every few months, went to Prospect
 18 Harbor and discussed again.
 19 Q Okay. But did that happen every few months
 20 continuously between 1981 and 1983?
 21 A No. There was no set time. It was --
 22 What I'm --
 23 A -- it was spread out. It was spread out.
 24 Q I understand that. But what I was trying to find out,
 25 was there any period of time where you didn't go up

1 there for, say, six months?
 2 A I don't know.
 3 Q Okay. Your memory is it was pretty continuous every
 4 several months throughout the two-year period before
 5 you finally sold; is that a fair --
 6 A I think I might have gone to Prospect Harbor three
 7 or -- three times or four times, something like that.
 8 I'm not really even sure.
 9 Q Well, let's try it this way. Other than -- you made a
 10 phone call in 1981 to Trug and as a result of that you
 11 went up -- made a visit to Prospect Harbor in 1981?
 12 A Yes.
 13 Q Do you remember being in Prospect Harbor to discuss the
 14 sale of your stock more than once in 1981?
 15 A Yes.
 16 Q And can you approximate for me how many times you were
 17 there in 1981?
 18 A I would approximate three, but I really don't know.
 19 Q Okay. And then again in 1982 how many times would you
 20 approximate you were in Prospect Harbor to discuss the
 21 sale of your stock?
 22 A I don't know. Two or three times. I don't know.
 23 MR. RUBIN: Can I just take a short break?
 24 (A short recess was taken.)
 25 Q Were there several meetings in '82 in Prospect Harbor?

1 A I don't know what year or how many.
 2 Q All right.
 3 A I just know there were a total of several meetings.
 4 Q Okay.
 5 A That's all I know.
 6 Q Then let's leave it at that.
 7 Were you alone at all of these meetings in terms
 8 of your side of the table so to speak?
 9 A Yes, I was.
 10 Q Okay. And when you were talking about \$2,000,000, you
 11 were talking about the -- selling the family's interest
 12 for \$2,000,000?
 13 A Yes.
 14 Q Okay. Were you consulting with Mr. Fitzgerald or
 15 anybody in his office at any time during 1981 and '82
 16 when you were having these discussions?
 17 A Let me think. Somewhere along the way Carl spoke to
 18 Mr. Fitzgerald about this and Buzz went to Portland --
 19 came to Portland to talk with Tom Van Meer -- this is
 20 what I recall -- and he came back and said they are
 21 holding all the cards. You are at their mercy. You
 22 will have to do whatever they say.
 23 Q This is what Buzzy Fitzgerald told you?
 24 A Yes.
 25 Q Okay.

1 A And he said if I were in your place, if I could get a
 2 million dollars for it, I would take it and run.
 3 Q Okay. Do you remember anything else that Buzzy -- did
 4 he tell you this directly, or was this -- you learned
 5 this through Carl?
 6 A He told me, I think.
 7 Q Okay. Was Carl present when he told you that?
 8 A Probably.
 9 Q What was your response to that? Or did you have a
 10 response to Buzzy when he told you that?
 11 A I doubt it.
 12 Q Okay. You don't remember?
 13 A I don't.
 14 Q Do you remember any other meetings or conversations
 15 with Mr. Fitzgerald between '81 and '83 concerning the
 16 subject matter of the sale of your stock?
 17 A No, I don't.
 18 Q Do you remember any other services that Mr. Fitzgerald
 19 performed for you or your family in connection with the
 20 possible sale of your stock between '81 and '83 other
 21 than that meeting with Mr. Van Meer?
 22 A No, not -- not once that investigation that Carl
 23 initiated concluded. I think that was the only thing
 24 that I recall.
 25 Q Okay. That was earlier though than -- than -- that had

1 been --
 2 A. That was earlier --
 3 Q. Right.
 4 A. -- before I had decided.
 5 Q. Right. I'm talking about between '81 and '80 -- after
 6 you decided you wanted to sell your stock in early '81,
 7 between then and the time you actually sold in '83 --
 8 '83, did Mr. Fitzgerald perform any services with you
 9 other than the meeting --
 10 A. No.
 11 Q. Let me finish -- other than the meeting with Mr. Van
 12 Meer that you just told me about?
 13 A. No.
 14 Q. Did he review, for example, any of the closing
 15 documentation before you actually signed off on your
 16 stock to the company? Do you remember that?
 17 A. I don't -- I'm not sure.
 18 Q. Okay. Do you remember when you finally reached an
 19 agreement with Trug and Charlie about how much you
 20 would sell your stock for that you conferred with Mr.
 21 Fitzgerald to review the then present status of the
 22 matter and see if he had any comments for you?
 23 A. I don't think I did.
 24 Q. Did you sit down with your accountants at any time
 25 between 1981 when you first decided you wanted to sell

1 and 1983 when you actually sold your stock? In that
 2 time frame did you sit down with your accountants at
 3 any time to discuss the subject matter of the sale of
 4 your stock?
 5 A. Yes.
 6 Q. Okay. And did you initiate those conversations with
 7 your accountant?
 8 A. Yes.
 9 Q. What was the purpose of your sitting down with your
 10 accountants?
 11 A. I had been given options of the principal and interest
 12 and several figures, so I wanted him to go through that
 13 and see what his advice would be relative to it.
 14 Q. Okay. Which was the best option from your
 15 perspective --
 16 A. Yes.
 17 Q. -- tax wise and every other way?
 18 A. Yes.
 19 Q. Okay. And all of these options were in excess of a
 20 million dollars, correct, at that -- that time?
 21 A. Yes.
 22 Q. By the way, the meeting with Mr. Van Meer that you
 23 asked Mr. Fitzgerald to -- well, not that you asked
 24 him to go to a meeting, but when you called him between
 25 19 -- sometime between 1981 and '83 and -- to discuss

1 the fact that you were thinking about selling your
 2 stock and would -- that resulted, I guess, in a meeting
 3 with Mr. Van Meer, do you know when that meeting took
 4 place?
 5 A. Not specifically.
 6 Q. Do you remember whether it was early '81, mid '81, late
 7 '81, 1982? Can you give me sort of a season of the
 8 year and what year it would have taken place? Do you
 9 have any memory?
 10 A. I would guess it would have been early on in the
 11 process --
 12 Q. All right.
 13 A. -- which would have been sometime in '81.
 14 Q. Did you contact Mr. Fitzgerald before you first went to
 15 see Trug and Charlie up in Prospect Harbor? Can you
 16 pin --
 17 A. No, I don't think so.
 18 Q. Was it as a result of that first meeting where you had
 19 a sense, for example, that Charlie was resisting and
 20 Trug was supporting you that you went to see Mr.
 21 Fitzgerald? Was it shortly after the first meeting in
 22 Prospect Harbor?
 23 A. I think it was Carl who called Mr. Fitzgerald.
 24 Q. I think you told me that before.
 25 Okay. Was that shortly after your first meeting

1 up in Prospect Harbor or do you remember?
 2 A. I don't know when.
 3 Q. Okay. Did Carl tell you why he thought it would be
 4 appropriate to get in touch -- back in touch with Buzzy
 5 Fitzgerald? Did you have a --
 6 A. I think he thought I needed a lawyer.
 7 Q. Okay. Did you think you needed a lawyer?
 8 A. I thought it would be helpful.
 9 Q. Okay. So you were in favor of him getting in touch
 10 with Buzzy?
 11 A. Yes.
 12 Q. Okay. You were still suspicious -- you and your
 13 husband were still suspicious of Charlie and Trug's
 14 motivations like you were back in the late '70s?
 15 A. I have to say in all honesty I don't think I was ever
 16 suspicious of Trug's motivations.
 17 Q. Okay. You were still suspicious of Charlie's
 18 motivations?
 19 A. Yes. He gave me reason to be.
 20 Q. Because you thought he was trying to buy your -- your
 21 stock in the company for less than it was worth?
 22 A. Yes.
 23 Q. Okay. And that's one of the reasons you thought you
 24 ought to have some legal advice?
 25 A. I suppose, yes.

1 Q. And also you thought you -- since he was trying -- you
 2 thought he was trying to get the stock for less than it
 3 was worth you ought to have some accounting advice to
 4 advise you what maybe the stock was either worth or how
 5 you should get paid out once you reached an agreeable
 6 number?
 7 A. Well, I don't think it had too much to do with what it
 8 was worth.
 9 Q. Okay.
 10 A. It was beyond that stage.
 11 Q. It was after you had reached a -- after you had been
 12 offered a number of options that you first contacted
 13 your accountants?
 14 A. Actually, I think there are some papers that indicate
 15 some options at \$1,000,000. There is something in some
 16 of that stack of papers that --
 17 Q. Okay. When was it that you first contacted the
 18 accountants --
 19 A. I don't know.
 20 Q. -- in this process?
 21 A. I don't know.
 22 Q. Was it at a time when you had -- the first time you
 23 talked with your accountants at a time after you had
 24 been offered a number of different options and wanted
 25 an analysis of which was best for you, or had you

1 contacted your accountants before you had ever been
 2 offered a whole bunch of options?
 3 A. I don't think I was offered any whole bunch of options.
 4 I think the \$1,000,000 was something that came from the
 5 company, my brothers, but I said I wanted 2. And I
 6 believe that it was after we got operating on 2 that I
 7 saw the accountant because they sent me this much at 10
 8 percent and at 15 percent and at 17 percent -- 13
 9 percent and at 17 percent, and I wanted to know what
 10 was the best situation for my family.
 11 Q. Okay. So your memory then is that until the company,
 12 Charlie and Trug, actually were willing to offer you
 13 \$2,000,000 in different scenarios that you had not
 14 talked with your accountants prior to that time
 15 concerning the sale of your stock? Is that your best
 16 memory?
 17 A. I may have mentioned it when I saw him at income tax
 18 time. It -- that's a possibility.
 19 Q. Again, in terms of your memory, you don't have any
 20 memory of that?
 21 A. I don't.
 22 Q. So as you sit here today, your best memory is that you
 23 first contacted your accountants after Charlie and Trug
 24 were agreeable to paying you \$2,000,000 and they
 25 offered you four or five different options as to how to

Page 67

1 pay that out? That was --
 2 They offered three, I think.
 3 All right.
 4 A. And I didn't get 2.
 5 All right. But without getting to the specifics, your
 6 memory as you sit here today is that you first
 7 contacted your accountant after they offered you some
 8 options -- you said three options -- and -- in the --
 9 let's say the range of \$2,000,000 give or take?
 10 A. I believe that's right.
 11 Okay. Who was the accountant -- person at the Boucher
 12 accounting firm that you actually worked with?
 13 A. Maurice Boucher.
 14 Q. Okay. Is he still practicing accounting at that firm
 15 to your knowledge?
 16 Yes.
 17 Okay. What happened after you had the accountant
 18 analyze those three options that you were offered? You
 19 made some response to Charlie and Trug?
 20 Yes. I think I wrote.
 21 Okay. You did. And we'll get to that letter.
 22 As a result of your sending that letter, a
 23 counterproposal was made back to you?
 24 Yes.
 25 In that letter, as I recall it anyway -- and you

Page 68

1 correct me if your memory is different -- you basically
 2 said looking at all these options and my accountant's
 3 analysis of them, I think it would be -- a fair
 4 compromise would be \$2,000,000 at 13 percent?
 5 A. Yes.
 6 Q. And ultimately they made a counterproposal to that of a
 7 million nine at 13 percent?
 8 Right.
 9 Q. Okay. And that -- and you agreed to that?
 10 A. Reluctantly.
 11 And why were you reluctant?
 12 Because I had asked for 2.
 13 I see. Did you review that counterproposal by them of
 14 a million nine at 13 percent with your accountants
 15 before you accepted it?
 16 I think he had already advised me to accept that one.
 17 Q. Okay. And did you review it again with Mr. Fitzgerald
 18 before you accepted it?
 19 A. No.
 20 Q. Okay. But he had apparently told you sometime earlier
 21 that if you could get \$1,000,000 or more, you ought to
 22 take it?
 23 A. He said if I could get 1,000,000 -- if he -- if he were
 24 in my place, if he could get 1, he would take it and
 25 run.

Page 69

1 Q. All right.
 2 A. So apparently he didn't seem to think I stood much of a
 3 chance.
 4 Q. Okay. Were you talking with any of your children
 5 during these negotiations about what was going on in
 6 the negotiations?
 7 A. I don't recall.
 8 Q. Okay. I just wondered whether or not they were in
 9 agreement with what you were doing or opposed to what
 10 you were doing, or you don't remember having any
 11 conversations with them as you were talking with
 12 Charlie and Trug and negotiating?
 13 A. They -- I don't remember conversations, but they were
 14 agreeable to what I wanted to do.
 15 Q. Okay. No. I just wondered whether you kept -- were
 16 keeping them informed as you were going along or --
 17 A. I may have. I don't know.
 18 Q. Okay. Was your husband Carl at any of these meetings
 19 up at Prospect Harbor that took place over this
 20 two-year period?
 21 I don't recall that he was.
 22 Whenever you had a meeting in Prospect Harbor, would
 23 you call him up or meet with him afterwards to keep him
 24 up to date as to what was happening at these meetings?
 25 A. Not necessarily.

Page 70

1 Q. Well, from time to time would you keep him informed
 2 about what was going on, or was it only at the end you
 3 said to him, Carl, I've decided to sell the family
 4 stock for a million nine at 13 percent?
 5 A. Oh, I'm sure that we talked about it; and I'm sure he
 6 probably called me when he knew I was going --
 7 Q. Okay.
 8 A. -- when I got back.
 9 Q. And was he in agreement with the million nine at 13
 10 percent which you ultimately agreed to, or did he --
 11 did he say don't do it, or did he say do it, or, you
 12 know, what was his position?
 13 A. He thought that I -- he was in agreement.
 14 Q. Okay. All right. And did you have any conversations
 15 with your sister Lou Ann as any of these conversations
 16 were going on with Charlie and Trug about what you were
 17 doing or trying to do?
 18 A. I don't think so.
 19 Q. Okay. How about with Ida? Did you have any
 20 conversations with her during this two-year time frame
 21 about what you were trying to do?
 22 A. Probably.
 23 Q. What do you remember talking with her about?
 24 A. Nothing.
 25 Q. You don't remember?

Page 71

1 A. I don't remember.
 2 Q. Okay.
 3 A. But I talked with her.
 4 Q. Okay. How about your sister Joyce? Do you remember
 5 talking with her during this time frame concerning the
 6 subject matter of your negotiations with Charlie and
 7 Trug?
 8 A. I doubt that I did.
 9 Q. Okay. Did you talk with your father at all during this
 10 time frame other than that first meeting -- strike
 11 that.
 12 Was your father present at all these meetings
 13 that took place up at Prospect Harbor?
 14 A. I think he was.
 15 Q. Okay. Do you remember him saying anything during any
 16 of these meetings concerning the negotiations that were
 17 going on?
 18 A. I do not.
 19 Q. Okay. Do you remember anything else that either Trug
 20 or -- let's break it down -- that Trug said during any
 21 of these meetings other than the one discussion about
 22 salaries and -- versus the value of stock? Anything
 23 specifically that you remember Trug saying during that
 24 two-year period concerning your sale of your stock?
 25 A. I'm sorry, I don't.

Page 72

1 Q. Don't be sorry. It was, what, 16 years --
 2 A. I just don't.
 3 Q. -- 15, 16 years ago.
 4 If you remember, I want to know about it. If you
 5 don't remember, that's all you have to tell me.
 6 A. I don't.
 7 Q. Do you remember anything else that Charlie said
 8 specifically about -- in any of the meetings that you
 9 had concerning the possible sale of your stock other
 10 than that one thing about salaries and value of the
 11 stock?
 12 A. It -- at the moment I don't.
 13 Q. Did you get any new or additional financial information
 14 about the company between the time that Mr. Fitzgerald
 15 got that information back when he did his investigation
 16 in '79 or '80, whenever it was? Between then and the
 17 time you sold your stock in 1983, were you -- did you
 18 ask for -- let's start there. Did you ask for
 19 additional financial information about the company?
 20 A. I didn't. I don't -- I don't recall that I did.
 21 Q. Were you ever voluntarily provided with any financial
 22 statements or other financial information about the
 23 company between the time that Mr. Fitzgerald got what
 24 he asked for, which you told me about earlier, and the
 25 time you sold the company? Did they just give -- hand

Page 73

1 you some -- one day say here -- you know, Eva, here is
 2 some financial information about the company?
 3 A. I don't think so.
 4 Q. Did you as a regular -- just as a shareholder get an
 5 annual report from the company showing financial
 6 results?
 7 A. Not as a rule.
 8 Q. Okay. All right. So your testimony is then that you
 9 don't recall receiving -- either asking for or
 10 receiving any financial information about the company
 11 between the time that Mr. Fitzgerald asked for and
 12 received the financial information and the time you
 13 sold your stock in 1983; is that right?
 14 A. That's right.
 15 Q. Okay. By the way, I want to go back to 1978 for a
 16 minute before I forget.
 17 You told me about the meeting on February 17th
 18 with Mr. Van Meer and Mr. Kruger?
 19 A. Yes.
 20 Q. Do you remember attending a meeting of the company in
 21 June -- on June 9th I believe it was 1978 at the
 22 company offices with --
 23 A. I do not remember it.
 24 Q. Okay. Do you remember reading anything about it in any
 25 of the papers you've looked at?

Page 74

1 A. Yes.
 2 Q. And have you talked with anybody about that meeting,
 3 any of your brothers or sisters or -- or your husband?
 4 A. No, I don't think so.
 5 Q. Okay. Having read those documents, did it refresh your
 6 memory at all that there was a meeting in the company's
 7 offices at which Mr. Van Meer and Mr. Kruger were
 8 present?
 9 A. No, it didn't.
 10 Q. Okay. So you -- as you sit here today, you still have
 11 no memory of that meeting; is that right?
 12 A. That's right.
 13 Q. And if I said to you that some options were -- do you
 14 remember reading the minutes of that meeting?
 15 A. Just this past week.
 16 Q. Okay. And do you remember seeing in those minutes that
 17 three options were discussed as to what each family
 18 member could do with their stock?
 19 You don't remember seeing that in the minutes?
 20 A. I didn't see anything like that.
 21 Q. Okay.
 22 A. What each family could do with their stock?
 23 Q. Yeah, what -- do you remember -- well, let me start off
 24 this way. Do you remember in the minutes, anyway, that
 25 there was a discussion about what would happen if one

Page 75

1 of you died as far as estate tax consequences might be?
 2 Do you remember that?
 3 A. I didn't see any minutes like that.
 4 Q. You didn't? Okay.
 5 (Discussion off the record.)
 6 Q. All right. I'm mistaken. There were no minutes. Your
 7 memory is better than mine.
 8 A. Well, that's unusual.
 9 (Discussion off the record.)
 10 Q. Let me -- I think you did not see that particular
 11 document that I was referring to, so let me ask the
 12 question this way. If I told you -- and I'm trying to
 13 see now whether it rings any bells or, you know,
 14 jingles anything up there about what happened in 1978.
 15 And that was 18 years ago, so it may or may not. But
 16 if I told you that there was a meeting at the company
 17 offices in Prospect Harbor where all of the family
 18 members, husband and spouses were present as well as
 19 Mr. Dieter Schnauck --
 20 A. Schnauck.
 21 Q. -- Schnauck. I tried. S C H N A U C K, and Dieter is
 22 D I E T E R -- and also present at that meeting was Mr.
 23 Van Meer and Mr. Kruger and at that meeting there was a
 24 discussion on the same subject matter that had been
 25 discussed with you on February 17th, that is what

Page 76

1 would -- could -- what could you do about the possible
 2 estate tax consequences if you were to die or any of
 3 your siblings were to die and there were estate taxes
 4 on the value of your stock, and that you were presented
 5 with three options by Mr. Van Meer and Mr. Kruger: one
 6 was to do nothing. In other words, just, you know, let
 7 things ride and see what happens. The other was to
 8 sell your stock back to the corporation now to get cash
 9 and -- and not worry about having to pay taxes on stock
 10 that you didn't have the cash to pay. Or a third
 11 option was that the company would agree to buy -- if
 12 you were to die or any of your siblings were to die,
 13 that the company would buy back enough stock from you
 14 to pay the taxes on -- on your estate so that you could
 15 keep what -- the rest of the stock and wouldn't have to
 16 sell your house and other assets -- or at least your --
 17 your heirs wouldn't have to sell your house and other
 18 assets to pay the tax, does that kind of a discussion
 19 ring any bells to you of a meeting that took place in
 20 the company offices in June of 1978 or thereabouts?
 21 A. It really doesn't.
 22 Q. Okay. Would you -- would you -- if somebody said such
 23 a meeting took place and those things were discussed,
 24 would you deny that it happened?
 25 A. No.

Page 77

1 Q. Okay. I'm going to read something to you -- which is
 2 out of the document that I thought was the minutes, but
 3 it's a letter -- about you. And I want you to tell me
 4 whether you remember this happening at such a meeting.
 5 It says that Eva Grace Wight was thankful for the gift
 6 of stock, but felt that it represented a tremendous
 7 burden; but she would be satisfied as long as the
 8 estate taxes would be paid by the company. Carl Wight
 9 then asked how the valuation per book value was 7,136
 10 and is offered per share \$1,361. Mr. Kruger then
 11 explained that as the stock is not marketable, the
 12 company is a fixed asset -- is fixed asset intensive
 13 and there is limit to the number of dollars that can be
 14 paid for such relatively valueless stock. Do you --
 15 does that ring any bells to you as to a discussion that
 16 took place at the company offices in June of 1978?
 17 A. I have no recollection of that meeting at all.
 18 Q. Okay. All right. Then let's move on.
 19 Now, let's fast-forward. I think I went
 20 backwards because I forgot to ask you about that
 21 meeting. And now let's go back to 1981 to 1983 which
 22 we were talking about before.
 23 Did you understand when the negotiations were
 24 taking place between 1981 and 1983 which ultimately
 25 resulted in your agreement to sell at a million nine at

Page 78

1 13 percent that it was the company that was going to
 2 buy your stock back and pay you over time for your
 3 stock?
 4 A. Yes.
 5 Q. Okay. And did you understand in the discussions that
 6 you were having with Trug and Charlie that they were
 7 negotiating on behalf of the company to buy your stock
 8 back?
 9 A. I suppose. I -- I don't know that I can distinguish
 10 between them and the company.
 11 Q. Well, you didn't think that they were personally going
 12 to be buying your stock?
 13 A. No.
 14 Q. Okay. You -- you knew that -- was there ever a time
 15 between 1981 and 1983 that you understood that they
 16 personally were talking to you about personally
 17 offering you \$2,000,000 or \$1,000,000 to buy your stock
 18 for them -- to buy it themselves?
 19 A. No, I didn't think they would buy it themselves. I
 20 figured the company would buy it, but they would
 21 benefit from it.
 22 Q. Right. So that at all times you understood that they
 23 were negotiating to try to make a deal with you whereby
 24 the company would buy the stock back and all of the
 25 remaining shareholders, including themselves, would --

1 Q. Okay.
 2 MR. RUBIN: Off the record.
 3 (Discussion off the record.)
 4 Q. Did you as a shareholder receive minutes of board
 5 meetings that took place?
 6 A. Minutes of board meetings? Certainly not as a regular
 7 policy that --
 8 Q. All right.
 9 A. No, I don't think at all.
 10 Q. That was --
 11 A. Maybe rarely.
 12 Q. Well, again, without guessing, do you remember that
 13 even on some occasion you received board minutes --
 14 A. Minutes?
 15 Q. -- or that you never received them to your memory?
 16 A. I can't be specific.
 17 Q. You have no memory of actually -- remember a particular
 18 set of board minutes that you received in the mail?
 19 A. No.
 20 Q. Okay.
 21 MR. RUBIN: Actually, why don't we break.
 22 (A lunch recess was taken from 12:10 to
 23 1:20.)
 24 (Deposition Exhibit Nos. 1 - 13 were marked.)
 25 Q. Mr. Wight, one further question about the negotiations,

1 and then we'll move on to some other documents.
 2 How did you arrive at the \$2,000,000 figure that
 3 you decided to ask for in early 1981 when you first
 4 raised the issue of selling your stock? You're
 5 smiling.
 6 A. Yeah, because I figure you already know the answer and
 7 someone has told you.
 8 Q. Well, I would like to hear it from you.
 9 A. I prayed about it.
 10 Q. No, I hadn't heard that.
 11 A. You hadn't?
 12 Q. Okay.
 13 MR. SILSBY: I'm sorry, I didn't get the answer.
 14 THE DEPONENT: I prayed about it.
 15 MR. CALVIN STINSON: Oh, I hadn't heard it
 16 either.
 17 A. That's how I got it.
 18 Q. Okay. Now I'd like to go through some more documents
 19 that are closer in time to the -- the sale.
 20 MR. RUBIN: Off the record.
 21 (Discussion off the record.)
 22 Q. Let me show you what has been marked as Deposition
 23 Exhibit No. 4 and ask you whether or not you saw that
 24 document at any time before you sold your stock -- at
 25 least that you remember seeing at any time before you

1 sold your stock?
 2 MR. RUBIN: Oh, I'm sorry.
 3 MS. COLLIER: Thanks.
 4 A. I must have.
 5 Q. I'm going to swap -- I'm going to swap. That's the one
 6 with the exhibit sticker on it.
 7 Well, do you have a memory as you sit here today
 8 that you saw it?
 9 A. Do I have a memory? I wish you wouldn't ask me those
 10 questions. Yes, I think I do.
 11 Q. Okay. And, in fact, at the bottom do you see a note
 12 that's addressed to you and your husband dated August
 13 3, 1982?
 14 A. Mm-hm -- yes.
 15 Q. And do you remember the circumstances under which you
 16 received this document?
 17 A. The circumstances?
 18 Q. Yeah. I mean, how did you get it? Who gave it to you
 19 or who mailed it to you or --
 20 A. Well, it looks as though Trug mailed it to me.
 21 Q. Okay. And you say that because he signed the little
 22 note at the bottom?
 23 A. Yes.
 24 Q. And I think you testified before lunch that there had
 25 been some proposals made to you about paying you

1 interest up to 17 percent or something like that?
 2 A. Yes.
 3 Q. Is that -- that --
 4 A. Yes.
 5 Q. Is this the document from which you got that
 6 information about the 17 percent?
 7 A. I don't know.
 8 Q. Okay. What did you -- did you do anything with this
 9 when you got it, like give it to your accountant or
 10 otherwise have it studied?
 11 A. I don't know.
 12 Q. Okay. Do you see the statement at the bottom of the
 13 note, the last statement? And I'll read it into the
 14 record so everybody else can hear it who is here. The
 15 lawyers suggest the same sign off deal as with Lou Ann
 16 where you agree not to come back for more -- for more
 17 if the company is sold within a few years for much more
 18 money.
 19 A. There is more.
 20 Q. Do you -- well, that's -- there is a different subject
 21 matter. Well, I'll read it. I don't know of any deal
 22 going or any reason why this should be important one
 23 way or the other.
 24 Do you remember talking with Trug about that
 25 statement?

1 A. No.
 2 Q. Did you ever talk with Lou Ann about the fact that Trug
 3 says she had signed off on her deal and agreed not to
 4 come back for more money?
 5 A. No.
 6 Q. Have you ever to today talked to her about that?
 7 A. I don't think so.
 8 Q. So you've never had a conversation as of this moment
 9 with Lou Ann Francis about whether or not she agreed
 10 not to come back for more money later on?
 11 A. If I've had a conversation with her about this?
 12 Q. Right, right.
 13 A. Well, I know it's been hashed about. I don't know
 14 that --
 15 Q. I mean, she is making a claim in this case that she has
 16 an understanding with somebody -- and she claims it's
 17 Charlie and Trug -- that they agreed to -- to pay her
 18 more money in the future if the company was sold. And
 19 what I'm trying to find out is if you've ever had a
 20 conversation with Lou Ann Francis about that?
 21 A. I don't think so.
 22 Q. Okay. Have you ever had a conversation since you sold
 23 your stock and up through this very moment as you sit
 24 here with either Trug or Charlie concerning that
 25 subject matter, that is whether they ever had any

1 discussions with Lou Ann Francis about paying her more
 2 money in the future after she sold if the company was
 3 sold for a larger price?
 4 A. Well, I think I -- I think I talked to Trug about it
 5 some.
 6 Q. All right. Well --
 7 A. I think it was mentioned.
 8 Q. Okay. When did you talk with Trug?
 9 A. I don't know. I can't tell you exactly. I mean, since
 10 the litigation started or before it started. Around --
 11 somewhere around this time we talked a few times on the
 12 telephone.
 13 Q. All right. But -- around the time of the litigation,
 14 either -- well, shortly before or shortly after, is
 15 that what you're saying?
 16 A. I think so.
 17 Q. Okay. You've never had a conversation with Charlie
 18 about this subject matter of Lou Ann's claim; is that
 19 right?
 20 A. I don't think I have.
 21 Q. Okay. And until shortly before the litigation you
 22 never had a conversation with Trug about any
 23 conversations that he might or might not have had with
 24 Lou Ann concerning any discussion about paying her more
 25 money if the company was sold for a larger price?

1 stock is more valuable than having nonvoting stock.
 2 Q. And you -- you became aware when it happened in 19 --
 3 when did it happen that your voting stock was taken
 4 away?
 5 A. Apparently it was in 1975.
 6 Q. And you knew that in 1975?
 7 A. No.
 8 Q. When did you first learn that?
 9 A. Oh, I don't think I -- I don't think this stuff came to
 10 light for me until after my father died.
 11 Q. Okay. Anytime between 1975 and 1983 did you ever --
 12 well, strike that.
 13 Before 1975 do you remember casting votes on any
 14 matters as a shareholder?
 15 A. No.
 16 Q. Okay. Do you remember after 1975 ever asking anybody
 17 why you weren't being asked to vote as a shareholder?
 18 A. No.
 19 Q. Do you ever remember asking anybody after 1975 and
 20 before 19 -- before you sold your stock in 1983 whether
 21 you were still a voting shareholder?
 22 A. No.
 23 Q. Do you ever remember anybody telling you between 1975
 24 and 1983 that you were not a voting shareholder?
 25 A. No, nobody told me that at all.

1 Q. Do you remember at any time during the negotiations to
 2 sell your stock starting in 1981 when you first called
 3 Trug until the time you actually sold your stock that
 4 anybody said to you your stock is worth less because
 5 you're not a voting shareholder?
 6 A. No, nobody told me that.
 7 Q. Did anybody prior to 19 -- the time you sold your stock
 8 in 1983, including Buzzy Fitzgerald or Mr. Boucher or
 9 any other consultants that you may have talked with,
 10 ever tell you that your stock was worth less because it
 11 was no longer voting stock?
 12 A. Well, I'm not -- I'm not sure. It's been mentioned,
 13 but I don't know when.
 14 Q. My question, just so you're clear -- I don't want -- to
 15 make sure the question is clear was, before you sold
 16 your stock in '83 when you said you didn't even know
 17 that you had nonvoting stock, whether or not Mr.
 18 Fitzgerald, Mr. Boucher or any other consultant told
 19 you your stock was worth less because it was nonvoting?
 20 A. I may be wrong when I say I didn't know this until
 21 after my father died. I'm not sure when I knew, if I
 22 might have known it before that.
 23 Q. All right. And could you have known it before you sold
 24 your stock in 1983?
 25 A. I'm -- I'm really not sure. I would have to think

1 about it.
 2 Q. Well, take the time and think about it.
 3 A. I don't think I can think about it enough now to recall
 4 it.
 5 Q. Well, we can't, obviously, spend hours here for you to
 6 think about it.
 7 A. No, we can't. That's right.
 8 Q. But I would like you to take some time and give it some
 9 thought and give me your best judgment as you sit here
 10 today anyway as to whether or not you knew before you
 11 sold your stock in 1983 that you knew it was nonvoting
 12 stock that you were selling?
 13 A. I don't think I did because I don't think I had a big
 14 realization of that. I don't think I did know it.
 15 Q. All right. So it would be true then that no consultant
 16 such as Mr. Fitzgerald and Mr. Boucher told you before
 17 1980 -- you sold your stock in '83 that -- no
 18 consultant told you that your stock was worth less
 19 because it was nonvoting because you didn't know it was
 20 nonvoting?
 21 A. I'm really not sure about this. I'm really not sure
 22 about this.
 23 Q. All right. Is there any way that you can ever dredge
 24 out of your memory -- strike that.
 25 Are there any documents that you're aware of that

1 would help you remember whether or not you knew before
 2 1983 that your stock was nonvoting stock?
 3 A. I would have to check.
 4 Q. Are there any as you sit here today that you -- you
 5 know of that might help you remember?
 6 A. No, not necessarily.
 7 Q. Okay. Your best belief as you sit here today is that
 8 you did not know before you sold your stock that it was
 9 nonvoting stock; is that right?
 10 A. I can't say that for sure. I'm really -- I'm thinking
 11 about that. I'm really not positive about it.
 12 Q. All right. Do you have any information as to how it
 13 was that your stock was converted without your
 14 knowledge from voting stock to nonvoting stock?
 15 A. Do I have any information?
 16 Q. Yes, how that happened, how it was done?
 17 A. I -- apparently it was done in what they called a
 18 reorganization.
 19 Q. And do you remember voting in favor of the
 20 reorganization as a shareholder?
 21 A. No, I don't.
 22 (Discussion off the record.)
 23 Q. The next item that you mentioned was that they didn't
 24 reveal all the information that they could have
 25 revealed to you before you sold your stock. What is

1 it you -- what information is it that you think they
 2 should have revealed to you that they did not?
 3 A. What the company was worth.
 4 Q. Okay. Did you ever ask Trug or Charlie or anybody at
 5 the company what they thought it was worth?
 6 A. No, I don't think so.
 7 Q. Did they ever volunteer to you any information about
 8 what they thought the company was worth in -- from 1981
 9 until the time you sold your stock?
 10 A. From 1981 -- I can't say. 1981? I don't think from
 11 1981 it was -- that anything was said.
 12 Q. All right. Prior to 1981 had somebody told you what
 13 they thought the company was worth?
 14 A. There was talk. Yes, when -- there was talk about the
 15 company being in trouble.
 16 Q. All right. Who told you the company was in trouble?
 17 A. Well, who do I talk to? I assume it would have come
 18 from Trug or Charles or both.
 19 Q. Well, do you have a memory of talking with somebody and
 20 somebody telling you that the company was in trouble
 21 prior to 1981? Let's say prior to the time you sold
 22 your stock in 1983.
 23 A. I don't have a -- I don't think I have a clear -- I
 24 can't pin down a time, a place, something of that
 25 nature.

1 Q. But you have a memory that somebody told you that?
 2 A. Yes.
 3 Q. Okay. Now, as you sit here today, can you testify
 4 under oath that more probably than not that it was a
 5 particular person who told you that the company was in
 6 trouble whenever it occurred?
 7 A. Can I testify --
 8 Q. Can you -- can you testify under oath that it was more
 9 probably than not a particular person? In other words,
 10 can you identify the person?
 11 A. No, I can't. No, I can't.
 12 Q. Now, could it have been Dick Trenholm, for example? Is
 13 that possible?
 14 A. It's not probable.
 15 Q. Okay. Tell me the people who it is probable would have
 16 told you that? Which group of people?
 17 A. Trug -- probable would be Trug, would be Charles, would
 18 be Carl, would be Dana. I mean, those would be the
 19 possibilities I would think of.
 20 Q. Okay. All right. And of those four individuals you're
 21 fairly confident it would have been one or more of
 22 those four, correct?
 23 A. Yes.
 24 Q. But you can't tell me which one or more of them it was
 25 who gave you this information?

1 A. No.
 2 Q. You're agreeing with me? When you say no, sometimes
 3 the way I ask the question the answer is --
 4 A. That I can't tell you. I can't tell.
 5 Q. Okay. In other words, it could have been your husband
 6 that told you that?
 7 A. It could have been, but he wouldn't have any way of
 8 knowing unless he talked with one of them.
 9 Q. All right. It could have been Dana who told you that?
 10 A. It's possible.
 11 Q. Well, he's in the -- he's in the probable group, wasn't
 12 he? Wasn't he one of the four?
 13 A. Mm-hm, yes.
 14 Q. So it could have been him?
 15 A. It could have been.
 16 Q. Okay. In fact, do you, as you sit here today, have any
 17 information that the company was in trouble -- was, in
 18 fact, in trouble as opposed to what you were told by
 19 some person back at that time in the late 1970s, early
 20 1980s?
 21 A. Do I have information --
 22 Yes, as you --
 23 A. -- that it was?
 24 Q. As you sit here in 1996 that the company was, in
 25 fact --

1 A. No.
 2 Q. -- in trouble in the late 1970s and early 1980s?
 3 A. I don't have.
 4 Q. Has anybody told you -- and when I say you have
 5 information, not necessarily that you personally
 6 gathered yourself, but also from anything anybody has
 7 told you. Do you have any information that the company
 8 was, in fact, in trouble in the late --
 9 No, I don't.
 10 Q. Okay. Okay. Has anybody told you what the company
 11 was, in fact, worth in the late 1970s and early 1980s?
 12 No one has told me.
 13 Q. Okay. Well, do you have an opinion as to what the
 14 company was worth in the late 1970s? Well, let's -- at
 15 the time you sold your stock in 19 -- in early 1983, do
 16 you have an opinion as to what your -- what the company
 17 was worth at that time?
 18 A. I know that they had an offer from Zapata for
 19 \$12,000,000.
 20 Q. Okay.
 21 A. I have a couple of financial statements, but I don't
 22 know when I got them. But I also feel that financial
 23 statements can say about what people want them to say.
 24 Q. I understand that. I'm asking you whether you --
 25 whether -- I take it nobody, to your knowledge, has

1 done a valuation of what Stinson Canning Company was
 2 worth in 1983?
 3 A. To my knowledge, no.
 4 Q. Okay. Did you have any information as of 1983 as to
 5 any other offers or potential offers, inquiries
 6 expressing interest in buying the company other than
 7 the Zapata offer?
 8 A. As well as I can remember, that's the only offer I
 9 heard anything about.
 10 Q. Okay.
 11 A. Could I make a --
 12 Q. Sure.
 13 A. I don't know if this is a correction or not, but the
 14 information in Buzz Fitzgerald's material is not
 15 necessarily -- I don't know if it gave a value of the
 16 company, but it certainly gave a value of the condition
 17 of the company.
 18 Q. And -- and what did he tell you the condition of the
 19 company was?
 20 A. Excellent.
 21 Q. Okay. So prior to the time that you sold your stock,
 22 you knew at least from what Buzz Fitzgerald was
 23 telling you that the financial condition of the company
 24 was excellent?
 25 A. Well, as I said before, I didn't recall those letters

1 that he -- that material that he sent.
 2 Q. Yes. But you've also told me that you likely did
 3 receive that letter, that report letter that he wrote
 4 you which is --
 5 A. Well, I'm sure my husband received it.
 6 Q. I --
 7 A. It's addressed to both of us.
 8 Q. It's addressed to both of you?
 9 A. Yes.
 10 Q. And I thought you told me it is likely you saw
 11 that?
 12 A. It is likely that I saw it.
 13 Q. So that when you saw it, you knew from what analysis
 14 Buzzy Fitzgerald had done that the company was in
 15 excellent financial condition?
 16 A. I read that at the time.
 17 Q. And that's the impression you got from reading the
 18 letter, was that the company was in excellent financial
 19 position?
 20 A. I honestly do not remember any impression about that at
 21 all. It's there. It's there.
 22 Q. Okay.
 23 A. But I have no recollection of forming an opinion about
 24 it in any way.
 25 Q. All right. When you reread it more recently in the

1 last however many months or years, the impression you
 2 got from it from reading it more recently was that Mr.
 3 Fitzgerald was informing the recipients at that time
 4 that the company was in excellent financial condition?
 5 A. That's right.
 6 Q. The next thing you said, which I think we've already
 7 discussed as to what wasn't fair and just in what
 8 happened, is not letting us know exactly the value of
 9 the company. And I think we've already talked about
 10 that. So unless you want to add anything to that, I
 11 will go on to the next one.
 12 A. No, go on.
 13 Q. The last one you said was not taking into account what
 14 your father wanted. What did you mean by that?
 15 A. It seemed that my father wanted us to share it pretty
 16 much equally.
 17 Q. And what do you base that on?
 18 A. His wills, what he's said.
 19 Q. Anything else that you base that statement on?
 20 A. Things that my mother said too.
 21 Q. Okay. Anything else?
 22 A. I can't think of anything else right now.
 23 Q. All right. When was the first time you saw your
 24 father's will?
 25 A. Oh, I saw his -- my father's will after he died.

1 Q. That would have been the first time you would have seen
 2 it?
 3 A. The first time I had seen it, yes.
 4 Q. Okay. And he died when?
 5 A. 1992.
 6 Q. Okay. When you make this statement -- just because it
 7 may help to shorten my questions up -- about not taking
 8 into account what your father really wanted, are you
 9 referring to the real estate issue, or are you
 10 referring to something more than that?
 11 A. More than that.
 12 Q. Okay. What other than the real estate are you
 13 referring to?
 14 A. I'm referring to the stock.
 15 Q. The stock?
 16 A. I'm referring to the stock and everything that was his
 17 that he'd acquired that was his and that pertained to
 18 him personally and to the business, which was pretty
 19 much interchangeable.
 20 Q. You would agree with me that what your father wanted
 21 and what was in his will didn't legally control what a
 22 stockholder did with their stock that they owned,
 23 correct? Let me put it a different way.
 24 Your father -- did your father own any stock at
 25 the time he died?

Page 187

1 I was going through.
 2 All right. I mean, obviously they knew what had
 3 happened to your daughters, but is there anything you
 4 did when you were with them that would have exhibited
 5 to them any -- anything they could have observed about
 6 your conduct or activities that would have led them to
 7 believe that you were under severe emotional pressures
 8 or --
 9 A. I think they might have noticed it when they came to
 10 the funeral.
 11 Did either of them know that you were having marital
 12 troubles let's say before you separated in, what was
 13 it, October of --
 14 A. 1980.
 15 -- 1980? Were either of them aware of that to your
 16 knowledge?
 17 A. I'm not positive. I haven't -- I think they must have
 18 known that things weren't smooth.
 19 Well, again, I don't want you to guess or assume
 20 anything. If -- if you said anything -- let me ask it
 21 this way.
 22 Did you ever say anything to Trug or Charlie
 23 prior to 19 -- October of 1980 when you separated that
 24 you were having marital troubles?
 25 I don't know.

Page 188

1 Q. Did you have any counseling for the problems that --
 2 you know, the loss of your daughter and your other
 3 daughter with her emotional illness? Did you have any
 4 professional counseling for that?
 5 A. Yes. When Jean -- Jean was institutionalized.
 6 I don't want to pry into your personal --
 7 Okay.
 8 You don't have to give me the details.
 9 Did you ever tell Charlie or Trug that you were
 10 undergoing professional counseling because of what had
 11 happened to your two daughters?
 12 I don't think that's an accurate question.
 13 Okay. Well, then let's -- because I've mentioned both
 14 daughters as opposed to just Jean; is that --
 15 We were in counseling because Jean was in counseling
 16 and the counselor wanted to talk with both of us too.
 17 Okay. All right. So you weren't getting personal
 18 counseling, it was something -- it was a family
 19 counseling situation?
 20 That's right.
 21 Did you ever have any personal counseling of your own
 22 to help you deal with the emotional problems you were
 23 having because of the loss of your daughter and the
 24 mental illness of your other daughter?
 25 No. I had some counseling later.

Page 189

1 Q. No, I'm just interested in before --
 2 Okay.
 3 -- let's say before you separated in October of 1980.
 4 No.
 5 Q. Other than the fact that you -- one would assume that
 6 your brothers would know that you would be upset
 7 because of the accidental death of your daughter and
 8 emotional problems of your other daughter, were there
 9 any -- any objective evidence that you know of that
 10 they, in fact, knew that you were suffering extreme
 11 emotional distress? I mean like saying something to
 12 them, writing them a letter, counseling that they were
 13 aware of, anything factual that you know they would
 14 have been aware of which would have led them to believe
 15 that you were under severe -- in a severe emotional
 16 state?
 17 A. I don't recall what I said to them.
 18 Okay. Let me show you what has been marked as Exhibit
 19 1 and -- that's not an exhibit, so --
 20 (There was an interruption and discussion off
 21 the record.)
 22 A. Could I amend something?
 23 Q. Sure. You sure may.
 24 A. When you were talking in terms of asking about my
 25 father and his -- the condition he was in --

Page 190

1 Q. Yes.
 2 A. -- you know, I'm just -- I'm trying to -- my memory is
 3 just not very good. But I know he was in quite a
 4 severe state toward the last of it. But I don't -- I'm
 5 not sure how often I saw him when he was that way.
 6 Q. All right.
 7 A. A few times.
 8 Q. Now, can you give me an approximate time frame when you
 9 say the last of it? Was it the last couple months, the
 10 last six months, the last year, the last two years?
 11 Some, you know, sort of gross time frame that you think
 12 you're referring to.
 13 A. That's hard for me to do.
 14 (Discussion off the record.)
 15 Q. Let me show you what has been marked as Exhibit 1. And
 16 does your signature appear on the third page of that
 17 document?
 18 A. Yes.
 19 Q. And this is the stock purchase agreement that you
 20 signed in 1983?
 21 A. Yes.
 22 Q. And did each of your family members, your husband and
 23 your children sign -- who were shareholders sign a
 24 similar agreement to your knowledge?
 25 A. Yes.

Page 191

1 Q. Okay. When did you -- did you see this document before
 2 the day that you signed it, if you have a memory?
 3 A. The -- well, I think this was mailed to me. I -- we
 4 didn't have any signing in person.
 5 Q. Oh, I see. Okay. So you didn't go up to Prospect
 6 Harbor to sit around a table and sign it with both Trug
 7 and Charlie? Your memory is it was sent to you in the
 8 mail?
 9 A. Well, that's what I think.
 10 Q. You may be right. I don't know. I'm just -- I'm just
 11 asking. Your memory is it was sent to you in the mail
 12 to sign, correct?
 13 A. I know the signature, but I don't remember -- I don't
 14 remember going there. Did I?
 15 Q. No, I'm not suggesting you did. Your best -- let's
 16 just -- your best memory is it was sent to you in the
 17 mail to sign; is that right? It's not a trick
 18 question. I mean, you may -- that may have been the
 19 way.
 20 A. Well, you know, my -- obviously, you can tell my memory
 21 is not very good. But I don't know. I thought -- I
 22 don't remember going to sign this, but maybe I did.
 23 Q. All right. Well, if you didn't go to sign it, then it
 24 obviously was sent to you in the mail, right?
 25 A. I signed it.

Page 192

1 Q. Yes. Do you remember -- can you -- and it's a bad
 2 copy.
 3 MR. RUBIN: Do we have the original?
 4 MS. DEBEVOISE: Yes. Ask her first if she can do
 5 it without it.
 6 Q. Do you know whose signature the witness is?
 7 A. No, I don't.
 8 Q. Okay.
 9 MR. RUBIN: Why don't we go get the original.
 10 THE DEPONENT: Does anybody else?
 11 MR. RUBIN: Well, we have the original, and it
 12 may help you decide where you signed it depending on
 13 who it is.
 14 (Discussion off the record.)
 15 Q. When you -- assuming for the moment that what you --
 16 your best memory seems to be that you got this in the
 17 mail and signed it down in the Topsham area. Before
 18 you signed it, did you have Buzzy Fitzgerald review it
 19 on your behalf or someone in his office?
 20 A. I don't know.
 21 Q. Okay. Do you remember whether your husband had, you
 22 know, either his comparable copy or yours reviewed by
 23 Buzzy Fitzgerald on behalf of the family?
 24 A. I don't know.
 25 Q. Do you recall that you -- wherever you signed this that

Page 217

1 reasonable period of time from today she will provide
2 those names and addresses to her counsel who will have
3 them when and if we ever request them; is that correct,
4 Sandy?

5 MS. COLLIER: Yes, that is; yes.

6 MR. RUBIN: Okay. And that this deposition will
7 close today, and I will not have further questions of
8 her about those people other than requesting you in
9 writing for their names and addresses.

10 MR. SILSBY: That's fine.

11 Q. Okay. As you sit here today, Mrs. Wight, do you have
12 any information that any financial information provided
13 to you, your attorneys or your accountants prior to
14 1983 when you sold your stock was false?

15 A. Do I have any --

16 Q. Do you have any information as you sit here today
17 either from reading something, being told something by
18 your -- by anybody or from having hired consultants,
19 any source at all, that any information, financial or
20 otherwise about the operations of the company that was
21 provided to you, your husband, Mr. Fitzgerald or anyone
22 in his office, Mr. Boucher or anyone in his office, was
23 false?

24 A. I'm not sure how to answer that. I believe that what
25 was sent me was -- for example, I suppose it's what was

Page 218

1 taken off the books and that kind of thing, but I don't
2 feel satisfied that I've got what I've wanted or needed
3 or maybe all of it or the whole picture. Maybe that's
4 the best way to put it. I don't feel that maybe I --
5 I'm not sure I had -- got the whole picture.

6 Q. All right. My question was restricted to the time
7 period before you sold your stock in 1983. Were you
8 answering about 1994 when you asked Trug for
9 information, or were you --

10 A. Yes, I was.

11 Q. Okay. Then let's strike the question and answer --

12 A. Okay.

13 Q. -- and start over again.

14 A. All right. Sorry.

15 Q. With regard to the time frame before you sold your
16 stock in 1983, prior to 19 -- prior to February of 1983
17 when you signed that agreement -- well, prior --

18 A. Okay. Okay. That's fine.

19 Q. -- prior to when you signed Exhibit 1, which is dated
20 February --

21 A. Yes.

22 Q. -- 10th --

23 A. '83.

24 Q. -- '83 --

25 A. Prior to then.

Page 219

1 Q. -- prior to then had you, your husband, your attorneys
2 from Buzzy Fitzgerald's office or your accountants from
3 Mr. Boucher's office, to your knowledge, whether from
4 something they've told you, from something you've read,
5 something from -- anybody else has read and told you,
6 any information that any of those people were provided
7 was false?

8 A. Do I have any information that it was false?

9 Q. Yes.

10 A. I don't know if I have information that it was false or
11 I don't. I think we do.

12 Q. All right. What is it that you believe was false about
13 the information that you or your husband or your
14 attorneys or your accountants prior to 1983 -- or prior
15 to February of 1983?

16 A. I think this is something that I have to really leave
17 in the hands of my attorneys. I just -- there are lots
18 of figures, there are lots of papers and how things can
19 be proved and --

20 Q. All I can ask you is what you know. I can't ask your
21 attorneys what they know as much as I would like to,
22 but I am entitled to ask you what you know. And I take
23 it from what you've said as you -- as you sit here
24 based upon your knowledge in your head, there is
25 nothing you know of that was provided to you, your

Page 220

1 husband, your attorneys from Fitzgerald's office or
2 your accountants from Boucher's office prior to
3 February 10th of 1983 that was false? That's not to
4 say that someone else may not come in and say there was
5 something. I'm asking you what you know.

6 A. I'm not convinced that those figures tell the truth.

7 Q. I'm not asking you whether they tell the truth. I'm
8 asking you whether you know that anything in those
9 figures or any other information provided to you, your
10 husband, your accountants or your lawyers were false?
11 Do you know of anything that tends to show that any of
12 that information was, in fact, false?

13 A. Well, I really -- right at this -- I can't say at this
14 moment that what -- I think because my head is tired
15 that I -- I can't say what is and what isn't.

16 Q. Well, I know we've been going a long time and -- but I
17 think I'm entitled -- if there is anything in your head
18 as you sit here right now that you know of that leads
19 you to believe that any information that was provided
20 to you, your husband, your attorneys, your accountants
21 prior to February 10th of 1983 was false, I'm entitled
22 to know it. If there is nothing that you can think of
23 as you sit here right now, then that's all I'm asking
24 you to tell me. If there is, then I want to know what
25 it is.

Page 221

1 MS. COLLIER: I'm going to -- I object to that
2 question as being argumentative and asked and answered.
3 I think she just said I can't say at this time.

4 MR. RUBIN: Well, no, I don't think it is
5 argumentative; and I don't think that's sufficient to
6 answer my question. Either she knows something as she
7 sits here right now or she doesn't. That's not to say
8 that you or someone else might not come up with
9 something later, that's not to say that she might not
10 think of something later in which case I think she
11 would have an obligation to amend her answer.

12 Q. But I think I'm entitled to know as of quarter of 4:00
13 on Monday afternoon whether or not you, as you sit
14 here, know of anything that -- any information provided
15 to you, your husband, your lawyers or your accountants
16 prior to February 10th of 1983 that was false. Can you
17 think of anything as you're sitting here right now?

18 A. Prior to 1983? Prior to when I sold my stock?

19 Q. Correct. As you sit here today, can you think of
20 anything that was provided to you, your husband --

21 A. That was provided?

22 Q. Yes. As opposed to things that weren't provided.

23 Can you think of anything that was provided to
24 you, your husband, your lawyers or your accountants
25 that you now believe based on anything that you have

Page 222

1 learned was false?

2 A. I don't think that I know if some things were false or
3 not. I don't think I know if they're true or not.

4 Q. All right. So what you're saying is you don't know one
5 way or the other whether or not the information you
6 were provided was true or false?

7 A. I think we're in the process of finding out.

8 Q. Well -- but as you sit here today, you don't know one
9 way or the other whether or not any information that
10 were provided in documentary form or which were orally
11 told to you, your husband, your accountants or your
12 lawyers were false? You don't know one way or the
13 other as you sit here right now based upon the
14 information you have as of the present time; is that
15 true?

16 A. I'm not ready to concede that that's true.

17 Q. I'm asking you whether it's true that you don't have
18 the information. I'm not saying that the information
19 isn't out there somewhere that somebody may uncover.

20 A. I may have the information that I haven't studied.

21 Q. Well, then tell me what it is. Well --

22 A. I don't know. I don't know.

23 Q. All right. Then we can go on if you just agree with my
24 next question. Based on what you just said, you don't
25 know one way or another whether or not the information

1 that you were either given in written form or orally
2 told about was true or false? You, your husband,
3 accountants and lawyers. I mean, I -- I think I'm just
4 repeating what you said, that as of this moment, you
5 personally, you Eva Wight, as opposed to your lawyers,
6 Lou Ann Francis or anybody else, you Eva Wight don't
7 know one way or the other whether or not any of the
8 information provided to the people I've been asking you
9 about was false; isn't that correct?

10 I am not sure what I know because I'm not sure what --
11 I'm not sure what I have. I'm not sure -- I think that
12 there is a very good possibility that things -- that
13 some of these things --

14 Q. I understand that. And I'm just -- then tell me what
15 information do you have that you believe may be false,
16 and what is the basis for your belief that it may be
17 false?

18 MS. COLLIER: I -- I'm sorry, are you done with
19 your question?

20 MR. RUBIN: Yes.

21 MS. COLLIER: I object for the record on the
22 grounds that this is approaching annoyance and
23 harassment to the witness. She has said at least three
24 times that she can't say, she doesn't know, she doesn't
25 know; and that's what you're asking her, if she doesn't

Page 224

1 know. And she has already told you she doesn't know
2 today.

3 MR. RUBIN: I agree with you, but then every time
4 I -- I ask what I think is sort of the final question
5 to go on to something else, she resists saying what I
6 think you just said, which is -- and I'm not trying to
7 trick anybody. I'm trying to find out --
8 Q. You've accused my clients of fraud, you've accused them
9 of misrepresenting the facts to you --

10 Mm-hm.
11 -- your lawyers, your accountants, your husband or some
12 other people back sometime prior to 1983 --
13 Right.

14 -- when you sold your stock. And what I'm trying to
15 find out is whether you, Eva Wight, can tell me what
16 the basis of the fraud claim is. In other words, what
17 facts were misrepresented and -- and what the proof is
18 that they were misrepresented. Now --

19 A. Well, certainly the voting stock was misrepresented.
20 Okay. And how was that misrepresented?

21 We weren't even told that they were doing this
22 reorganization -- what they were doing in this
23 reorganization. We weren't told that.

24 All right. Did you believe you had voting stock in
25 Stinson Canning Company prior to the reorganization?

Page 225

1 A. Yes.

2 Q. Okay. And did you believe you owned stock in any other
3 company other than Stinson Canning Company prior to the
4 reorganization?

5 A. Well, yeah, the other -- Addison Packing and Bath
6 Canning.

7 Q. And did you believe that you owned voting stock in Bath
8 Canning and Addison Packing?

9 A. I am not sure which companies it was in. I mean, which
10 name was on the stock.

11 Q. All right. But you believe -- you are sure that you
12 owned voting stock in Stinson Canning before the
13 reorganization?

14 A. I'm sure I owned voting stock in something -- under the
15 overall umbrella of Stinson Canning Company. Whether
16 it was Addison Packing Company or Bath Canning Company
17 or whatever name it had, I'm sure I had voting stock.

18 Q. Okay. And do you remember in the reorganization
19 signing any votes approving the reorganization?

20 No, I don't remember it; but if I did sign them, I
21 didn't know that was happening.

22 All right. Didn't -- wasn't it true that your father
23 was the person who was responsible for this
24 reorganization in 1975 or whenever it was?

25 A. I don't know that.

Page 226

1 Q. Well, did anybody talk to you about the reorganization
2 in 1975 or when it was occurring?

3 A. Did anyone talk to me about the reorganization?

4 Q. Mm-hm. About what was -- what was happening --

5 A. No --

6 Q. -- what was happening?

7 A. -- I don't think anybody talk to me about it at all.

8 Q. Your father didn't talk to you about why the
9 reorganization was happening or what it was all about?

10 A. He -- we were told that because -- at some point, I
11 don't know if that was when it was -- I guess maybe it
12 was -- that because of that -- his need for getting rid
13 of his stock because of inheritance taxes.

14 Q. Did he tell you that?

15 A. I don't remember who told me these things.

16 Q. Other than voting -- not knowing in 1975 and the
17 reorganization that you were giving up voting stock in
18 one of these various companies -- one or more of these
19 various companies, what else as you sit here today do
20 you think was misrepresented to you?

21 Oh, excuse me. Before we even get to that, with
22 regard to the voting stock, did anybody ever tell you
23 you were not giving up your voting stock?

24 A. Did anybody ever tell me I was not giving up my voting
25 stock?

Page 227

1 Q. Right.

2 A. No.

3 Q. Okay. So what you're complaining about is an omission,
4 that is that somebody failed to tell you that you were
5 giving up your voting stock; is that right?

6 A. Oh, I think that's -- I'm sorry, that -- there is a
7 duty. There is a fiduciary duty to --

8 Q. That's not my question.

9 MR. RUBIN: I move to strike the answer as
10 nonresponsive.

11 Q. My question, Mrs. Wight, was, you're complaining that
12 somebody failed to tell you that you were giving up
13 your voting stock. Is that what your complaint is?

14 A. My complaint is that somebody deliberately didn't tell
15 me that I was giving it up.

16 Q. Okay. Fine. What else do you claim were, in fact,
17 misrepresented to you prior to February 10, 1983?

18 A. Misrepresentation? I think there was misrepresentation
19 when it comes to -- when it came to value of stock, I
20 think there was -- I think -- I think there was
21 misrepresentation all the way through.

22 Q. All right. With regard to the value of the stock, did
23 anybody -- I think you've already told me that neither
24 Trug nor Charlie ever told you what they thought the
25 company stock was worth prior to February 10th of '83,

Page 228

1 correct?

2 A. And I think that --

3 Q. Is that true, that they never told you what they
4 thought the value of the stock of the company was?

5 MS. COLLIER: I would just like to object for the
6 record. I think she was trying to answer your question
7 and she was interrupted. I would request that she be
8 given an opportunity fairly to answer your question.

9 MR. RUBIN: I think that question can be
10 answered yes or no. Either they told her or they
11 didn't tell her.

12 A. What the stock was valued -- what the company was
13 worth, the stock was worth?

14 Q. Yeah. They didn't tell you that, did they?

15 A. All right. What time period are we in?

16 Q. Before February 10th of 1983.

17 A. Before the -- all right. I don't think -- that was not
18 discussed when I was discussed -- when we were
19 discussing selling my stock that I recall.

20 Q. Okay. What other facts --

21 MS. COLLIER: Excuse me. I object.

22 MR. RUBIN: I thought was she got done -- was
23 finished.

24 MS. COLLIER: There was an um. Have you finished
25 your answer?

Page 235

1 other than the clam dock and the reservoir parcel?
 2 I -- as I said, I -- I cannot -- I don't have in my
 3 mind what they might be --
 4 O. Okay.
 5 -- at this point.
 6 Well, when I reminded you of those, you did remember
 7 that he signed those?
 8 A. Yes, I did; yes.
 9 Q. I'm just wondering if you remember any others that you
 10 were told he signed after 1989?
 11 A. I don't remember them right now.
 12 Q. Okay. Did you ever have a conversation with your
 13 father at any time before he died about what he
 14 specifically wanted to have happen with regard to any
 15 particular piece of real estate?
 16 A. At any time?
 17 Q. Mm-hm.
 18 A. No.
 19 (Discussion off the record.)
 20 Q. Do you have any information concerning who went to your
 21 father and had him or asked him to sign the deeds on
 22 the clam dock and the reservoir parcel? Do you know
 23 who did that?
 24 A. It's my understanding that Trug was the one who always
 25 brought the things in for him to sign.

Page 236

1 Q. Okay. And do you have any information about what Trug
 2 and your father talked about when he was asked -- your
 3 father was asked to sign the deeds to the reservoir and
 4 the -- and the clam dock parcel?
 5 A. Well, I wasn't there.
 6 Q. I know. But has anybody told you that they know what
 7 was said at that meeting?
 8 A. Not in specific words.
 9 (Discussion off the record.)
 10 Q. Let me show you what has been marked as Exhibit 3 and
 11 ask you whether or not you remember receiving this
 12 letter from Trug?
 13 (Discussion off the record.)
 14 Do you remember receiving that letter?
 15 A. Yes, I do.
 16 Q. And was that as a result of a request for information
 17 by you?
 18 A. Yes, as I recall.
 19 Q. And as far as you can recall, did you get all the
 20 information that you requested in that letter from
 21 Trug?
 22 A. I suppose. I -- I got -- certainly got some
 23 information.
 24 Q. Well, do you remember anything you asked for that you
 25 didn't get?

Page 237

1 A. I don't think I asked for -- I mean, I didn't know what
 2 to ask for.
 3 Q. Okay.
 4 A. Just asked in general.
 5 Q. Was this the first time you had seen your father's
 6 will, when he sent it to you?
 7 A. Yes.
 8 Q. And, again, did you get this information soon after you
 9 asked for it?
 10 A. Oh, I think so.
 11 Q. It didn't delay --
 12 A. No, no.
 13 Q. In sending it to you at all?
 14 A. No, no.
 15 Q. Now, you mentioned your father's house. You were
 16 aware, were you not, that that was -- legal title to
 17 the house was in the company name?
 18 A. I probably was aware of that.
 19 Q. And the company would have paid the taxes on it? Were
 20 you aware of that?
 21 A. Yes.
 22 Q. And your -- I'm just trying to understand. Your
 23 position is that if the house -- taking your father's
 24 house, for example, wasn't sold to the purchasers of
 25 the business but was kept by Stinson Canning, then even

Page 238

1 though it was owned by the company, it still should
 2 have been divided among the six of you rather than
 3 being retained by the people who were then the
 4 shareholders?
 5 A. That is. I do.
 6 Q. Okay. And that would be true -- your -- that would --
 7 so I don't have to go through all the others, any
 8 pieces of real estate actually owned by the company but
 9 which weren't sold to the purchasers that would be your
 10 position so I don't have to go through all of them?
 11 A. For the most part, yes.
 12 Q. And then if there are any parcels -- with regard to
 13 the reservoir and clam dock, do you believe that that
 14 was -- that going to your father and having him sign
 15 off as well as the other heirs in order to clarify the
 16 title was improper?
 17 A. Oh, I think the title of course had to be clarified.
 18 Q. All right. And I take it your position would be the
 19 same, that even though that then solidified the title
 20 and the -- and the company, that if any of those -- any
 21 part of the clam dock or the reservoir was sold to the
 22 purchaser that was okay; but if any of it was kept by
 23 the company and not sold, that also should have been
 24 divided six ways?
 25 A. That may be a judgment call, but I believe that if

Page 239

1 there were consideration for the rest of us that were
 2 not involved working in that company, that for the most
 3 part what was not sold as operating assets should have
 4 been divided six ways.
 5 Q. But that -- and I understand that. That would apply to
 6 the clam dock and the reservoir also?
 7 A. I think that's a judgment call. That -- that -- if
 8 it -- if the company didn't need it, why not?
 9 Q. All right. All I'm asking, if they -- for example, I
 10 think a small portion of the reservoir was sold to
 11 the --
 12 A. Mm-hm.
 13 Q. -- purchaser and some of it was kept.
 14 A. Mm-hm.
 15 Q. And what your position is if some of it had to be sold
 16 as a part of the sale, that was okay; but if some of it
 17 was kept by the company and not sold, that should have
 18 been divided six ways -- and I just want to understand
 19 what I think your position is -- and the same thing
 20 with the clam dock.
 21 A. Well, they were originally owned by my father.
 22 Q. Okay. Well, do you know that at some point in time the
 23 company got title to those subject to this problem that
 24 was cleared up in 1990 whenever he -- a lot of heirs --
 25 A. Yes, yes.

Page 240

1 Q. Okay. So it was originally owned by your father and
 2 then transferred to the company at some point in time,
 3 right?
 4 A. Yes.
 5 Q. And then apparently somebody did a title search in 1990
 6 and found out that there was a problem that had to be
 7 signed off on by all the heirs, right?
 8 A. Apparently.
 9 Q. And all I want to -- I think I understand. Your
 10 position is that whether it's your father's house or
 11 the clam dock or -- or the reservoir, if it had to be
 12 sold as a part of the sale of the company, then that's
 13 okay. But if it wasn't sold, whether the clam dock,
 14 the reservoir or the house wasn't sold to the purchaser
 15 but kept as a part of Stinson -- what was left of
 16 Stinson Canning, then that -- that should have been
 17 split six ways, that real estate?
 18 A. I think that anything that would have been personally
 19 my father's definitely should have been split six ways.
 20 I think that -- that overall what was received, whether
 21 it was the sale of the company or left over from the
 22 sale of the company, I think that it should have been
 23 more evenly divided.
 24 Q. And that would be true whether it was the reservoir,
 25 your father's house or the clam dock?

1
2 STATE OF MAINE
3 HANCOCK, ss.
4
5
6 LOU ANN STINSON FRANCIS,
7 et al.,
8 Plaintiffs
9 vs.
10 CHARLES B. STINSON, et al.,
11 Defendants

SUPERIOR COURT
Civil Action
Docket No. CV-95-127

COPY

DEPOSITION OF

CALVIN L. STINSON, JR.

15 a witness, called for examination by Counsel for the
16 Plaintiff, pursuant to notice dated November 20, 1997,
17 taken at the offices of Sandra Hylander Collier, Attorney
18 at Law, 121 Main Street, Ellsworth, Maine, beginning at
19 10:30 a.m., on Wednesday, January 7, 1998, before Lynne M.
20 Morrison, RPR, a Notary Public in and for the State of
21 Maine.

23 WORD-FOR-WORD REPORTING
24 P.O. Box 5124
25 Ellsworth, Maine 04605-5124
1-800-498-WFWR (9397)

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INDEX TO EXAMINATION

WITNESS:	PAGE
CALVIN L. STINSON, JR.	
Examination by Ms. Collier:	3
Examination by Ms. Debevoise:	124

INDEX TO EXHIBITS

EXHIBIT	DESCRIPTION	PAGE
1A	Arnold Francis agreement w/attachments	87
32A	Minutes of April 25, 1978 meeting	102

*(Exhibits 1A, 32A and all exhibits referred to were retained by Ms. Collier.)

1
2 (Lou Ann and Arnold Francis and Charles B.
3 Stinson were also present during the taking of this
4 deposition.)

TRANSCRIPT OF TESTIMONY

7 CALVIN L. STINSON, JR., having been duly sworn by the
8 Notary Public, was deposed and testified as follows:

EXAMINATION

10 BY MS. COLLIER:

11 Q. Would you state your full name and address for the
12 record please.

13 A. Calvin L. Stinson, junior. Do you want my post
14 office box?

15 Q. Your mailing address.

16 A. 148 Prospect Harbor, Maine, 04669.

17 Q. Okay. And what is your street address?

18 A. 2 Nobb, N-O-B-B, Hill Road. Do you want to know
19 who's at number one?

20 Q. I'd like to know what town that's in.

21 A. Oh, Prospect Harbor; same town.

22 Q. How long have you resided at that address?

23 A. In that house, not at that address; I've changed my
24 address. Probably 50 years -- no, no, 35 -- 45.

25 It doesn't matter.

1 Q. Okay. And where is that house in relation to the

2 Stinson Canning Company plant in Prospect Harbor,
3 the former Stinson Canning Company plant?

4 A. Oh, a mile and a quarter north.

5 Q. Okay. Now you were formerly employed by the Stinson
6 Canning Company; is that correct?

7 A. Yes.

8 Q. When did you commence your employment with the
9 company?

10 A. When did I stop it -- commence it?

11 Q. Commence it.

12 A. Uh, probably on a full-time basis it would have been
13 I guess 1952.

14 Q. Okay. And how old were you at that time?

15 A. I was born February the 3rd, 1928.

16 Q. Did you work anywhere else before you started
17 working for the Stinson Canning Company?

18 A. No, I didn't.

19 Q. So you basically worked your entire career at the
20 company?

21 A. Yes.

22 Q. And did you retire from the business after the
23 company was sold?

24 A. Yes.

25 Q. What was your initial position with the company when

1 you started?

2 A. Probably an assistant bookkeeper or payroll clerk

3 maybe. I'm not sure.

4 Q. What was the next position that you held with the

5 company from there?

6 A. I don't know. At one time or another, I was

7 president and treasurer. I guess that was in the

8 '60s, and then ever since that time I remained as

9 treasurer.

10 Q. During the time that you were president and

11 treasurer in the '60s, let's say, what were your

12 duties with the company?

13 A. Basically to keep everybody in line and try to make

14 a profit. I did -- I was familiar with the books

15 and most everything that was going on, and I don't

16 know if it was during the '60s, I guess it was later

17 on after that, that I was handling some of the

18 sales.

19 Q. In your capacity as president and treasurer in the

20 '60s and continuing thereafter, were you in a

21 position to be familiar with the financial condition

22 of the company?

23 A. Yes, I was.

24 Q. And do you consider that you were, in fact, informed

25 and familiar with the financial condition of the

1 Q. But you are familiar with it?

2 A. I'm familiar with the deeds and that sort of thing.

3 Q. Okay. Is that document, meaning Exhibit 3, a fair

4 and accurate summary of the properties that were

5 owned by SST & S, Inc., after the sale of the

6 company in 1990?

7 MS. DEBEVOISE: Take the time to look at the

8 whole document before you answer. Why do you not

9 answer until you're finished with the document.

10 THE DEPONENT: I'm mumbling. I guess I told

11 you I might do that.

12 A. It looks good to me.

13 BY MS. COLLIER:

14 Q. Okay. And would you agree that those pieces of real

15 estate itemized on Exhibit 3 were nonoperating

16 assets of the Stinson Canning Company prior to the

17 sale?

18 A. Yes, I would.

19 Q. And to the best of your recollection, these pieces

20 of property were purchased in the name of the

21 Stinson Canning Company?

22 A. I believe so, yes.

23 Q. At some point prior to 1990 when the company was

24 sold?

25 A. Oh, yes.

1 company during all those years?

2 A. I do.

3 Q. Your father had purchased many different pieces of

4 real estate during his lifetime; is that correct?

5 A. Are you referring to him personally or the

6 corporation, or does it matter who paid for them?

7 Q. I guess I'm just referring to the -- let's include

8 pieces that he bought in the name of the company as

9 well as pieces that he bought individually.

10 A. Yes, he did.

11 Q. And you're familiar with the various real estate

12 holdings that he owned and that the company owned?

13 A. I believe so.

14 Q. I want to show you what I've marked as Plaintiff's

15 Exhibit 3 for purposes of this deposition, and this

16 is, let's see, you have that in front of you. This

17 is a document that is labeled SST & S, Inc. and is a

18 summary of deeds. There are 13 deeds summarized

19 here. Are you familiar with this document?

20 A. Yes.

21 Q. Did you help prepare this document?

22 A. No -- well, let me look at it. I don't believe I

23 did, no.

24 Q. Do you know who would have prepared that?

25 A. No, I don't offhand.

1 Q. Okay. Were any of these properties, to the best of

2 your memory, owned before 1980?

3 A. Yes. I've probably got a list of when most of those

4 were owned and recorded, but I don't have it with

5 me.

6 Q. Okay. Now, in 1990 after the company was sold, you

7 participated in obtaining certain deeds in behalf of

8 and from your father. I want to show you at this

9 point what has been marked as Plaintiff's Exhibit 4,

10 have you take a look at that please.

11 A. Mm-hmm.

12 Q. Okay. Do you remember receiving the original of

13 Plaintiff's Exhibit 4?

14 A. This is my brother actually, but I am familiar with

15 the property.

16 Q. Okay. And what properties -- actually, let me give

17 you what I understand to have been the enclosures

18 with that letter, which are Plaintiff's Exhibits 5

19 and 6. Okay. You tell me when you're ready.

20 A. Do you want me to read all this?

21 MS. DEBEVOISE: Wait until she asks the

22 question.

23 BY MS. COLLIER:

24 Q. My question, sir, is do you remember seeing these

25 release deeds which are Plaintiff's Exhibits 5 and 6

1 back in the summer of 1990?

2 A. I can't say that I do, to be honest with you.

3 Q. Let me show you Plaintiff's Exhibit 7, which I think

4 is a letter from you back to Ms. Clark. Maybe this

5 will help refresh your memory.

6 MS. DEBEVOISE: Sandy, can I ask you to

7 clarify whether you are referring to these

8 unexecuted release deeds or some other deeds that

9 might have been executed.

10 MS. COLLIER: It appeared to me from the

11 content of Exhibit 4, the note from Ms. Clark to

12 Charles Stinson, that there were two deeds attached

13 to that letter, and I was just inquiring whether

14 these deeds meant anything to him.

15 BY MS. COLLIER:

16 Q. You've had a chance to look at Plaintiff's 7?

17 A. Yes.

18 Q. And is that a copy of a note from you back to Ms.

19 Clark?

20 A. Yes, it is.

21 Q. Okay. Did you return the two deeds that Ms. Clark

22 had sent back to her?

23 A. I assume I did. I normally would.

24 Q. I will show you Plaintiff's Exhibits 8 and 9. Now,

25 you did sign those deeds which are Plaintiff's 5 and

1 deeds for the particular properties in question, or

2 this one is the 37 and a half acre lot or 37 and

3 three-quarters. This is what they are, right here.

4 Q. And what did your father say?

5 A. I don't recall that he had any particular comments.

6 I don't recall any comments for or against.

7 Q. Your father at this time was -- in your opinion was

8 your father in the summer of 1990 mentally

9 competent?

10 A. Did he know what he was signing; is that what you're

11 asking me?

12 Q. Well, I'm asking you more generally if you feel that

13 he was mentally competent at that time.

14 A. Yeah, I feel he was mentally competent. I mean he

15 could understand what I explained to him and that

16 type of thing. Whether he could understand

17 completely what he was signing, he took my word for

18 it.

19 Q. In your letter of July 19, 1990, and I'm quoting, I

20 usually sign all of Dad's papers with power of

21 attorney. At 98 years of age, he does not always

22 get a legible signature or even understand with an

23 explanation just what he is signing.

24 Do you stand by that opinion today as you

25 expressed it to Ms. Clark?

1 6 in your capacity as attorney in fact for your

2 father; is that correct?

3 MS. DEBEVOISE: Take your time to look at the

4 documents and make sure of your answer.

5 THE DEPONENT: Is there any difference between

6 Exhibit 6 and Exhibit 9 other than the signatures?

7 MS. DEBEVOISE: Why don't you look at them

8 yourself carefully.

9 THE DEPONENT: They look to be the same to me.

10 MS. COLLIER: For the sake of the record, they

11 looked to be the same to me as well when I was

12 reviewing them.

13 A. This one is just signed.

14 BY MS. COLLIER:

15 Q. Mm-hmm.

16 A. And I did sign it, and I signed this one.

17 Q. Okay. In your capacity as power of attorney for

18 your father?

19 A. Yes.

20 Q. Did you discuss the execution of these deeds with

21 your father before you signed those deeds?

22 A. Oh, yes.

23 Q. Would you please tell us what you remember of your

24 conversation with him about signing these deeds.

25 A. I just told him what they were. They were release

1 A. I believe that's true, yes.

2 Q. And you don't know whether your father understood

3 what you were explaining to him about?

4 A. I believe he understood what I was explaining to

5 him.

6 Q. And on what basis do you hold that belief?

7 A. He didn't object to it. I mean he had no -- I can't

8 recall every particular instance, but I don't recall

9 that he ever had any objections to any of this

10 stuff.

11 Q. I would like to ask you a few questions about the

12 particular properties that these deeds apply to, and

13 I'll start with Plaintiff's Exhibit 8 which is a

14 deed to 37 and three-quarter acres with an

15 exception.

16 A. Mm-hmm.

17 Q. After that of 3.87 acres. Did Plaintiff's Exhibit 8

18 include your late father's personal residence?

19 A. No, it didn't.

20 Q. Was his personal residence on an adjoining piece of

21 land?

22 A. Yes.

23 Q. And this 37 and three-quarter acres was subsequently

24 sold together with your late father's house?

25 A. With the exception of that small 3.87 acres, I

1 believe that's true.
 2 Q. And Plaintiff's Exhibit 9, which I believe is the
 3 3.87 acres, is this what is colloquially referred to
 4 as the reservoir parcel?
 5 MS. DEBEVOISE: Is which one?
 6 A. My understanding of the reservoir parcel was the
 7 3.87 acres. This originally was part of it.
 8 Q. Mm-hmm, okay. So your understanding was that the
 9 and three-quarter acres --
 10 A. Was the reservoir parcel, but this originally was
 11 part of it.
 12 Q. Okay. Did the reservoir that was located on that 37
 13 and three-quarter acres serve as the water supply to
 14 the Prospect Harbor plant?
 15 A. Yes.
 16 Q. The deeds that you signed that we just discussed in
 17 your capacity as power of attorney were based upon
 18 -- were they based upon a power of attorney that you
 19 had earlier been given by your father?
 20 A. Yes.
 21 Q. I want to show you what is marked as Plaintiff's
 22 Exhibit 10, and I apologize; this is the one
 23 document because it's a different size I just didn't
 24 have photocopies made of it, but I just ask you to
 25 take a moment to look that over.

1 A. (Witness doing as requested.) Can I ask questions?
 2 MS. COLLIER: Could you read back the last
 3 question please.
 4 (The last question was read back by the
 5 reporter.)
 6 BY MS. COLLIER:
 7 Q. Do you recognize Plaintiff's Exhibit 10?
 8 A. Not for certain, but I do believe that is an old
 9 power of attorney.
 10 Q. Is that the power of attorney that you were relying
 11 upon when you executed those deeds in 1990?
 12 A. I don't really believe so, no.
 13 Q. You think there was a different power of attorney?
 14 A. I think there was later power of attorneys then
 15 that. That's back in '77.
 16 Q. Actually this one is 1971.
 17 A. '71 is it? Oh, okay.
 18 Q. I would represent to you that in the 15,000 plus
 19 documents that we have reviewed in connection with
 20 this case we have not seen any different power of
 21 attorney.
 22 A. Okay. Well, I'm not sure. I believe there was
 23 later powers of attorney.
 24 MS. DEBEVOISE: I would represent that I share
 25 that belief and that I believe such documents were

1 produced.
 2 MR. SILSBY: How come we didn't find it?
 3 MS. DEBEVOISE: I can't answer that question.
 4 MS. COLLIER: Are you willing to supplement
 5 this deposition with a copy of any different power
 6 of attorney that you may have?
 7 THE DEPONENT: If I can find one.
 8 MR. COLLIER: Well, evidently your attorney
 9 has it.
 10 MS. DEBEVOISE: I will agree to supplement --
 11 I will agree to provide any power of attorney which
 12 we have at our fingertips. I don't agree to search
 13 through all of the documents to look for others.
 14 MS. COLLIER: Well, you and I can discuss that
 15 issue later further.
 16 MS. DEBEVOISE: I have one, I believe,
 17 particular power of attorney in mind that is a later
 18 date. I don't recall what date at the moment.
 19 BY MS. COLLIER:
 20 Q. Let me ask you about that other power of attorney
 21 that you're thinking that you did have. Do you
 22 remember what year you were given that other power
 23 of attorney?
 24 A. I don't, and I'm not even sure if it was only one.
 25 There may have been more than one.

1 Q. In relation to 1990 when you signed those two deeds
 2 we were looking at a minute ago, can you give me any
 3 approximation as to how many years before you signed
 4 those deeds you were given a different power of
 5 attorney?
 6 A. I can't, no.
 7 Q. What was the purpose for these two deeds in the
 8 summer of 1990, as you understood it?
 9 A. They were release deeds, and the purpose was to
 10 satisfy the buyers of the canning property that they
 11 would have complete ownership and that anything that
 12 had previously been in Dad's name or was recorded in
 13 Dad's name that he was signing off on, releasing.
 14 Q. There is no question but that as regards these two
 15 parcels they were always legally titled in your
 16 father's name individually before these deeds,
 17 correct?
 18 A. You mean they were recorded at the Registry of Deeds
 19 in his name?
 20 Q. Mm-hmm.
 21 A. As opposed to the company's name?
 22 A. I believe that's true, yes.
 23 Q. Are you aware of the fact that those deeds have been
 24 referred to by your attorneys as corrective deeds?
 25 A. I'm not sure, corrective. I thought they were

1 release deeds. I thought they were release deeds.
 2 Q. Did you understand at the time that you signed those
 3 deeds for your father that they were being asked for
 4 in order to correct any previous conveyance?
 5 A. Not to my memory, no.
 6 Q. At the time that the Stinson Canning Company assets
 7 were conveyed to what has become Stinson Seafood,
 8 you and the other remaining shareholders of Stinson
 9 Canning Company voted to change the name of the
 10 corporation; is that right?
 11 A. Yes.
 12 Q. And I'll show you Plaintiff's Exhibit 11, and is
 13 this a copy of the vote by which the name of Stinson
 14 Canning Company was changed to SST & S, Inc.?
 15 A. I don't recall it, but I assume that it is.
 16 Q. And the date on this is April 4 of 1990?
 17 A. Mm-hmm, that sounds right.
 18 Q. What was the reason for changing the name of Stinson
 19 Canning Company after the sale?
 20 A. Well the buyers of the property wanted the original
 21 Stinson Canning name.
 22 Q. After you changed the name to SST & S, the deeds
 23 which we were discussing, which are eight and nine,
 24 were signed by you as power of attorney for your
 25 father to the newly named or renamed corporation of

1 SST & S, Inc., correct?
 2 A. Mm-hmm. Yes.
 3 Q. Now, a few minutes ago you were telling me, I
 4 thought, that the reason for these deeds have to do
 5 with the buyers of Stinson Canning Company wanting
 6 some sort of clear title, but it would appear to me
 7 that the properties were being released to SST & S,
 8 Inc., not to the buyers of Stinson Canning Company.
 9 A. What is the date on these? It looks like that's
 10 correct.
 11 Q. So that the parties who were benefiting from these
 12 deeds were the shareholders of SST & S, Inc.,
 13 correct?
 14 MS. DEBEVOISE: Could you clarify. Could you
 15 use a different word than benefiting.
 16 MS. COLLIER: Sure.
 17 BY MS. COLLIER:
 18 Q. In other words, what these deeds accomplished was to
 19 transfer out of your father's individual name these
 20 properties into the title of SST & S, Inc.
 21 A. Yes.
 22 Q. Okay. Now after SST & S, Inc., was named, you also
 23 participated in the formation of a liquidating trust
 24 under the name of SST & S; is that correct?
 25 A. Yes.

1 Q. I'll show you Plaintiff's Exhibit 12, which is a
 2 copy of this trust. I have a few questions I would
 3 like to ask you about it. For what purpose was SST
 4 & S liquidating trust created?
 5 A. It was to transfer the remaining property from SST &
 6 S into a trust and I believe pay the taxes on them
 7 at that time.
 8 Q. Were all the assets of SST & S, Inc., conveyed into
 9 the liquidating trust?
 10 A. To the best of my knowledge, yes.
 11 Q. And from that point on, there was in fact another
 12 corporation later formed by the name of Camp Hills,
 13 Inc.; is that correct?
 14 A. Yes.
 15 Q. Were all the assets then remaining from SST & S
 16 liquidating trust at that point in time conveyed
 17 into Camp Hills, Inc.?
 18 A. No.
 19 Q. What assets were not conveyed into Camp Hills, Inc.?
 20 A. I don't know how to answer that. Have you got that
 21 list of the assets right here? Is this the list?
 22 Q. Just to the best --
 23 A. Wouldn't it be easier to answer a positive rather
 24 than negative question?
 25 MS. DEBEVOISE: How about what assets were

1 transferred into it.
 2 A. Would that be easier or do you want me to go through
 3 this?
 4 Q. Well we may come across the document later today
 5 that you're looking for, but let me ask you this to
 6 the best of your memory, Mr. Stinson. Let's see, we
 7 were with each other up to the point of all the
 8 assets of SST & S, Inc., were conveyed into the
 9 liquidating trust.
 10 A. Are these all the assets right here?
 11 Q. We're looking at Exhibit 3 which is 13 parcels of
 12 real estate. Was just real estate conveyed from SST
 13 & S, Inc., to the liquidating trust?
 14 A. Yes.
 15 Q. Certain of the --
 16 A. Well, let's see. Wait a minute. No. No.
 17 Everything that we had in SST & S was transferred to
 18 the liquidating trust. There was other than real
 19 estate there. There was some receivables. There
 20 was an investment account that we cashed in. I
 21 can't think of anything else right now.
 22 Q. Somewhere between SST & S liquidating trust and Camp
 23 Hills, Inc., during the time that the liquidating
 24 trust existed, other assets were in fact liquidated
 25 by the trust?

1 A. Yes.
 2 Q. And after those assets were conveyed by the
 3 liquidating trust to whomever, Camp Hills, Inc., was
 4 formed?
 5 A. Mm-hmm.
 6 Q. And were all the remaining assets at that time of
 7 the liquidating trust conveyed into Camp Hills,
 8 Inc.?
 9 A. Oh, no. No.
 10 Q. What properties were conveyed into Camp Hills, Inc.?
 11 A. Good idea. The 4,143 acre Township 7, the 240 acre
 12 Stanley Gordon property, the 240 Soule parcel, and
 13 that's it -- oh, wait a minute. Here's the Bryan
 14 lot plan. 42 acres it says on that was also part of
 15 that.
 16 Q. Could you tell us in reference to the numbers that
 17 appear on Plaintiff's Exhibit 3 which four pieces
 18 you were just referring to.
 19 A. One, two, three and four.
 20 Q. Thank you. And you and your brother Charles were
 21 the trustees of the liquidating trust?
 22 A. Yes.
 23 Q. The last page of Exhibit 12, page seven, is a
 24 summary, it would appear, of the stockholders of
 25 SST & S or Stinson Canning Company; is that correct?

1 A. It would be the same for SST & S.
 2 Q. Now, I'm under the impression that not all of the
 3 stockholders of SST & S, Inc., became stockholders
 4 of Camp Hills, Inc.
 5 A. That's true.
 6 Q. Could you tell us who the stockholders of Camp
 7 Hills, Inc., are at this time.
 8 A. I think I can. Charles Stinson, Orice Stinson,
 9 Kathy Wayman, Cindy Webber, Ida Trenholm, Calvin
 10 Stinson, junior, and Ilene Stinson, I-L-E-N-E.
 11 THE DEPONENT: She asked me specifically to
 12 spell that for you.
 13 BY MS. COLLIER:
 14 Q. Does Camp Hills, Inc., still own those four pieces
 15 of real estate that you were just talking about?
 16 A. Yes.
 17 Q. What discussions do you remember having with Lou Ann
 18 Francis and/or Arnie Francis prior to their sale of
 19 stock to Stinson Canning Company concerning the real
 20 estate owned by Stinson Canning Company?
 21 A. I don't recall any.
 22 MS. DEBEVOISE: Can you repeat that question.
 23 MS. COLLIER: Would you read it back please.
 24 (The last question was read back by the
 25 reporter.)

1 A. I don't recall any.
 2 BY MS. COLLIER:
 3 Q. What discussions, if any, do you recall having had
 4 with Eva Wight and/or her husband Carl Wight prior
 5 to their sale of stock to Stinson Canning Company
 6 concerning the real estate owned by Stinson Canning
 7 Company?
 8 A. I don't recall any.
 9 Q. When did you first become interested in obtaining a
 10 sufficient amount of stock from Stinson Canning
 11 Company together with your brother to give you
 12 control of the company?
 13 A. When did I become interested?
 14 Q. Mm-hmm.
 15 A. In doing that?
 16 Q. Mm-hmm.
 17 A. That's a difficult question to figure out. It could
 18 possibly have been 1960. Don't hold me to that; I'm
 19 guessing.
 20 Q. What is it that you're remembering that leads you to
 21 think it might have been 1960?
 22 A. Because that's when Dad divided his stock into Class
 23 A and Class B common.
 24 Q. Of what significance was that in terms of your own
 25 thinking?

1 A. I don't actually know that I had any particular
 2 thoughts about it one way or the other, but that was
 3 shortly after he started giving away his stock in
 4 order to lessen his estate -- possible estate
 5 situation tax later on.
 6 Q. And I wouldn't hold you to 1960, but let me just use
 7 that year as an approximate. At that time, let's
 8 say 1960 when your father began to give away stock,
 9 what role did your sister Lou Ann Francis have in
 10 regards to the operations of the company?
 11 A. Well, let's see, in 1960. I don't know that she had
 12 any particular role other than -- no, I don't know
 13 of anything.
 14 Q. In fact, throughout the period of time that she
 15 owned stock in the company, she never worked for the
 16 company, correct?
 17 A. Not that I know of.
 18 Q. And she never participated in managing the
 19 day-to-day affairs of the company?
 20 A. I don't recall that she did, no.
 21 Q. And the same is also true of your sister Eva Wight?
 22 A. Yes.
 23 Q. Show you what has been marked as Plaintiff's Exhibit
 24 20. This is a letter dated September 27, 1971,
 25 addressed to you and your brother from Carl Gray,

Page 25

1 CPA. You knew Mr. Gray I take it.
 2 A. Yes.
 3 Q. I imagine it's probably been many years since you
 4 have read this letter. I would like you to take a
 5 moment to read it to yourself.
 6 A. (Witness doing as requested.)
 7 Q. Have you had a chance to read that letter?
 8 A. Yes.
 9 Q. Do you remember having contacted Mr. Gray to request
 10 some computations showing what the probable tax
 11 effect would be if your father gave you enough stock
 12 to give you joint control with your brother?
 13 A. I do not.
 14 Q. Would it be a fair assumption, in your opinion, that
 15 you did in fact initiate some sort of contact with
 16 Mr. Gray or that your brother did in your mutual
 17 behalf?
 18 A. Either Charlie or I or Dad. '71, could well have
 19 been Dad; I'm not sure.
 20 Q. I would like to direct you to paragraph three of
 21 this letter please in which Mr. Gray opines that he
 22 thinks the real question is whether or not your
 23 father wishes to relinquish control during his
 24 lifetime. Do you recall that back in 1971 your
 25 father had questions about whether he, in fact,

Page 26

1 wanted to relinquish control during his lifetime?
 2 A. I recall that he didn't want to relinquish control,
 3 but not necessarily that it was during his lifetime.
 4 Q. But at that point in time?
 5 A. Yes.
 6 Q. Now in 1975 there was a major reorganization of your
 7 father's companies; is that correct?
 8 A. Yes.
 9 Q. And let me just show you at this point what we have
 10 marked as Plaintiff's Exhibit 13. As part of the
 11 reorganization process, was a stock redemption
 12 agreement entered into between the company and you
 13 and your wife and Charles and his wife?
 14 A. Stock redemption agreement entered into between the
 15 four of us?
 16 Q. Mm-hmm, and let me show that to you. I'm not trying
 17 to trick you here. Let's look at these two at the
 18 same time. This is Plaintiff's Exhibit 14.
 19 A. Yes.
 20 Q. Do you remember that?
 21 A. Yes.
 22 Q. And it was your understanding of the stock
 23 redemption agreement that there would be periodic
 24 valuations agreed to for your shares of stock?
 25 A. Yes.

Page 27

1 Q. And in the event one of you should decease, this
 2 agreement would govern what happened with your stock
 3 and the price that would be paid for it?
 4 A. Yes.
 5 Q. And that the company would buy back your stock at
 6 these agreed upon values.
 7 A. Yes.
 8 Q. Which would be reviewed periodically as the years
 9 went by.
 10 A. Right.
 11 Q. At the back of this document, which is 14, Exhibit C
 12 appears to be a schedule of determination of the
 13 certified value pursuant to paragraph six of this
 14 agreement, and according to this document in 1975
 15 the initial value was set at \$3,000 a share; is that
 16 correct?
 17 A. Right.
 18 Q. The next change in that was on June 20 of 1977 when
 19 the value was increased to \$3,600. Do you remember
 20 participating in discussions that led to agreement
 21 as to these successive increases in value?
 22 A. I think it was determined basically between our
 23 accountants. We agreed to it, yeah.
 24 Q. So is your answer that you did not participate in
 25 arriving at those numbers?

Page 28

1 A. I don't believe so. I think I agreed to them.
 2 Q. Okay. If you turn the page please, in November,
 3 November 10 to be exact, of 1978 you all agreed to
 4 increase the value per share to \$5,000?
 5 A. Yes.
 6 Q. And then on November 3, 1980, you agreed to increase
 7 the value per share to \$6,000?
 8 A. Yes.
 9 Q. And finally, on April 26, 1982, you agreed with the
 10 others to increase the value per share to \$10,000?
 11 A. Yes.
 12 Q. The company was improving its financial picture
 13 during the years from 1975 through 1982, wasn't it?
 14 A. I believe so.
 15 Q. And that would appear to be reflected in the fact
 16 that your value per share of stock from 1975 to
 17 1982, a period of seven years, had more than tripled
 18 in value in the opinion apparently of your
 19 accountants?
 20 A. It's possible.
 21 Q. And of yourself when you agreed to this number?
 22 A. Yes.
 23 Q. In your opinion, do the values per share that are
 24 contained in Exhibit C of Exhibit 14 fairly and
 25 accurately reflect the value per share as of the

1 dates indicated?

2 A. I would have to say no to that.

3 Q. No in what way, too low or too high?

4 A. Well, as I recall --

5 MS. DEBEVOISE: The value for purposes of

6 what, this agreement?

7 THE DEPONENT: Redemption agreement.

8 MS. COLLIER: I'm asking him his opinion as to

9 whether this fairly and accurately reflected the

10 value per share of his stock.

11 A. As I recall, the original agreement was to be a

12 value set every 12 months. There was an amendment

13 which went to 18 months. The reason for that is we

14 neglected to do that every 12 months. After it went

15 to 18 months, I believe we neglected to do it every

16 18 months, and then when it went to the last one at

17 10,000 we never even did it from, what was it, '82

18 until '90.

19 And one of the things that I recall that

20 happened was because we had neglected to set those

21 values during that particular period of time that I

22 think that they probably set the values a little bit

23 high knowing that we weren't going to do it every 18

24 months so it would average out over a period of

25 time.

1 Q. So the reason that you think that these figures are

2 not accurate values --

3 A. For that particular date.

4 Q. For those dates is because you believe that your

5 accountants --

6 A. Averaged them out.

7 Q. Inflated the value?

8 A. Averaged them out.

9 Q. Excuse me?

10 A. Averaged them out.

11 Q. Averaged them out?

12 A. Yes.

13 Q. I don't understand.

14 A. Well, if the book value in 1977 was, for an example,

15 5,000 and we were supposed to change that value

16 every 12 months or 18 months and we didn't do it, we

17 got behind. So I think the next time that he might

18 have suggested some of these values, he took into

19 consideration that we weren't keeping up, we weren't

20 doing them, so he rounded out figures and submitted

21 figures that could possibly have been more than at

22 that particular date, knowing that these figures was

23 going to be good for more than 18 months. I don't

24 think those are exact figures as to book value.

25 Q. When you're saying he did this and he rounded out,

1 who are you referring to?

2 A. Mostly I would say either Bob Kruger or somebody in

3 his office.

4 Q. The first increase in value from December of 1975 is

5 entered on June 20 of 1977, and that's an increase

6 of \$600 per share.

7 A. Yes.

8 Q. That was entered approximately 18 months after the

9 initial --

10 A. Yes.

11 Q. Setting of \$3,000. Do you believe that that figure

12 of \$3,600 was inflated as of June of 1977?

13 A. I would doubt it. It was within the 18 month

14 period, and evidently we were doing it on time.

15 Maybe not. That was probably the 12-month period

16 actually. We ran over the thing, but only six

17 months I doubt it would have made that much --

18 Q. If you turn the page please, the next entry is

19 November of 1978, which is within 18 months of the

20 last entry of 3,600, and now the value is set at

21 5,000. Do you believe that the 5,000 figure is

22 inflated?

23 A. Well, it's certainly rounded off; that's all I can

24 say from --

25 Q. Mm-hmm.

1 A. Whether it was rounded up or down, I don't know.

2 Q. Okay. We can put that document aside for a moment.

3 I'll come back to that later. You were mentioning a

4 moment ago that there was an amendment made to the

5 original stock redemption agreement, and I believe

6 that would be Plaintiff's Exhibit 15; is that

7 correct?

8 A. Yes.

9 Q. Okay. Just for the sake of completeness, we will

10 put that here. Of what significance were the

11 certified values that you were reviewing and

12 agreeing to during these years in determining a fair

13 price to pay Lou Ann Francis and her family for each

14 share of their common stock?

15 A. I don't know of any.

16 Q. Of what significance to you was it -- were these

17 certified values in Plaintiff's Exhibit 14 in

18 determining a fair price to pay Eva and her family

19 for their shares of stock?

20 A. I don't know of any on that, either.

21 Q. So in other words, during the times that

22 negotiations were had with Lou Ann and Arnie and

23 then later with Eva and Carl, you gave no

24 consideration to the certified values that you were

25 agreeing to in Plaintiff's Exhibit 14?

1 A. I don't recall that we did, no.
 2 MS. DEBEVOISE: When you're moving into a new
 3 topic at some point, can we take a break?
 4 MS. COLLIER: Sure. Why don't we do that
 5 right now.
 6 (A break was taken.)
 7 BY MS. COLLIER:
 8 Q. I would like to take us back for a few minutes to
 9 1975 again. We spoke earlier of the reorganization
 10 that took place.
 11 A. Right.
 12 Q. And I show you what has been marked as Plaintiff's
 13 Exhibit 18, and Plaintiff's 18 is a letter to Tom
 14 Van Meer from Dieter Schnauck dated May 13, 1975.
 15 Now you're acquainted with Dieter Schnauck; is that
 16 correct?
 17 A. Yes.
 18 Q. When did Dieter join the company?
 19 A. I couldn't say for sure.
 20 Q. Approximately?
 21 A. I really don't know.
 22 Q. Sometime in the 1970s?
 23 A. Yeah, I would have to say probably if this is from
 24 him it would have been somewhere in the '70s, yeah.
 25 Q. Now have you seen this letter before to your memory?

1 A. No.
 2 Q. In this letter Mr. Schnauck is summarizing a meeting
 3 of May 7, 1975, at the offices of Stinson Canning
 4 Company in Prospect Harbor, and there are votes
 5 being taken to approve the issuance of stock and to
 6 accept bylaws and amendments. Do you recall such a
 7 meeting, being at such a meeting in 1975?
 8 A. Not specifically, but I assume that I was.
 9 Q. And Plaintiff's Exhibit 19 I'll also show you, a
 10 document entitled --
 11 MS. DEBEVOISE: Can we have a minute to finish
 12 looking at this one.
 13 MR. COLLIER: Sure. Take all the time you
 14 want.
 15 MS. DEBEVOISE: Let's finish looking at this
 16 one first.
 17 BY MS. COLLIER:
 18 Q. You've had an opportunity now to review Plaintiff's
 19 18 and 19?
 20 A. Yes.
 21 Q. Okay. And I believe what I was basically asking you
 22 was if you remember back in 1975 participating in
 23 meetings at which it was voted to approve the merger
 24 of Stinson Canning Company, Addison Packing and Bath
 25 Canning Company.

1 A. Probably specifically I don't probably remember
 2 being at these meetings, but I was.
 3 Q. Okay. And you supported the merger plan?
 4 A. Yes.
 5 Q. With the understanding that the result of the merger
 6 plan would be that you and your brother would
 7 acquire joint control over the company?
 8 A. Yes.
 9 Q. You received a salary from Stinson Canning Company?
 10 A. Yes.
 11 Q. As well as life insurance benefits?
 12 A. Yeah, I believe so.
 13 Q. Health insurance benefits?
 14 A. Probably.
 15 Q. Retirement plan?
 16 A. Yes. Is there anything else?
 17 Q. Bonuses?
 18 A. At one time, I believe.
 19 Q. I'm just going to go over a few documents with you
 20 that pertain to some of the benefits that you and
 21 your brother received. For example, I'll show you
 22 Plaintiff's Exhibits 16 and 17. I apologize for the
 23 condition of these; they're meant to go like that,
 24 to be laid out side by side. Do you recognize
 25 Plaintiff's Exhibits 16 and 17 to be illustrations

1 of the split life insurance policy that you and your
 2 brother had through Connecticut General Life
 3 Insurance?
 4 A. Yes.
 5 Q. And this was in force for a number of years
 6 beginning in 1975; is that correct?
 7 MS. DEBEVOISE: What do you mean enforce --
 8 oh, in force?
 9 BY MS. COLLIER:
 10 Q. In force or in effect.
 11 A. I believe so, yes.
 12 Q. And this is one of the benefits of which we just
 13 spoke, in other words a life insurance benefit that
 14 the company paid in your behalf?
 15 A. I believe so, yes.
 16 Q. Okay. We can set those aside, and let me show you
 17 Plaintiff's Exhibit 34. Do you recognize
 18 Plaintiff's 34?
 19 A. Yes, I do.
 20 Q. Is this a document that you prepared?
 21 A. No, I didn't.
 22 Q. Is this a document that you approved for circulation
 23 after it was prepared by someone else?
 24 MS. DEBEVOISE: Take your time to look at this
 25 again before you answer.

Page 37

1 THE DEPONENT: I've seen it; I know what it
 2 is.
 3 A. Personally approved?
 4 Q. Yes.
 5 A. No, I did not.
 6 Q. You have indicated that you have seen this in the
 7 past?
 8 A. Yeah, I knew it was done, and I have seen it.
 9 Q. And would you agree that the figures that are
 10 indicated here are accurate for the various
 11 categories being summarized?
 12 A. Yes.
 13 Q. And specifically in relation to yourself, for
 14 example, under one, salary and bonuses, this
 15 indicates that you received a base salary in 1976,
 16 for example, of \$42,000 and a bonus of \$25,000?
 17 A. Yes.
 18 Q. And this document indicates that your salary
 19 increased substantially from 1976 to 1977, by which
 20 I mean a \$25,000 increase in your salary; is that
 21 correct?
 22 A. Yes.
 23 Q. And again, from 1978 to 1979 your salary increased
 24 during that period by \$31,000?
 25 A. Yes.

Page 38

1 Q. And you continued to receive a bonus of \$25,000 a
 2 year from 1976 through 1979?
 3 A. Yes.
 4 Q. And again, these increases in your salary and the
 5 receipt of these bonuses reflects the financial
 6 health of your company, is that correct, during
 7 these years?
 8 A. I believe it would have -- I don't know if the
 9 financial health was exactly the same percentage
 10 wise. I'm sure that the company was doing well
 11 during those years.
 12 Q. Thank you. Show you Plaintiff's Exhibit 21 please.
 13 Take a moment to look that over, if you would.
 14 A. (Witness doing as requested.)
 15 Q. You've had a chance to look that over?
 16 A. Yes.
 17 Q. Do you recall being present at a meeting on
 18 March 13, 1978, the minutes of which are summarized
 19 in Plaintiff's 21?
 20 A. I believe I was, yes.
 21 Q. And I'm calling your attention specifically to the
 22 second page. There was a motion made, and it was
 23 voted to appropriate \$2 million of retained earnings
 24 to self-insure certain plant facilities. Do you see
 25 that vote being taken here?

Page 39

1 A. Yes.
 2 Q. And it was your understanding at the time that the
 3 company as of this date, March 13, 1978, had in
 4 excess of \$2 million of retained earnings available
 5 for self-insurance; is that correct?
 6 A. Yes.
 7 Q. And again, your understanding as of March 13, 1978,
 8 was that the company at that time was financially in
 9 good condition?
 10 A. Yes.
 11 Q. Thank you. I'm going to backtrack in time a couple
 12 of years earlier to October of 1976, and I'll show
 13 you Plaintiff's Exhibit 22.
 14 A. (Witness reviewing document.)
 15 Q. Okay. This letter makes reference to a profit
 16 sharing plan that Mr. Van Meer had arrived to
 17 present to the board. And again, I asked you a few
 18 minutes ago about benefits that you and your
 19 brother, for example, were receiving, and there was
 20 a profit sharing plan in effect during this time?
 21 A. Yes.
 22 Q. And in the first paragraph of this letter from Mr.
 23 Schnauck to Mr. Van Meer, he states that a review of
 24 production took place, and he is I believe referring
 25 to a board meeting on September 24 of 1976.

Page 40

1 A. Yes.
 2 Q. Again quoting from Mr. Schnauck's report, with the
 3 result that our production had exceeded last year's
 4 production at the same time, sales are in the same
 5 position exceeding last year's sales by an
 6 anticipated 15 percent, production is anticipated to
 7 increase by ten percent, end quote. As of October
 8 1976, were you aware of this information?
 9 A. Probably, yes.
 10 Q. Again, would you agree with me that those
 11 projections and those performance figures are
 12 indicative of a healthy financial condition in the
 13 company?
 14 A. Oh, yes.
 15 Q. Now, Mr. Schnauck, even though you don't recall the
 16 exact year that he joined the company, do you know
 17 what his duties were in regards to the company
 18 during the time that he was employed there?
 19 A. To my knowledge, he was the comptroller. He handled
 20 -- acted as office manager, and I believe he
 21 probably considered himself at least assistant to
 22 the president at times. He helped Charlie do a lot
 23 of the things that he was doing.
 24 Q. It appears from a number of these documents we are
 25 currently looking at that Mr. Schnauck's

1 Q. And that this would indicate that 1978 had been a
2 good year financially for the company?
3 A. Yes.
4 Q. And, in fact, as you recall it was a good year for
5 the company?
6 A. It was.
7 Q. Okay. Let me show you Plaintiff's Exhibit 27
8 please.
9 A. (Witness reviewing document.)
10 Q. Okay?
11 A. 'Mm-hmm.
12 Q. These minutes of a meeting of the board of directors
13 pertain to a meeting on March 20, 1981. The minutes
14 indicate that you were present at such a meeting.
15 A. Yes.
16 Q. You have no reason to question that but that you
17 were there?
18 A. Right.
19 Q. And I'm directing your attention to the first page
20 about halfway down. There is a reflection in these
21 minutes that a capital improvement budget for 1981
22 was presented in the amount of \$2,380,000 and that
23 you and the other members of the board voted to
24 approve 70 percent of that figure or \$1,666,000 for
25 capital improvements. Would you agree with me that

1 that vote and the availability of those funds
2 indicates that the company was financially healthy
3 at that time?
4 A. Oh, yes.
5 Q. Similarly, the next vote that is recorded at the
6 bottom of page one of Exhibit 27 reflects a vote for
7 ten percent of aggregate compensation for the plan
8 year ending December 31, 1980, to the profit sharing
9 plan.
10 A. We must have spent too much on the first vote. We
11 had to cut the profit sharing.
12 Q. The company still enjoyed sufficient profit margin
13 to contribute to the plan?
14 A. Oh, yes.
15 Q. And on page two please at the bottom, the last vote
16 indicates that dividends of \$9 per share on the
17 noncumulative, nonvoting preferred stock was
18 approved. Again, the fact that dividends of \$9 a
19 share were approved in company with the large
20 capital expenditure and the contribution to the
21 profit sharing plan reflect the financial health of
22 the company at that time?
23 A. Yes. Evidently, it was getting worse because the
24 vote wasn't unanimous on that one.
25 Q. And what do you mean by that?

1 A. According to what I'm reading here, it says three
2 voted for, one abstained, Charles Stinson voted
3 against.
4 Q. Why did you say evidently something was worse; what
5 were you referring to?
6 A. I'm saying that we cut the budget on the first one.
7 We cut the normal 15 percent profit sharing on the
8 second vote, and on the \$9 preferred stock
9 dividends, which didn't amount to that much, there
10 was one abstention and one against on that subject.
11 There must have been a reason for it.
12 Q. Do you recall what that reason was?
13 A. I have no idea, other than they didn't want to spend
14 the money.
15 Q. Thank you. Whatever was happening as of March of
16 1981, however, I believe you have told me several
17 times today that the company was financially healthy
18 from 1975 through 1981.
19 A. Yes.
20 Q. Did Mr. Van Meer ever discuss with you estate tax
21 issues?
22 A. Yes.
23 Q. When did he first discuss estate tax issues with
24 you?
25 A. I'm going to have to guess. I would say that it was

1 in the area of late '77 or early '78. I mean maybe
2 I should -- I mean you're referring now to our
3 personal estate and not Dad's estate. Dad's estate
4 was discussed way before that.
5 Q. Yes, I'm referring to your own position.
6 A. Yes, it would be about that time.
7 Q. Did you review any documents in preparation for your
8 deposition today?
9 A. I have reviewed documents over the past two years
10 quite a bit. I suppose you could probably say they
11 could be considered in preparation for today.
12 Q. Specifically in reference to this day however did
13 you sit down --
14 A. Oh, no.
15 Q. And read over any documents --
16 A. No, I went over them because of this case.
17 Q. Okay.
18 A. Try to refresh my memory.
19 Q. Okay. What was the nature of what Mr. Van Meer
20 advised you when you first discussed with him your
21 personal estate tax issues?
22 A. As I recall, the value of our stock, our profits in
23 the company, had been increasing as you have just
24 suggested, and this was increasing the value of our
25 stock. We weren't paying dividends. The stock was

Page 49

1 increasing. If a major stockholder should die, the
 2 Internal Revenue would assess a value for that stock
 3 and that in his estimation we might have more income
 4 -- not income but inheritance tax liability than
 5 what we might be aware of, and he was attempting to
 6 make us aware of this situation.
 7 Q. So as I understand it, as it was explained and
 8 understood by you when he first brought it up with
 9 you, the root of the problem was the fact that the
 10 value of your stock was increasing?
 11 A. Yes.
 12 Q. Do you recall who else was present when you had that
 13 conversation with him?
 14 A. No.
 15 MS. DEBEVOISE: Referring to the first such
 16 conversation?
 17 MS. COLLIER: Right.
 18 A. I don't definitely recall, but I believe it was at
 19 our office, and I assume the directors would have
 20 been present.
 21 BY MS. COLLIER:
 22 Q. Lou Ann Francis and Arnie Francis were not there,
 23 correct?
 24 A. I don't believe so.
 25 Q. And Eva Wight and Carl Wight were not there?

Page 50

1 A. No.
 2 Q. And as you recall it, this was a meeting of the
 3 directors of Stinson Canning Company?
 4 A. I don't recall that, but I believe it was at our
 5 office in Prospect Harbor.
 6 Q. Do you remember any of the other persons who were
 7 there other than Mr. Van Meer obviously?
 8 A. Not specifically.
 9 Q. Do you recall if Robert Kruger was present at that
 10 time?
 11 A. I don't. He may have been. I don't recall.
 12 Q. Did Mr. Van Meer give you any advice as to what you
 13 could do to alleviate the problem?
 14 A. I don't recall specifically, but later on in the
 15 meetings and everything there were other options.
 16 There were options to alleviate it. Whether they
 17 came at that time or not, I don't recall that.
 18 Q. Was your sense from the manner in which Mr. Van Meer
 19 broached this topic with you that this was a
 20 problem, this estate tax issue was a problem for
 21 you?
 22 A. I gathered from what he said that it was something
 23 that could be a problem, and it was something that
 24 all the major stockholders should be made aware of.
 25 Q. And who were the major stockholders?

Page 51

1 A. Charlie, myself, Eva Wight, Lou Ann Francis, and
 2 Joyce Stratton.
 3 Q. And Ida?
 4 A. Trenholm. Yes, Ida Trenholm. Did I miss her?
 5 Q. Basically all of you children.
 6 A. Yes.
 7 Q. The ones who owned the vast majority of the stock.
 8 A. Yes.
 9 Q. When was the subject of acquiring the stock from Lou
 10 Ann Francis and Eva Wight first discussed?
 11 A. I can't answer directly, but from minutes of the
 12 meetings that I read and from conversations with
 13 people, it was my understanding that the possibility
 14 of acquiring stock from them was discussed at the
 15 first meeting that Tom Van Meer and Kruger had with
 16 the Wight family and the same day with the Francis
 17 family. I wasn't at either of those meetings.
 18 Q. What was your understanding as to why the idea of
 19 acquiring the Francis and Wight stock was being
 20 raised simultaneous with discussion of the possible
 21 estate issue?
 22 A. That was one option to avoid an estate tax.
 23 MS. COLLIER: I think this will be a good
 24 moment to break, where I'm going at this point.
 25 (A lunch break was taken from 12:25 p.m.

Page 52

1 to 1:45 p.m.)
 2 MS. COLLIER: We are going back on the record
 3 to continue the deposition, having had a break for
 4 lunch.
 5 BY MS. COLLIER:
 6 Q. I was asking you some questions, Mr. Stinson, before
 7 the break about when you recalled Mr. Van Meer first
 8 discussing with you possible estate tax problems,
 9 and I think you indicated your recollection was that
 10 this was probably late 1977 or early 1978. Is that
 11 to the best of your recollection when that was?
 12 A. Yes.
 13 Q. Do you know if Mr. Van Meer was having similar
 14 discussions with your brother Charles during that
 15 time?
 16 A. I suspect he was right there.
 17 Q. He was present at these discussions?
 18 A. I would imagine, yes.
 19 Q. And I believe you had also indicated to me that
 20 during that same time frame, as you recall it, the
 21 idea was first raised of possibly the company buying
 22 your sister's stock back from them; is that also
 23 correct?
 24 A. I don't recall that it was mentioned at that time,
 25 but I think what I said was that it was in the

1 minutes to one of the directors meetings that that
 2 was one of the options that was brought up at some
 3 time. I believe some of the people involved claimed
 4 it was brought up at that first meeting. I think
 5 the Wights had that in their deposition.
 6 Q. Let me show you at this time Plaintiff's Exhibit 29
 7 please, and I would like you to read that letter
 8 before I ask you any further questions about it.
 9 Are you familiar with this document?
 10 A. Yes.
 11 Q. And in paragraph one of this letter it indicates --
 12 this is Mr. Schnauck's letter of January 6, 1978.
 13 He is purporting to describe the highlights, using
 14 his word, of the board of directors meeting of
 15 December 16, 1977. Would you have any reason to
 16 question but that there was in fact a meeting of the
 17 board on December 16, 1977?
 18 A. No, I wouldn't.
 19 Q. Okay. And it indicates -- his letter indicates then
 20 that all members were present. Again, you would
 21 have no reason to disagree that you --
 22 A. No.
 23 Q. Were in attendance?
 24 MS. DEBEVOISE: Wait until she finishes
 25 entirely asking the question.

1 BY MS. COLLIER:
 2 Q. Then moving on to the fourth paragraph of the
 3 letter, Mr. Van Meer presented details of the estate
 4 problems that could arise to family members owning
 5 stock by holding on to same over a longer period of
 6 time, in this case ten years. Would this be the
 7 meeting at which Mr. Van Meer first mentioned this
 8 issue to you?
 9 A. I don't believe so.
 10 Q. Do you think the meeting that you're talking about
 11 was before or after this meeting?
 12 A. Probably before. I'm not even sure that it was a
 13 directors meeting. He may have been at the office.
 14 Q. Okay. Continuing with Mr. Schnauck's letter, he
 15 summarizes this Mr. Van Meer's presentation as
 16 follows: based on these facts, large amounts of
 17 taxes would be due upon the death of a family member
 18 stockholder. A discussion went on as to the
 19 possibility of contacting the same through Mr. Van
 20 Meer and explaining the implication in continuing to
 21 hold Class B and preferred stock and to vindicate
 22 the possibility, if anyone was interested, to redeem
 23 Class B and preferred stock to the corporation for a
 24 lump sum, one-time settlement.
 25 It was voted and agreed that Mr. Van Meer was

1 to contact first the Wight and then the Francis
 2 family and explain to them in detail the implication
 3 of holding on to the stock in connection with the
 4 estate problems.
 5 Having read that to you here, what is your
 6 understanding of what was discussed -- strike that.
 7 What is your recollection as to what was discussed
 8 at the meeting on December 16, 1977, regarding
 9 contacting the Wight and Francis family?
 10 A. Well, I believe it's accurate.
 11 Q. You believe Mr. Schnauck's description of the
 12 presentation as I just read it to you is an
 13 accurate summary?
 14 A. Yes, it's accurate as to what he wrote.
 15 Q. Does this jibe with your own personal recollection?
 16 A. Basically, yes.
 17 Q. Okay. What did you mean by vindicating the
 18 possibility, if anyone was interested, to redeem
 19 stock?
 20 MS. DEBEVOISE: Can you rephrase that question
 21 since it wasn't his language. It was Schnauck's
 22 language, so he didn't mean anything by it.
 23 MS. COLLIER: Well I understand what you mean,
 24 but I believe the deponent has just concurred that
 25 this paragraph accurately summarizes his own

1 personal recollection. That is why I asked the
 2 question in the way that I did.
 3 BY MS. COLLIER:
 4 Q. You can answer it if you can.
 5 A. Yeah, I think it's a typo and that if you crossed
 6 out the V on that it makes sense to me. Vindicate,
 7 there shouldn't be a V on there. To indicate is
 8 what he's trying to get at is my recollection.
 9 Vindicate doesn't meaning anything to me in that
 10 sentence.
 11 Q. Why was it voted and agreed that Mr. Van Meer would
 12 contact first the Wights?
 13 A. Probably because the Wights lived closer to where
 14 his office was, and I guess it would be normal
 15 procedure to hit them on the way first and come onto
 16 Ellsworth and then either stay over or head back, if
 17 he had time, to get home.
 18 Q. Was there any other reason discussed as to why the
 19 Wights and then the Francis would be contacted
 20 other than what's contained in this --
 21 A. Not that I know of.
 22 Q. Okay. What about the Trenholms and the Strattons?
 23 A. You're asking me what about them?
 24 Q. I'll rephrase the question.
 25 A. Okay, good.

Page 57

1 Q. I'm asking you was it discussed at the meeting to
 2 contact the Trenholms?
 3 A. No, not that I know of.
 4 Q. Was it discussed to contact the Strattons?
 5 A. Not that I recall.
 6 Q. What was the distinction, if any, that was discussed
 7 as to why the only parties that would be contacted
 8 would be the Wights and the Francises?
 9 A. Because they weren't present at the meeting.
 10 MR. SILSBY: I didn't catch that answer.
 11 THE DEPONENT: The Wights and Francises didn't
 12 have any representation at the meeting.
 13 BY MS. COLLIER:
 14 Q. In other words, Mr. Stratton and Mr. Trenholm were
 15 both present?
 16 A. Yes.
 17 Q. Okay. Did you personally have any contact with Eva
 18 Wight or Carl Wight or Lou Ann or Arnie Francis
 19 between December of '77 when this meeting was held
 20 and the meeting that was held in June of 1978 which
 21 we're going to be getting to in a minute; you're
 22 familiar with that meeting?
 23 A. Yes.
 24 Q. Did you personally have any contact with Lou Ann and
 25 Arnie or Eva and Carl about estate tax issues during

Page 58

1 that time frame?
 2 A. I don't know if it was about estate tax issues, but
 3 I did have contact, yes.
 4 Q. Do you remember any particular conversation at
 5 which the subject of estate taxes was discussed
 6 between you and any of the individuals I just named?
 7 A. Lou Ann and Arnie came to my house somewhere between
 8 the 17th of February and the 13th of March of 1978,
 9 and they had been at Charlie's house and they were
 10 stopping in on their way home to try to find out I
 11 guess, as I understood it, from me a lot of things
 12 that Lou Ann said that she talked with Charlie about
 13 and didn't make any sense.
 14 There was a discussion. There was mention
 15 about selling stock because as I recall she told me,
 16 Lou Ann told me, and I believe that we had discussed
 17 that Charlie and I weren't getting along too good,
 18 that sort of thing, and she told me that if it would
 19 help me get my boys into the company and maybe save
 20 the company that she would be willing not to sell
 21 her stock back to the company.
 22 And I told her that my boys were still in
 23 grammar school and I hoped they had a lot more
 24 schooling to go through and that I didn't have any
 25 idea what they wanted to do for a life's work, that

Page 59

1 I wasn't encouraging them to go into the business or
 2 anything else one way or the other and that I
 3 thought that she should not consider my family in
 4 any decision that she made for her or her family. I
 5 did appreciate her consideration, but I just had no
 6 idea what they wanted to do.
 7 Then I believe she mentioned something about
 8 -- I don't actually recall the inheritance tax
 9 thing, but it must have been discussed because she
 10 asked me if she bought additional life insurance
 11 that it would be of any help, and I told her only if
 12 she wasn't going to sell the stock and if she
 13 did -- no. The life insurance, yeah, would be good
 14 if she didn't sell her stock and that -- but I
 15 didn't really see any need of her buying additional
 16 life insurance because I didn't know of any reason
 17 why the board of directors would not agree to buy up
 18 enough of anybody's stock that might have an
 19 inheritance tax problem in order to take care of
 20 that problem, and at that point it had never been
 21 discussed with the board of directors. I didn't
 22 tell her this, but that basically was it.
 23 Another thing, at the same time at that
 24 meeting we must have had some conversation about the
 25 company because I had told her that the company was

Page 60

1 making good profits and the company had made good
 2 profits for many, many years, and I left the room to
 3 go into my desk to try to find a financial
 4 statement, which I didn't have at home. I explained
 5 that I had financial statements at the office for
 6 the present years and for past years and that I
 7 would -- at any time that they wanted I would sit
 8 down and go over those financial statements with
 9 them, either at my home, at the office or at Lou
 10 Ann's house, and I can't recall anything else at
 11 that time. I believe that's it.
 12 Q. Was it just you, Lou Ann and Arnie?
 13 A. And my wife.
 14 Q. This was in March of '78?
 15 A. It was between February 17 and March the 13th, '78.
 16 Q. And how is it that you recall the time period so
 17 specifically?
 18 A. Well, let's see. February 17, 1978, was the time
 19 when Van Meer and Kruger met with Mr. Silsby and the
 20 Francis family in Ellsworth. And 3-13-78, I believe
 21 you've got a copy somewhere of a directors meeting
 22 where this subject was discussed. It was also
 23 discussed the fact that they met with Charlie and I
 24 and Dick Trenholm volunteered --
 25 MS. DEBEVOISE: Do you want to clarify who

1 they is. Who are you referring to when you say
 2 they?
 3 A. Lou Ann and Arnie met with, according to the minutes
 4 of that meeting, met with Charlie and Orice and
 5 Ilene and I at our house, and Dick Trenholm stated
 6 for the record that he had also had a meeting with
 7 them over the subject.
 8 Q. I notice that you're referring to a summary of dates
 9 that you have had with you today.
 10 A. Yes.
 11 Q. That's a chronology that you've created?
 12 A. Yeah.
 13 Q. And before we are done, if I could just have a copy
 14 of your chronology I would appreciate it, since
 15 you're referring to it. Did you make any notes of
 16 your own concerning what was discussed at the
 17 meeting that you had when Lou Ann and Arnie came to
 18 your house?
 19 A. No, I did not.
 20 Q. So what you're testifying to here today is from your
 21 independent personal recollection of what was
 22 discussed?
 23 A. That's right.
 24 Q. Lou Ann and Arnie seemed confused by what they had
 25 heard at Charlie's house. They had been at

1 Charlie's before they came to see you?
 2 A. I believe she told me that she was confused or
 3 mixed up or something with what she and Charlie had
 4 talked about down there, and she stopped by to see
 5 if I could straighten things out. And I don't
 6 recall any particular thing that she mentioned to
 7 me that she was confused about, and other than what
 8 I just told you, I don't know of anything I
 9 straightened out.
 10 Q. If it would help you, she would not sell her stock.
 11 She told you that?
 12 A. That's as I recall.
 13 Q. Did it seem that she had been encouraged to sell her
 14 stock by someone else?
 15 A. Evidently, there was some reason why she was telling
 16 me that she would not sell her stock if it would
 17 help me, and I evidently declined.
 18 Q. Did she tell you that Charlie had encouraged her to
 19 sell?
 20 A. No, she didn't.
 21 Q. Did she tell you that anyone had encouraged her to
 22 sell in particular?
 23 A. Not that I recall.
 24 Q. Did she mention anything to you about having been at
 25 a meeting at Bill Silsby's office?

1 A. I can't remember that. I don't recall specifically.
 2 Q. From what you have just described of this
 3 conversation, would it be fair to say that you saw
 4 no particular reason why Lou Ann and her family
 5 should sell their stock as of the time you had this
 6 discussion with them; is that correct?
 7 A. That's correct.
 8 Q. I'll show you what you have already referred to, the
 9 March 13, 1978, meeting, Plaintiff's Exhibit 30,
 10 which is an agenda for that meeting I believe. And
 11 I note that in regards to Plaintiff's Exhibit 30,
 12 item four of the agenda was for a discussion of Mr.
 13 Van Meer's visit to stockholders.
 14 A. Yes.
 15 Q. And that was I think what you were referring to a
 16 minute ago.
 17 A. Yes.
 18 Q. And together with that I'll show you Plaintiff's
 19 Exhibit 31, which likewise I believe you alluded to
 20 a few minutes ago as being a summary of the
 21 transactions at that meeting?
 22 A. Mm-hmm.
 23 Q. You're familiar with Plaintiff's 31?
 24 A. Yes.
 25 Q. Would you like a moment to read it over again? I do

1 want to ask you a few questions about it.
 2 A. (Witness reviewing document.)
 3 Q. Okay?
 4 A. Yes.
 5 Q. Before I ask you some questions about that meeting,
 6 going back to the visit Arnie and Lou Ann made to
 7 you at your home, was there any discussion about the
 8 value of the Francis's stock?
 9 A. I don't recall any.
 10 Q. They weren't at all concerned about what their stock
 11 was actually worth?
 12 A. I don't recall ever being asked what it was worth.
 13 Q. As of the meeting that you had February to March of
 14 1978, what in your opinion was the value of their
 15 stock?
 16 A. I really don't know.
 17 Q. It appeared to me from studying many documents in
 18 this case that the Class A voting common stock that
 19 you owned was valued by your accountants for various
 20 purposes in the same amount as the Class B --
 21 A. Yes.
 22 Q. Nonvoting stock that the Francis's owned, for
 23 example. Is that your understanding as well?
 24 A. Well, it was supposed to be as far as no difference
 25 in value. As far as the corporation was concerned,

1 it was two classes of stock. One was voting; one
2 was nonvoting.
3 Q. So whatever the value was per share of your stock,
4 let's say in March of '78, the common stock that is,
5 you would agree that the Francis stock would have
6 that same value per share at that time?
7 A. Not necessarily. I mean depends, I guess, on the
8 situation.
9 Q. What variables would you want to know in order to
10 answer that question?
11 A. Well, I really don't know how to determine the value
12 of a minority interest in a nondividend paying
13 private business. The only thing that I've ever
14 heard of was whatever a willing buyer and a willing
15 seller are willing to agree on.
16 Q. And what you have just told me was what you also
17 believed back in 1978?
18 A. Yes.
19 Q. In the minutes of the meeting, which are in
20 Plaintiff's Exhibit 31, I would like to direct your
21 attention to page two, the lower portion of the
22 page, where Mr. Van Meer is making his presentation
23 to the board. Do you remember -- do you have any
24 independent memory of this particular meeting, apart
25 from what is written in Exhibit 31?

1 A. Yes, I do, but I'm sure this document would help
2 refresh it.
3 Q. Could you tell me what you do remember, thinking
4 back to that meeting, what you remember on your own,
5 as best you can.
6 A. Like some of the others involved, it's difficult to
7 determine what I remembered and what kind of --
8 Q. Well, let me rephrase that question.
9 A. Added to my memory from reading this.
10 Q. That would be a difficult thing to do; I
11 understand. Having reviewed Exhibit 31, do you
12 remember anything else being said or taking place at
13 that meeting other than what is summarized in 31?
14 A. I think this was basically the gist of it.
15 Q. Directing your attention to page three, third
16 paragraph down, the president of the company, your
17 brother Charles, asked Mr. Kruger and Mr. Van Meer
18 to come up with values of the Class B stock which
19 could be taken as a consideration for purchasing the
20 same. I'll stop there for a moment.
21 Did Mr. Kruger and Mr. Van Meer ever convey to
22 you after this meeting what their opinion was as to
23 the value of the Class B stock which could be used
24 in connection with purchasing Class B stock?
25 A. I don't recall that, no.

1 Q. Do you know why that never happened?
2 A. No, I don't, other than what I just said. I think
3 it's a very difficult figure to come up with. I
4 mean book value of the company is one thing.
5 Minority interest in that situation is two different
6 things, I would think.
7 Q. So whatever values were subsequently arrived at for
8 the Francis stock and later the Wight stock were
9 arrived at without the benefit of any opinion from
10 Mr. Kruger or Mr. Van Meer?
11 A. To the best of my knowledge, that's true.
12 Q. Reading along further the next sentence of the
13 paragraph I was just reading from, the summary of
14 minutes indicates that at the time of the meeting it
15 was suggested that the price would bring along the
16 protection of a number of years, during which time
17 the family members who sold the Class B stock would
18 be obtaining additional compensation should Stinson
19 Canning Company be sold.
20 My first question about that sentence is do
21 you know who made the suggestion that the price
22 bring along the protection of a number of years and
23 so forth?
24 A. I believe it was something that Tom Van Meer told
25 us.

1 Q. Were you supportive of that suggestion?
2 A. I mean, I think this is a little bit misleading. I
3 don't think it was a suggestion.
4 Q. What was it then?
5 A. I think it was a situation that I think I originally
6 asked Tom for an opinion on which was if we were
7 negotiating with either the Francis or the Wight
8 family for the sale of their stock and we had also
9 at the same time been negotiating with an outside
10 company to buy us out, if that situation took place,
11 that wouldn't be a good faith negotiation. And if
12 we knew of a price that was higher that we were
13 going to sell out for, yet we were still negotiating
14 with them at a cheaper price, this is what this is
15 referring to where it says would bring along the
16 protection of a number of years. It necessarily
17 didn't have to be any set time. It could have been
18 -- it wouldn't be based on the time necessarily. It
19 would be based on whether or not there was anything
20 in your files that indicated that you were
21 negotiating with somebody and consequently within a
22 short period of time afterwards you sold out.
23 Q. Did you say all that at this meeting when you asked
24 Mr. Van Meer about this?
25 A. Oh sure, probably more.

Page 69

- 1 Q. Do you remember anything else of that nature that
2 you brought up at the meeting?
- 3 A. Of that nature? No.
- 4 Q. And your father was, according to the minutes
5 reading along to the next paragraph, he was pretty
6 strongly against any of the family members selling
7 their stock. Isn't that a fair interpretation?
- 8 A. Yes.
- 9 Q. And instead, he suggested that the estate tax be
10 paid according to some redemption agreement for the
11 benefit of all family members; is that right?
- 12 A. Right, absolutely.
- 13 Q. And then you are quoted as -- not quoted, but it is
14 attributed to you that you suggested there were not
15 enough options being offered to the family members
16 and this was causing the company a great deal of
17 disharmony. What was the disharmony that you sensed
18 as of this date?
- 19 A. I had reason to believe that some of the crowd felt
20 that they were being pressured by the visit from Tom
21 and Kruger into selling their stock at a cheap
22 price, and I thought that there should be other
23 options other than solve an inheritance tax problem
24 by selling their stock back to the company.
- 25 Q. These other options --

Page 70

- 1 A. Basically the other option would be buy enough stock
2 at a stockholder's death in order to cover those
3 taxes.
- 4 Q. Or making up the difference on the sale price if
5 additional compensation were received upon the sale
6 of the company.
- 7 A. I don't understand. That's an option?
- 8 Q. I'm asking you if -- maybe that didn't sound like a
9 question.
- 10 MS. DEBEVOISE: What is the question?
- 11 BY MS. COLLIER:
- 12 Q. Yeah. My question is was that another option in
13 your mind?
- 14 A. Will you repeat it please. I'm not sure I
15 understood what you said.
- 16 Q. The option of making up the difference on the sale
17 price if someone did sell should the company sell
18 for a greater amount.
- 19 A. I don't recall that that was ever brought up.
- 20 Q. Well maybe I'm confused. I thought you were just
21 explaining to me a moment ago that you asked Mr. Van
22 Meer for an opinion.
- 23 A. Yes.
- 24 Q. And that -- what opinion did you ask of Mr. Van Meer
25 again?

Page 71

- 1 A. I asked him if we were negotiating with any family
2 for their sale and at the same time or during that
3 period before we bought them out that we would
4 negotiate with somebody to buy the whole company, if
5 that was a legal problem. I mean it was obvious to
6 me that it was a conflict of interest type thing or
7 whatever, I mean something that wouldn't be right.
8 It wouldn't be right to try to buy them out at a
9 cheap price at the same time we were selling out for
10 more money to another company, and he confirmed
11 that.
- 12 Q. He gave you an opinion?
- 13 A. He gave us an opinion that we would probably -- they
14 could probably bring suit or whatever or anything
15 else if we did something like that.
- 16 Q. And finally, Mr. Stinson, the last paragraph, next
17 to the last paragraph I guess, on page three of this
18 summary of the minutes indicates that the meeting
19 closed with the intent to have a meeting with all
20 stockholders including the Class B stock at a future
21 date at which time Mr. Kruger and Mr. Van Meer will
22 be invited to explain in detail the results and
23 propose the value they have arrived at for Class B
24 stock, should anyone want to sell.
- 25 Now, I understand from what you told me a few

Page 72

- 1 minutes ago that Mr. Kruger and Mr. Van Meer never
2 did give you an opinion of value for the Class B
3 stock.
- 4 A. I don't recall it if they did.
- 5 Q. Do you know if your brother or if yourself ever
6 pushed Mr. Kruger and Mr. Van Meer on this point to
7 try to get their opinion of value?
- 8 A. I didn't. I don't recall that he did.
- 9 Q. Did it become unimportant to you to know what the
10 stock was worth?
- 11 A. Oh, we knew I guess. It was quite easy to figure
12 out the book value of the stock, but the problem we
13 had was with the minority interest, what that was
14 worth.
- 15 Q. What was the book value of the stock in 1978?
- 16 A. I don't recall at this time. I would have to get a
17 statement and look it up.
- 18 Q. Would you agree with me that the Class B common
19 stock had a greater value than book value in 1978?
- 20 A. The Class B stock had a greater value --
- 21 MS. DEBEVOISE: For what purpose are you
22 referring?
- 23 MS. COLLIER: Well, if he can answer the
24 question the way I've worded it, I would appreciate
25 him trying.

Page 73

1 A. I really don't think I can. I really wouldn't know.
 2 BY MS. COLLIER:
 3 Q. When I say value to you, you want me to be more
 4 specific as to the purpose for which the value is --
 5 A. Well, anything that would help me answer it I guess.
 6 Q. In your opinion, in 1978 did the Class B common
 7 stock -- was the class -- was the fair market value
 8 of the Class B common stock owned by the Francises
 9 greater than its book value?
 10 A. I really don't know what the fair market value to
 11 that stock was at that time. I know we did have
 12 several offers from other companies, which we never
 13 followed through on. Nothing ever happened, but I
 14 don't know.
 15 Q. Did you consider that you had a duty to the Class B
 16 common stockholders to determine the fair market
 17 value of their stock in connection with possibly
 18 acquiring it?
 19 A. If I did have a duty for it, I had no idea how to go
 20 about that. I wouldn't have known what to do. I
 21 don't now.
 22 Q. Well, you did ask Mr. Kruger and Mr. Van Meer to
 23 come up with a value and come to a meeting and
 24 explain what it was and how they came up with it.
 25 A. I don't know that they ever did.

Page 74

1 Q. You asked them that in March, and to the best of
 2 your recollection they never --
 3 A. I did or my brother? Whatever.
 4 Q. I'm using you in the generic sense of the board of
 5 directors voted to ask them to do this, of which you
 6 were a member.
 7 A. Mm-hmm. I have no recollection that they ever came
 8 up with it. I don't know that they could have.
 9 Q. Okay. Between March 13 of 1978 and June of 1978, I
 10 believe we're going to be talking June 9, 1978,
 11 between those dates I just mentioned, do you recall
 12 having any other conversations with Lou Ann and
 13 Arnie Francis about their stock?
 14 A. Possibly on 4-25-78 the board of directors asked me
 15 to contact the Francis and the Wight families about
 16 if they could come to that 6-9-78 meeting. And I
 17 believe I did call the Francis household, and Gus
 18 Francis answered the phone, and I asked if his
 19 mother was home. He said she was, and I invited her
 20 to come up to that meeting to discuss anything about
 21 inheritance tax problem or finances of the company,
 22 and I believe I told her that there would be other
 23 options involved other than selling her stock back
 24 to the company, and we certainly wanted to make them
 25 aware of it.

Page 75

1 Q. What, if anything, do you remember her saying in
 2 response during the conversation?
 3 A. To the best of my knowledge, I guess she figured
 4 they'd try to make it. I don't recall definitely
 5 any words but --
 6 Q. Okay. Let me show you Exhibit 32, which is a letter
 7 dated May 10, 1978, from Dieter Schnauck, corporate
 8 comptroller, to Tom Van Meer. Would you like to
 9 read through this letter? Are you familiar with it?
 10 A. That's the letter where he invited him up there?
 11 MS. DEBEVOISE: Can we start at the
 12 beginning.
 13 BY MS. COLLIER:
 14 Q. In regards to April 25, 1978, it appears that this
 15 is the meeting of the board of directors that led to
 16 the board asking you to contact the Francises and
 17 the Wights as you just have described?
 18 A. Yes. Yes, it is.
 19 Q. Okay. And in this letter, the bottom of the first
 20 page, next to last paragraph, it appears that -- and
 21 I'm asking if you agree that this is what happened,
 22 that a vote was taken by the board that the family
 23 retain their stock in the company and that a
 24 redemption agreement be drawn up in which it was
 25 outlined the number of shares to be traded in at the

Page 76

1 time of an estate tax settlement which would
 2 generate enough cash to make payment of the taxes
 3 for any family member at the time of death during a
 4 period not to exceed 15 years. Do you remember that
 5 vote being taken by the board?
 6 THE DEPONENT: Which place is she reading?
 7 Oh, right in here. Oh, okay.
 8 A. Yes, I believe I do.
 9 Q. And would you agree that this is, in fact, the
 10 option that you were supporting back at that meeting
 11 in March?
 12 A. Yes, mm-hmm.
 13 Q. And was it the plan that at the meeting on June 9
 14 the family members would be given or it would be
 15 explained to them that there would be a redemption
 16 agreement for them to sign that would protect them
 17 in the event of the death of a majority shareholder?
 18 A. I don't recall that, no.
 19 Q. Did the board intend, as you understood it, as of
 20 April --
 21 A. The board voted that.
 22 Q. Right. Was that redemption agreement ever prepared?
 23 A. Yes.
 24 Q. Was that redemption agreement ever presented to any
 25 of the shareholders?

1 A. I believe that that was the purpose of the meeting
 2 on June the 9th.
 3 Q. We're talking about a stock redemption agreement
 4 that would apply for the Francisces, the Wights, the
 5 Trenholms and the Strattons?
 6 A. I really am not familiar with it. I don't know what
 7 a stock redemption agreement -- what we did is Tom
 8 Van Meer drew up an agreement wherein the board of
 9 directors voted that at the death of any stockholder
 10 they would redeem enough of their stock in order to
 11 pay any inheritance taxes that was due on that
 12 stock, and I am quite certain that that was
 13 explained in that meeting to all the families that
 14 were there.
 15 Q. Do you have a memory of ever seeing such a document?
 16 A. Yes.
 17 Q. A document different from the minutes?
 18 A. This is not a document. This just states something
 19 that happened that was taking place, I guess.
 20 MS. DEBEVOISE: I can clarify this for the
 21 record if anybody would care to have me do so.
 22 You're free to continue to ask Mr. Stinson about it.
 23 MS. COLLIER: I will.
 24 BY MS. COLLIER:
 25 Q. Do you have a copy of this stock redemption

1 agreement that was prepared as a result of this
 2 meeting on April 25, 1978?
 3 A. Yes.
 4 Q. Did any of the shareholders to whom this document
 5 was presented sign it?
 6 A. There was no opportunity to sign it.
 7 Q. It was signed by the board of directors?
 8 A. The board of directors adopted it. I don't know of
 9 any shareholders that signed it.
 10 Q. And your memory is that this was shown, this
 11 document was shown to the shareholders at the June
 12 meeting?
 13 A. I don't recall that, no. It was explained, and it
 14 was one of the options that was offered, and it was
 15 stated that it was voted by the board of directors.
 16 That's my recollection.
 17 Q. As a director of Stinson Canning Company, you would
 18 agree that having voted to approve such a stock
 19 redemption agreement it was your duty to inform the
 20 shareholders of the existence of that agreement,
 21 correct?
 22 A. Mine or some other member of the board of directors.
 23 At least they should have been informed of it.
 24 Q. What position did you hold in the company, other
 25 than director, as of the spring of 1978?

1 A. As an officer?
 2 Q. Mm-hmm.
 3 A. I was treasurer.
 4 Q. And your brother was the president?
 5 A. Yes.
 6 Q. The board had a duty to inform the shareholders?
 7 A. I would think somebody in the outfit would have had
 8 a duty to do that, yes.
 9 Q. The meeting of June 9, 1978, was attended by all of
 10 you children and spouses?
 11 A. To the best of my recollection, it was.
 12 Q. Do you recall if your brother explained that
 13 financial affairs and estate problems were the
 14 reasons for the meeting?
 15 A. I believe he did.
 16 Q. What financial affairs were the reason for the
 17 meeting?
 18 A. The people there were all given a financial
 19 statement for 1977 which contained comparisons with
 20 1976. I believe it was discussed, and was there any
 21 questions or problems with it everyone was free to
 22 ask any questions. Van Meer and Kruger were both
 23 there and Mr. Schnauck or anyone else familiar with
 24 the things were there to answer questions. I guess
 25 -- I don't recall what else.

1 Q. Did anyone represent to the attendees of this
 2 meeting at any time during the meeting that the
 3 Stinson Canning Company was in financial difficulty?
 4 A. Not to my knowledge. I think if there had been,
 5 somebody there would have known the difference.
 6 Q. And in keeping with questions I was asking you
 7 earlier today, in your opinion as of June 9, 1978,
 8 the Stinson Canning Company was not in financial
 9 difficulty; is that correct?
 10 A. Absolutely.
 11 Q. Mr. Van Meer explained to the group estate tax
 12 problems that everyone faced. Do you recall that he
 13 did that?
 14 A. I believe that's true, yes.
 15 Q. What, to the best of your memory now, did Mr. Van
 16 Meer tell everyone about estate tax problems?
 17 A. I'll repeat what I've already said, just that with
 18 the increasing value of the stock in the company,
 19 the profits that we were making every year and that
 20 sort of thing, the stock was increasing in value
 21 every year if it continued the same way it had been
 22 doing in the past and that this would cause an
 23 increased value of anyone's stock. And if a major
 24 stockholder should die, there would be inheritance
 25 tax that would be levied against that by the

Page 81

1 Internal Revenue Department. What the value of that
 2 tax of that stock they would put on it, why we
 3 didn't know, but they were assured that there would
 4 be a value put on it. And I guess the object was to
 5 make everyone aware of that, and what they did about
 6 it, why I guess it was up to them.
 7 Q. I show you Plaintiff's Exhibit 33, which is, as I
 8 understand it, under date of June 16, 1978, a
 9 summary of what transpired at the June 9 meeting
 10 prepared by Dieter Schnauck, and I'd like to call
 11 your attention to the third page of this five-page
 12 document. I believe beginning about a quarter of
 13 the way down the page is the discussion to which you
 14 have just been addressing yourself about the estate
 15 tax discussion.
 16 A. Right.
 17 Q. And if you go over I guess to page four please, it's
 18 noted in paragraph two that Lou Ann Francis asked
 19 what would happen if she held on to her stock
 20 instead of selling it and then she died, and Mr. Van
 21 Meer is quoted as explaining that the company would,
 22 quote, probably take the position of purchasing back
 23 as many shares as necessary to pay the estate tax,
 24 end quote. And then the next part of the letter he
 25 reviews various options that the company is

Page 82

1 presently considering, but I would represent to you
 2 that nowhere in this five-page document is it
 3 indicated that the stockholders were advised that
 4 the board of directors had approved and adopted a
 5 stock redemption agreement.
 6 A. It was my understanding at the meeting that we had
 7 adopted such an agreement and we had voted on it,
 8 and my recollection is that everyone was explained
 9 that at the meeting. When I called the families to
 10 come to the meeting, I would not have called them
 11 other than had there been that option available to
 12 explain to them. This was my sole purpose in doing
 13 it.
 14 Q. Can you suggest any explanation for why the minutes
 15 of this meeting would seem to indicate that that
 16 option was simply still one of several under
 17 consideration as opposed to it being clearly stated
 18 that it had already been taken?
 19 A. Give me a minute. Well, I can't because on
 20 4-25-1978, which is before I called the families,
 21 the board voted to purchase the stock on the
 22 stockholder's death to cover that situation, and I
 23 believe that along with that vote was the agreement
 24 or whatever it was you want to call it that the
 25 stockholders voted on was attached to one copy of

Page 83

1 that stockholders' meeting. And to the best of my
 2 knowledge, I knew of that agreement. That agreement
 3 was voted on and everything else before I ever
 4 called the families to come to the meeting. I would
 5 never have called them to a meeting without it.
 6 Q. Did you tell Lou Ann and Arnie and Eva and Carl that
 7 the board had approved that when you called them
 8 after April 25?
 9 A. I don't recall the exact words, but I would be
 10 certainly surprised if I didn't tell them that they
 11 had another option other than selling their stock to
 12 the company. How specific I got about it, I don't
 13 recall. But certainly I wouldn't have called them
 14 without having that other option, and I wouldn't
 15 have called them without letting them know that was
 16 the reason for the meeting.
 17 Q. The part of the minutes on page four that I have
 18 just directed your attention to, is that then
 19 inconsistent with your recollection of what was
 20 stated at the meeting?
 21 A. Maybe some of the wording might be confusing there,
 22 but basically the gist of the whole thing I guess
 23 I'd have to say I agree with. That's basically what
 24 I recall.
 25 Q. Okay. So let me phrase that question in the reverse

Page 84

1 way. What is stated on page four of Exhibit 34 --
 2 33, excuse me, is consistent with what you recall
 3 having been discussed and told to the shareholders
 4 at that meeting?
 5 A. Is there anything specifically there that you would
 6 want to ask me about? I mean the whole page
 7 basically I would say yes, but if there is anything
 8 specifically there that you might want to ask I'd be
 9 happy to answer it.
 10 Q. Well, because I think it is actually fairly
 11 significant, I would like to go line by line through
 12 part of this and have you tell me if that is, yes,
 13 you remember it that way or, no, you don't think Mr.
 14 Schnauck got it right.
 15 A. Sure.
 16 Q. Lou Ann Francis asked what would happen if she held
 17 on to her stock instead of selling it back to the
 18 company and died.
 19 A. I recall that.
 20 Q. Mr. Van Meer explained that the company would
 21 probably take the position of purchasing back as
 22 many shares as necessary to pay the estate tax due
 23 to the ownership of Class B and preferred stock in
 24 Stinson Canning Company.
 25 A. I believe that's correct.

1 Q. Mr. Tom Van Meer reviewed the various options that
2 the company is presently considering.
3 A. The only problem with that is I don't know why it
4 was worded presently considering because we had
5 already considered it and we had voted on it.
6 Q. Okay. Then he says, A, the stock to remain as it is
7 presently.
8 A. Right.
9 Q. Do you remember him presenting these A, B and C here
10 as options the company was considering?
11 A. Yes. I don't know about was considering. As I say,
12 my understanding was it had already been considered
13 and voted on.
14 Q. And B, to buy back stock to pay state and federal
15 estate taxes attributable to the value of the
16 family's stock.
17 A. Right.
18 Q. Or C, to buy back stock for a total value of
19 \$300,000 per family of \$14 for preferred stock and
20 \$1,361 for Class B common stock.
21 A. I believe that's right.
22 Q. Do you recall recently completing responses to a
23 request for admissions?
24 A. Yes.
25 Q. I'd like to direct your attention to admission

1 request number five. Would you just read the
2 requested admission out loud.
3 A. A vote was taken at the April 25, 1978, board
4 meeting to offer alternatives that the family retain
5 their stock in the company and that a redemption
6 agreement be drawn up in which it was outlined the
7 number of shares to be traded in at the time of an
8 estate tax settlement, which would generate enough
9 cash to make payment of the taxes for any family
10 member at the time of death, during a period not to
11 exceed 15 years. Response?
12 Q. Yes.
13 A. It says here the defendant denies the matter set
14 forth in request number five.
15 Q. Which is the correct answer? Today you have
16 testified that a vote was taken and that's the only
17 reason that you even agreed to call these people,
18 but you denied it a month ago.
19 A. There must have been a technicality or something
20 here because basically what I understand that to
21 mean I cannot deny. There may be a technicality in
22 the wording or quote or something there. I don't
23 know.
24 Q. Okay. Backing up here for a moment. Plaintiff's
25 Exhibit 35 is a letter from Dieter Schnauck to Lou

1 Ann Francis May 15, 1978. This appears to be a
2 formal notice, if you will, of the meeting of June 9
3 that we were just discussing.
4 A. Yes.
5 Q. There is no mention in this letter of the fact that
6 the company on April 25 had adopted by vote a stock
7 redemption agreement for Lou Ann Francis, is there?
8 A. No.
9 Q. You referred a little bit earlier to your concern
10 that you raised by way of a question to Mr. Van Meer
11 in the March meeting for the fact of what would your
12 position be if the company was actively negotiating
13 to sell to an outsider. During the period from 1978
14 through 1980, the Stinson Canning Company received
15 several inquiries in regards to possibly acquiring
16 your company. Do you remember that time period?
17 A. Yes.
18 Q. And I'm going to jump over to --
19 MS. COLLIER: Can we go off the record for a
20 minute?
21 (Deposition Exhibit No. 1A was marked for
22 identification by the reporter.)
23 (A break was taken.)
24 MS. COLLIER: We're returning to the record
25 after a mid-afternoon break.

1 BY MS. COLLIER:
2 Q. Mr. Stinson, I would like to show you at this time
3 what has been marked for deposition purposes as 1A,
4 which I know you are familiar with. For the sake of
5 saving trees, I haven't made three copies of this,
6 but attached to this stock purchase agreement dated
7 February 4, 1980, between Arnie Francis and Stinson
8 Canning Company are a number of attachments, and
9 that's what I would like to direct your attention to
10 right now.
11 What was the first serious inquiry or offer
12 that you remember the company receiving in the late
13 1970s? And you're free to look at that list if that
14 helps you.
15 A. Doesn't help me a bit.
16 Q. Okay.
17 A. I don't recall any serious offers. We had offers,
18 but whether the offers were serious or whether we
19 weren't serious in considering them, one or the two,
20 because I don't recall having any intention to sell
21 to any of the people that's on that list.
22 Q. Let me ask you the same question but subtract the
23 word serious. What company was the first to inquire
24 into whether they could purchase Stinson Canning
25 Company?

Page 89

1 A. I'm going to have to answer this in this way. I did
 2 not have any correspondence that I can recall, I
 3 mean, with any of these people. My brother or my
 4 father might have. I answered possibly a couple of
 5 letters of inquiry, and I don't recall for sure but
 6 I believe I answered that we weren't interested in
 7 selling the company. And other than that, I don't
 8 know of any other than writing back and saying thank
 9 you but we're not interested in selling the company
 10 at this time. I don't even recall -- I might have
 11 sent a financial statement or a balance sheet to
 12 somebody at one time who inquired about one. Other
 13 than that, I don't know of any.

14 Q. I'm just going to show you what are attached to
 15 Exhibit 1A as Exhibits B and C. Are you familiar
 16 generally with those two documents?

17 A. I am not. This is something Dieter did and this one
 18 here -- one is to Dieter and one is to Charlie. I'm
 19 not familiar with them, no.

20 Q. Okay. Have you ever heard of Oakes, Whitney &
 21 Associates to the best of your memory?

22 A. No, I'm not, and I don't even recall having seen it
 23 before I came here.

24 Q. Do you know why Oakes, Whitney & Associates would
 25 have been sending information to Dieter Schnauk for

Page 90

1 the company in July and October of 1978?

2 A. I could only guess. Are these corporate financial
 3 consultants, or are they somebody that's trying to
 4 get a commission on the sale?

5 MS. DEBEVOISE: If you know the answer, say
 6 it. If you don't, say so.

7 A. I'm guessing.

8 Q. You have no idea why this --

9 A. No.

10 Q. Correspondence came to be?

11 A. I can speculate a lot.

12 Q. What about Exhibit D to 1A. This is a letter
 13 addressed to your brother Charles on March 7, 1979,
 14 and my question is do you remember at this time,
 15 meaning March 7 of 1979, anything about Gibbons,
 16 Green & Rice, Ltd., being interested in your
 17 company?

18 A. No.

19 Q. Show you what's marked as Exhibit E to 1A. This is
 20 a letter from yourself.

21 A. I don't recall it, but evidently I wrote it. And if
 22 these people were dealing with Charlie, maybe he was
 23 out of the country. I'm speculating. I don't
 24 know. I don't know why, but like I said before, we
 25 had very little interest in this type of an

Page 91

1 arrangement. I wasn't dealing with anybody to sell
 2 the company. If you can find something that shows I
 3 was, good; I'll change my mind.

4 Q. Do you know of anyone connected with the Stinson
 5 Canning Company in 1978 or 1979 who was actively
 6 seeking out the possibility of being acquired by
 7 another company?

8 A. I don't recall why we were getting all these
 9 inquiries. I could only assume, but I better not do
 10 that.

11 Q. What is your assumption?

12 A. Somebody must have put out a feeler that we might be
 13 interested if the right offer came along.

14 Q. Do you know who that somebody was?

15 A. I would not, no.

16 Q. Do you suspect who it might have been?

17 A. No, I don't know. It wasn't me; that's the only
 18 thing I'm sure of.

19 Q. Since these letters are, in most cases, being
 20 addressed to your brother or are from your brother
 21 -- when I say these letters, I'm referring to all of
 22 these letters.

23 A. Mm-hmm.

24 Q. The remaining exhibits. Would it be a reasonable
 25 assumption that it was your brother?

Page 92

1 A. The only thing I can say is I don't recall ever
 2 seeing it in these letters. If there was any
 3 negotiations going on, I wasn't involved in them.

4 Q. And none of these letters were taken seriously by
 5 you?

6 A. Not by me, and I don't know if they were by anyone
 7 else.

8 Q. In your opinion, these letters are essentially
 9 meaningless in regards to the value of the company?

10 A. Did anybody mention values?

11 Q. In your opinion, were these letters essentially
 12 meaningless in connection --

13 MS. DEBEVOISE: He has already testified he
 14 didn't see them.

15 A. I don't know what the letters say.

16 Q. Okay.

17 A. I don't know what's in them.

18 Q. Let me rephrase the question, and instead of letters
 19 let me put inquiries.

20 MS. DEBEVOISE: It's already been established
 21 that he has no recollection of these, so how could
 22 he have had an opinion at the time?

23 BY MS. COLLIER:

24 Q. Well, Mr. Stinson, I'm going to finish my question,
 25 and if that's an objection, I'm going to ask you to

1 answer the question over the objection for the sake
2 of the record.

3 My question is in your opinion was the fact
4 that inquiries were being made into the possibility
5 of acquiring the company, forget the letters,
6 essentially meaningless in connection with
7 determining the value of the company?

8 MS. DEBEVOISE: And I object to that question
9 because it's already been established on the record
10 that he had no knowledge of these inquiries.

11 BY MS. COLLIER:

12 Q. And you can answer.

13 A. It's meaningless to me because I don't know if there
14 is any -- I don't know what's in those agreements or
15 letters or whatever, inquiries, whatever you call
16 them. I don't know if there is any figures in there
17 that determines the value. I have no knowledge of
18 that.

19 Q. Do you remember a Donald Grosset coming to visit
20 your plant in 1979?

21 A. No, I don't.

22 Q. Have you ever had any conversations with your
23 brother Charles regarding the possible sale of the
24 Stinson Canning Company, and I will make the time
25 frame up until the time that Lou Ann and Arnie

1 Q. Pretty good.

2 A. Thank you.

3 MR. SILSBY: Run through that again.

4 THE DEPONENT: I can't; I might get it wrong.

5 BY MS. COLLIER:

6 Q. I will show you again from your request for
7 admissions number 25 and ask you to read that
8 admission out loud please, the request.

9 A. Connors Brothers, Ltd., offered Charles B. Stinson
10 as president of the Stinson Canning Company on
11 October 26, 1979, to buy directly or indirectly all
12 the shares of Stinson for \$16,100,000.

13 Q. What was your response to that request?

14 A. Defendant denies the matter set forth in request
15 number 25 but admits that on October the 26th, 1979,
16 D.A. McLean, president of Connors Brothers, Ltd.,
17 wrote a letter to Charles B. Stinson in which he
18 stated that he would like to set out such an offer
19 to the board for the board's consideration, and I
20 see nothing wrong with that.

21 Q. The statement as --

22 A. No, with my answer.

23 Q. Oh, with your answer?

24 A. With my answer.

25 Q. You agree, however, do you not, that the --

1 Francis sold their stock to the company. Did you
2 have any conversations with your brother about the
3 possibility of selling the company?

4 A. It may have been mentioned.

5 Q. What do you remember of any such discussion?

6 A. I believe there was an inquiry from Connors
7 Brothers, and I believe there was an inquiry from
8 Zapata Corporation, and that's the best of my
9 memory.

10 Q. What do you remember of the discussions with your
11 brother concerning the Connors Brothers?

12 A. Nothing other than that he had talked with them
13 about a possible acquisition.

14 Q. Were you interested in pursuing that possibility?

15 A. Not particularly, but I was willing to consider
16 anything that was serious.

17 Q. Do you remember any numbers being tendered as far
18 as --

19 A. There was a number quoted, and I may not be able to
20 remember exactly. Connors quoted something like 14
21 million plus interest over, I don't know, five years
22 or something. It come up to 16.1 million with the
23 interest. Four million cash, ten million over five
24 years, seven percent interest; came up with the
25 interest to 16.1 million. How's that for a memory?

1 A. With the letter.

2 Q. The discussion and the letter was received in
3 October of 1979?

4 A. Yes.

5 Q. In your opinion, was the fair market value of
6 Stinson Canning Company \$16,100,000 as of October
7 26, 1979?

8 A. I don't know whether I would have agreed to sell at
9 that price or not. I don't know. It could have
10 been.

11 Q. You think the price was low?

12 A. Possibly. Yeah, possibly; could very well have
13 been.

14 Q. Let me show you Exhibit W to Deposition Exhibit 1A.
15 This is a letter from the president of Katy
16 Industries, Inc., dated August 15, 1979, addressed
17 to your brother. Do you recall ever seeing this
18 letter before?

19 A. Yes, I believe I did. I don't know if it was at the
20 time it was written or if I might have seen it when
21 it was included in the Francis packet.

22 Q. Okay. Did your brother discuss the -- well, strike
23 that. The last paragraph of the first page of this
24 letter proposes that Katy Industries acquire Stinson
25 Canning Company for a price, a cash price of \$15

1 -million I believe.

2 A. Mm-hmm.

3 MS. DEBEVOISE: I object to the -- well, you
4 haven't finished your question. You haven't turned
5 the statement into a question yet, so maybe I should
6 save my objection. But if you confine your language
7 to the language of the letter, that might make it
8 not objectionable.

9 BY MS. COLLIER:

10 Q. In this letter dated August 15, 1979, Katy
11 Industries, through its president, is indicating
12 that is he prepared to recommend that Katy
13 Industries acquire your company for a cash price of
14 \$15 million. Do you agree that that's the substance
15 of the offer?

16 MS. DEBEVOISE: I object to the question in
17 that it uses the word offer which is not in the
18 language set forth in the letter.

19 A. That's the recommendation.

20 Q. The substance of the recommendation?

21 A. Yes.

22 Q. Do you recall your brother communicating to you on
23 or about August 15, 1979, that Katy Industries was
24 expressing interest at the level of \$15 million?

25 A. I don't. I'm not saying that he didn't, but I don't

1 letter?

2 A. Other than Bob Kruger wrote the letter to Charlie
3 and I. Where he -- I have no idea how he made the
4 contact or where it came from.

5 Q. You had no interest yourself in selling the company
6 in 1979?

7 A. Not particularly. I read that letter when it first
8 came, but I haven't read it since and I hope not to
9 be able to. I didn't understand it then and I don't
10 now.

11 Q. I believe you testified that you do remember
12 receiving this letter back in November or
13 thereabouts of 1979.

14 A. Yeah.

15 Q. Did you inform Lou Ann Francis and Arnie Francis of
16 this letter and the interest of Rosenkranz in 1979?

17 A. I did not, no.

18 Q. Do you believe that as a director and officer of the
19 company you had a duty toward other shareholders,
20 including Lou Ann and Arnie, to inform them of
21 interest in your business by Rosenkranz?

22 A. I do not.

23 MR. SILSBY: Pardon?

24 THE DEPONENT: I don't. I do not.

25 BY MS. COLLIER:

1 recall it.

2 Q. I understand. I show you Exhibit Y from Deposition
3 Exhibit 1A. This is a letter dated November 28,
4 1979, addressed to you and your brother Charles
5 discussing a meeting with Tom Van Meer and someone
6 from Peat Marwick, I think Mr. Kruger if I'm not
7 mistaken. Are you familiar with this letter?

8 A. Yes.

9 Q. This is a rather lengthy letter.

10 A. Yes, it is.

11 Q. It looks like five pages, single spaced, in which
12 Mr. Kruger appears to be explaining to you and your
13 brother in November of 1979 what the mechanics
14 would be of a possible acquisition of your company
15 by the firm with a Bob Rosenkranz involved. Do you
16 remember this discussion?

17 A. I remember the letter.

18 Q. Okay. What inquiry or action had taken place that
19 caused you and/or your brother to be in touch with
20 Mr. Van Meer and Mr. Kruger concerning Rosenkranz?
21 Had Rosenkranz contacted you?

22 A. No.

23 Q. Had you contacted Rosenkranz?

24 A. No.

25 Q. Do you know what the background is that led to this

1 Q. Were you and your brother involved in negotiations
2 with Rosenkranz?

3 A. Not to my knowledge.

4 Q. You were describing to us just before we took the
5 afternoon break the stock redemption agreement that
6 was approved by the board of directors in April of
7 1978. Was that stock redemption agreement similar
8 in content to the stock redemption agreement that we
9 looked at very early on today? And why don't I find
10 it.

11 MR. SILSBY: Exhibit 14.

12 MS. COLLIER: Thank you.

13 BY MS. COLLIER:

14 Q. I will show you Exhibit 14 that we talked about this
15 morning.

16 A. Okay. This is for the Class A stock. I'm familiar
17 with that.

18 MS. DEBEVOISE: For the record, you're
19 referring to Plaintiff's Exhibit 14?

20 A. Yeah, I'm familiar with that.

21 Q. Okay. When you voted, you meaning the board of
22 directors of Stinson Canning Company, voted to adopt
23 a stock redemption agreement for the minority
24 shareholders, the Class B nonvoting shareholders, on
25 April 25 of 1978, did the board adopt a written

1 stock redemption agreement similar to Plaintiff's
 2 14?
 3 A. Well, there is a difference. This is a stock
 4 redemption agreement wherein we for a reason are
 5 agreeing that if one of us dies that the company
 6 will buy back and our heirs will sell the stock back
 7 to the company. This keeps the Class A voting stock
 8 in the hands of either Charlie or me, whichever one
 9 is still living. This other vote by the board of
 10 directors is only a vote that the board of directors
 11 agrees to buy back a sufficient amount of the stock
 12 in order to alleviate any possible inheritance tax
 13 problem that might occur from that particular stock.
 14 And did you say you wanted a copy of that?
 15 Q. Well, what I'm asking you now is you testified
 16 before the break, as I remember it, that there was a
 17 written stock redemption agreement.
 18 A. This is what I'm offering. I don't know if it's a
 19 stock redemption agreement. It's the vote of the
 20 board of directors. It was drawn up by Tom Van
 21 Meer.
 22 Q. So there was no written stock redemption agreement?
 23 A. Have you seen that document?
 24 Q. I know what you're handing to me.
 25 A. That's the only thing that I'm familiar with.

1 Q. This is what you were calling a written stock
 2 redemption agreement?
 3 A. I don't know what I was calling it. It was the vote
 4 of the board of directors.
 5 MS. DEBEVOISE: Could we identify this
 6 document for the record.
 7 MS. COLLIER: Well, the deponent has handed to
 8 me minutes of the meeting of April 25, 1978, minutes
 9 of Dieter Schnauck.
 10 MS. DEBEVOISE: I'm just going to state --
 11 MS. COLLIER: You can mark it if you wish.
 12 MS. DEBEVOISE: Yeah, that's a good idea.
 13 MS. COLLIER: We can go off the record for a
 14 minute.
 15 (A discussion was held off the record.)
 16 (Deposition Exhibit 32A was marked for
 17 identification by the reporter.)
 18 BY MS. COLLIER:
 19 Q. Just take a moment to look at that.
 20 MS. COLLIER: We have marked for deposition
 21 exhibit purposes as 32A the actual minutes of the
 22 meeting of April 25, 1978, as prepared by Mr.
 23 Schnauck.
 24 A. Mr. Schnauck didn't write this whatever you want to
 25 call it, vote, agreement, whatever you name it.

1 That was prepared by Tom Van Meer.
 2 Q. Thank you. So was it your understanding that by the
 3 board having adopted this vote on April 25 there no
 4 longer were any, quote, estate tax problems, end
 5 quote, for any of the shareholders?
 6 A. That's my understanding.
 7 Q. And the business was in good financial condition?
 8 A. I knew of nothing other than that.
 9 Q. So what was the reason for even having the meeting
 10 on June 9?
 11 A. I'll explain it again. It was my understanding that
 12 some of the families, at least the Wight family, was
 13 under the impression that they had been offered only
 14 one option, to sell their stock back to the company
 15 for a small amount of money, and I don't think they
 16 were quoted any amount of money but they interpreted
 17 it that way. And my understanding of having that
 18 meeting was to not only offer the financial
 19 statements and clear up any questions about the
 20 condition of the company and also to offer at least
 21 one other option to correct a possible inheritance
 22 tax problem other than to sell their stock back to
 23 the company or a portion of their stock back to the
 24 company. And in my mind, I'm convinced that we did
 25 that.

1 Q. After the June 1978 meeting, from the several
 2 letters that we were just talking about --
 3 A. Mm-hmm.
 4 Q. Which ended up being attached to the Francis stock
 5 redemption agreements, there was a -- strike that.
 6 The inquiry from Zapata Corporation came into the
 7 company.
 8 A. Yes.
 9 Q. And at one point there was actually a meeting
 10 scheduled to be held I believe in August of 1978 at
 11 which the stockholders would be present to discuss
 12 the Zapata inquiry. Do you remember that?
 13 A. No, I don't.
 14 MS. DEBEVOISE: Charles Stinson has just
 15 pointed out for the record that I think we may have
 16 just mistakenly referred to the Francis stock
 17 purchase agreement as the Francis stock redemption
 18 agreement.
 19 MS. COLLIER: I did it again. You're right.
 20 Thank you.
 21 BY MS. COLLIER:
 22 Q. In your admissions, Mr. Stinson, I'm showing you the
 23 request number 24. Would you read request number 24
 24 please.
 25 A. The consolidated balance sheet of Stinson Canning

1 Company and subsidiaries for December 29, 1979,
 2 shows that the total value of the assets of the
 3 company was \$20,555,130. Response, defendant admits
 4 the matter set forth in request number 24.
 5 Q. Now, it's my understanding that sometime in the fall
 6 of 1979 Lou Ann and Arnie Francis had some
 7 discussions with you and/or Charles about selling
 8 their stock. Do you remember a time in the fall of
 9 1979 when there were any such discussions?
 10 A. I do not.
 11 Q. Is it your understanding that there were discussions
 12 between Lou Ann and/or Arnie and Charles at that
 13 time?
 14 A. I believe there was a telephone call or maybe a
 15 meeting but only from what I've listened to here or
 16 Charlie has told me.
 17 Q. Let me broaden my question and say from the time of
 18 the meeting in June of 1978 all through the rest of
 19 '78 and all through 1979, do you recall having any
 20 discussions with Lou Ann and/or Arnie about them
 21 selling their stock?
 22 A. I do not.
 23 Q. Do you recall any discussions with them at all about
 24 the company?
 25 A. No, I don't.

1 Q. Or estate tax issues?
 2 A. No.
 3 Q. In 1980 they did all sign stock purchase agreements
 4 on February 4, 1980, and by they I mean all the
 5 Francis family members?
 6 A. Yes.
 7 Q. Were you present at the time that they signed those
 8 agreements?
 9 A. Yes, I was.
 10 Q. From January 1, 1980, until February 4, 1980, do you
 11 recall having any discussions with Lou Ann or Arnie?
 12 A. I did not.
 13 Q. So again, just to recap, make sure that I understand
 14 what you're saying, from June 9, 1978, until
 15 February 4, 1980, you have no recollection of having
 16 any discussions with Lou Ann or Arnie about them
 17 selling their stock?
 18 A. I don't.
 19 Q. I direct your attention to request for admission
 20 number 28. Would you read that please.
 21 A. On December the 14th, 1979, at a special meeting of
 22 the board of directors of Stinson Canning Company,
 23 Charles Stinson brought up the offer of the Francis
 24 family to sell their stock back to the company at a
 25 price of \$700,000. It was voted to accept the offer

1 with payment schedule and interest rate as well as
 2 value of the stock to be determined at a later date.
 3 Q. And your response?
 4 A. The defendant admits the matter set forth in request
 5 number 28 except that he denies that it was voted
 6 that the value of the stock was to be determined at
 7 a later date.
 8 Q. What are the facts upon which you relied to deny
 9 that portion of the request that related to the
 10 value of the stock being set at a later date?
 11 A. I think it was confusing. I don't question the way
 12 it was worded, but it was confusing, the way it was
 13 worded.
 14 Q. Okay.
 15 A. What Dieter meant by that was that the value of the
 16 common stock had to have a price and the value of
 17 the preferred stock had to have a price. It didn't
 18 mean it was going to change the value of the
 19 700,000.
 20 Q. Was the December meeting the first you knew of the
 21 fact that the Francis would sell for 700,000?
 22 A. I believe so, yes.
 23 Q. Did your brother Charles come to you at any point
 24 before that and tell you what was going on?
 25 A. He may have said something about it. I don't

1 recall. He may have. I don't remember it.
 2 Q. As a director and officer of Stinson Canning
 3 Company, did you consider that you had a duty -- you
 4 owed a duty to the Francis family to pay them fair
 5 market value for their stock?
 6 A. I did not.
 7 Q. What did you believe that your duty was to them when
 8 you approved the sale at \$700,000?
 9 A. I believe that the value of that stock was based on,
 10 as I said before, what a willing buyer and a willing
 11 seller will agree upon, and I had no other idea of
 12 how to determine the value.
 13 Q. Did you understand when this vote was approved in
 14 December of 1979 that you owed a fiduciary duty to
 15 Lou Ann and Arnie Francis and their children?
 16 MS. DEBEVOISE: I'll object to the question in
 17 that it requires an answer involving a legal term of
 18 art.
 19 BY MS. COLLIER:
 20 Q. You can do your best to answer that, if you know
 21 what I mean.
 22 A. I figured I had a duty to all of the stockholders,
 23 both sellers and buyers.
 24 Q. What was that duty?
 25 A. To treat everybody fairly.

1 Q. Given that the company was worth over \$20 million,
2 which you have agreed to in admission number 24, as
3 of December 1979 --

4 MS. DEBEVOISE: I object to the foundation of
5 this question because that is not -- admission
6 number 24 says the total value of the assets of the
7 company is that amount.

8 BY MS. COLLIER:

9 Q. We'll start with that. Given that the total value
10 of the assets of the company was over \$20 million
11 and that your sister Lou Ann and her husband and
12 their children owned one-six of the company as of
13 December 1979, and given that you participated in a
14 vote that same month to purchase your sister and her
15 husband and their children's stock for \$700,000,
16 wouldn't you agree with me that the Francises did
17 not receive fair market value for their stock?

18 A. I believe I would. I should qualify that answer.

19 Q. In other words, buyer beware; strike the best deal
20 that you can, and you believe you fulfilled your
21 duty?

22 A. As I said before, I have no idea what the market
23 value for a minority interest in a family-owned
24 business would be.

25 Q. Actually, my question should have been seller

1 remember that?

2 A. No, I don't. I could qualify that. I believe that
3 was my father.

4 Q. Your father?

5 A. Yes.

6 Q. Now, given that according to your testimony back in
7 April of 1978 any possible estate tax problem had
8 been cured and given that the company was
9 financially healthy, what do you understand to have
10 been, if you know, Lou Ann and Arnie Francis's
11 motivation for selling their stock in late 1979 and
12 early 1980?

13 A. That's been a question that I've wondered for a long
14 time.

15 Q. You have no idea?

16 A. I have no idea.

17 Q. You didn't say anything to them during that time?

18 A. They didn't say anything to me, and consequently I
19 didn't say anything to them. I didn't converse with
20 them.

21 Q. Your sister Ida Trenholm has previously given a
22 deposition in this case, and I believe that you were
23 present during that deposition.

24 A. Yes.

25 Q. And Mrs. Trenholm told us that during a conversation

1 beware.

2 A. Evidently.

3 Q. Do you know if Charles Stinson had any discussions
4 -- I realize I sort of asked you this a few minutes
5 ago, but I'm trying to word it a little bit
6 differently to be sure I'm covering all the bases.
7 Do you know if Charles Stinson had any discussions
8 with Lou Ann and Arnie before December 1979 when the
9 vote was taken at \$700,000?

10 A. I believe he did.

11 Q. Has he ever told you what those discussions
12 consisted of?

13 A. The only thing he has ever told me was that she
14 approached him with this offer, and he brought it to
15 the board of directors. To the best of my
16 knowledge, it's his contention that there was never
17 any negotiations or discussions involved.

18 Q. So your understanding from your brother is that Lou
19 Ann and her husband and children simply asked for
20 \$700,000 and that was it?

21 A. Yeah.

22 Q. Now your brother Charles, if I'm remembering some of
23 the earlier meeting minutes correctly, was fairly
24 adamant about paying only \$300,000 per family for
25 stock, at least for a period of time. Do you

1 with you sometime after Lou Ann had sold her stock,
2 and I'm quoting from page 11 of her deposition,
3 lines 17 through 25, and somewhere in the
4 conversation -- she's quoting a conversation with
5 you, was, let me see, my sister Lou Ann -- there had
6 to have been -- a price had to have been asked of --
7 my older sister had asked a price that had to be
8 known because there was such a difference between --
9 and the conversation come up and they said that if
10 the company was sold and for a lot more and we all
11 got a lot more then they would make the difference
12 up to my sister Lou Ann, and I said oh, that's
13 great, and that was the conversation, end quote.

14 In your answers to the request for admissions,
15 you have denied that there ever was any such
16 conversation with your sister.

17 MS. DEBEVOISE: Can we see the request please?

18 A. I didn't deny that there was a conversation, but I
19 denied that there was that conversation.

20 Q. Let's find it. Why don't you read aloud number 38
21 and your response and then we'll go from there.

22 A. Sometime between the date the Francis family sold
23 their stock and the date that the Wight family sold
24 their stock, Calvin Stinson, junior, told Ida
25 Trenholm that if the company was sold and for a lot

Page 113

1 more and we all got a lot more then they would make
 2 up the difference or make the difference up to my
 3 sister Lou Ann and I said oh, that's great, and that
 4 was the conversation. Defendant denies the matter
 5 set forth in request number 38.
 6 Q. Okay. Now, under the Civil Rules, when you deny the
 7 matter set forth in 38 you are telling me that none
 8 of what is said in 38 is true.
 9 MS. DEBEVOISE: Objection to the foundation of
 10 that statement.
 11 BY MS. COLLIER:
 12 Q. So based upon what you said just a moment ago, I am
 13 now understanding that you would agree that some
 14 parts of request 38 are accurate, and I would like
 15 to ask you which parts, if any, are.
 16 A. No, the basic thing. I mean there's nothing
 17 accurate about -- other than the fact that she did
 18 have a telephone conversation with me, but that's
 19 not the statement.
 20 Q. What do you remember of a telephone conversation
 21 with Ida?
 22 A. I believe -- was there a lot more to that telephone
 23 conversation than what is stated in here because I
 24 believe there was more to it?
 25 Q. Well I guess you're confusing me now, Mr. Stinson.

Page 114

1 You evidently recall some sort of telephone
 2 conversation?
 3 A. Yes.
 4 Q. That has something to do with Lou Ann and her sale
 5 of stock?
 6 A. Yes.
 7 Q. What do you remember of that conversation?
 8 A. Well, she called up and wanted to know if she could
 9 sell her stock, and I told her that it would have to
 10 be a decision of the board of directors and that it
 11 was my understanding from our legal representation
 12 that it had to be a whole family and not just one
 13 person to sell their stock. And as I recall her
 14 reply, she said well I guess then I have no choice;
 15 I can't sell mine.
 16 Then I don't know if that was the same time or
 17 it seemed like -- it seemed like there was a
 18 conversation about Lou Ann selling her stock, and
 19 I'm not 100 percent sure of this, but I may possibly
 20 at that time have told her that if the company was
 21 sold for more money at the time that we were
 22 negotiating with Lou Ann for a sale that we would --
 23 our legal representative told us that we would have
 24 to make up that difference. It would be a sale in
 25 anticipation of our already being negotiating for

Page 115

1 more money. You don't understand what I'm saying?
 2 Q. No, I don't.
 3 A. I've explained this twice already, but I'll go over
 4 it once more.
 5 Q. No, that's all right. Let me ask you some different
 6 questions. There were no negotiations, as I
 7 understand it.
 8 A. Not that I know of.
 9 Q. For Lou Ann's stock?
 10 A. No negotiations. I don't know of any, no.
 11 Q. Okay. And at the time that you were, you meaning
 12 the company, was receiving these numerous inquiries,
 13 you were not aware of these inquiries?
 14 A. Some of them I might have been. I wasn't aware of
 15 any serious inquiries.
 16 Q. You didn't consider the Rosenkranz inquiry serious
 17 even though you requested and got a five-page letter
 18 from your accountant?
 19 MS. DEBEVOISE: Objection to the foundation of
 20 that question.
 21 BY MS. COLLIER:
 22 Q. You may answer.
 23 A. It may have been a serious inquiry, but we didn't
 24 consider it ourselves.
 25 Q. And that letter from Mr. Kruger was in late November

Page 116

1 of 1979. In that letter he refers to a meeting
 2 being set for December 8 of 1979.
 3 A. With whom?
 4 Q. With you and Rosenkranz.
 5 MS. DEBEVOISE: Do you want to refer to the
 6 letter? Are you asking him if he recalls this?
 7 A. I don't recall any meeting. Do we have minutes of
 8 the meeting?
 9 Q. I'll withdraw the question. What I don't understand
 10 about what you just told me is about the
 11 conversation you were having with Ida is -- well
 12 strike that. Did you tell Lou Ann Francis and Arnie
 13 Francis before they sold their stock that if the
 14 company was sold later for a greater price per share
 15 that you would make up the difference to them?
 16 A. I did not.
 17 Q. Did you tell Lou Ann and Arnie Francis that the
 18 Stinson Canning Company and/or you and your brother
 19 were receiving inquiries from numerous companies
 20 about possibly buying Stinson Canning Company?
 21 A. I don't recall that I did.
 22 Q. Do you deny that Stinson Canning Company was
 23 involved in negotiating the sale of the company in
 24 1979?
 25 A. To my knowledge, they were not.

1 Q. Why did you tell your sister Ida then that if the
 2 company sold for more money at a time when you were
 3 negotiating a sale of the company you would make up
 4 the difference to Lou Ann and Arnie?
 5 A. I don't recall that I did, but if I did say anything
 6 to her regarding Lou Ann and Arnie, as she stated in
 7 her deposition, that is the only possible thing I
 8 could have said because it's the only possible thing
 9 I had any knowledge of.
 10 Q. Do you remember earlier today we looked at minutes
 11 of the meeting of March 13, 1978?
 12 A. Mm-hmm.
 13 Q. And we can get them out if you would prefer, but
 14 what I'm referring to now is the part of the minutes
 15 that stated that a possibility would be, or it was
 16 suggested I believe was the terminology, that if a
 17 shareholder sold out and the company was sold later
 18 for a greater amount the company would make up the
 19 difference.
 20 A. There would be more money coming or something, yes.
 21 MS. DEBEVOISE: Would you read that back?
 22 (The last question was read back by the
 23 reporter.)
 24 A. To some extent.
 25 BY MS. COLLIER:

1 Q. Okay. Isn't it probable that at some point between
 2 June of 1978 and February of 1980 you communicated
 3 to Lou Ann Francis and maybe her husband that the
 4 company would make up the difference in the event of
 5 a sale at a later time for a greater price?
 6 A. Is it possible?
 7 Q. Is it probable?
 8 A. It isn't even possible.
 9 Q. It's not even possible.
 10 A. I never communicated with either one of them between
 11 that time.
 12 Q. As far as the price of \$700,000 --
 13 A. I never --
 14 Q. Willing buyer/willing seller was your belief as far
 15 as how to fix a fair value for your sister and --
 16 A. For a minority interest, family-owned business.
 17 Q. Were you ever advised before the sale in February of
 18 1980 as to what your fiduciary duties were to
 19 minority shareholders?
 20 A. Not that I recall, no.
 21 Q. No one ever told you that you owed such shareholders
 22 the utmost duty of good faith and fair dealing and
 23 that it was your responsibility, in part, to look
 24 out for them and be sure that they did receive the
 25 full value of their shares?

1 A. I don't recall ever being told that, but that's not
 2 to say that I didn't realize it.
 3 Q. Did you realize it at the time?
 4 MS. DEBEVOISE: I'm sorry, I lost the
 5 question. Can you read it back.
 6 (The question beginning with no one ever
 7 told you was read back by the reporter.)
 8 (The last answer and pending question
 9 were read back by the reporter.)
 10 A. I believe I did.
 11 MS. COLLIER: I would like to break for just a
 12 few minutes. I may be done.
 13 (A break was taken.)
 14 MS. COLLIER: Back on the record.
 15 BY MS. COLLIER:
 16 Q. I'd like to show you what has been marked as
 17 Plaintiff's Exhibit 36, which appears to be a note
 18 from you to your sister Tudy.
 19 A. Yes.
 20 Q. Tudy is Eva; is that right?
 21 A. Right.
 22 Q. And evidently, sometime after the sale of the
 23 Stinson Canning Company you received an inquiry from
 24 Lou Ann asking for information regarding the sale of
 25 the company; is that right?

1 A. Yes.
 2 Q. And would you read paragraph two of this note.
 3 A. I guess you need to know all the values involved so
 4 to determine how much you were beat on an early
 5 sale. Is that the paragraph you need?
 6 Q. Yes.
 7 A. And it is your opinion, isn't it, that not only Lou
 8 Ann but also Tudy and her family were beat in terms
 9 of not having received the value to which they would
 10 have received had they held on to their stock?
 11 A. I can't say that honestly, no.
 12 Q. What did you mean by the language that you used in
 13 this note that you just read?
 14 A. Well, this was a personal note to Tudy, and it was
 15 meant to be personal. I had no idea it was going to
 16 be brought up in the trial. And Tudy is a very,
 17 very suspicious lady, and I have been known to
 18 occasionally be sarcastic; and when you put those
 19 together, I think it pretty well explains it.
 20 Q. Between June of 1978 and February 4 of 1980, as I
 21 understand your testimony, you never had any
 22 conversation with Lou Ann and/or Arnie about their
 23 sale of stock?
 24 A. I believe that's true.
 25 Q. And have you told me in response to my questions

Page 121

1 today everything that you presently remember about
 2 any conversations you ever had with Lou Ann and
 3 Arnie concerning the sale of their stock?
 4 A. Never had any.
 5 Q. One last housekeeping thing. I'm going to show you
 6 Plaintiff's Exhibits 1 and 2, just ask if you can
 7 identify those for the record.
 8 A. Yes.
 9 Q. Starting with Plaintiff's Exhibit 1, what do you
 10 recognize this to be?
 11 A. That looks to be a stock purchase agreement with Lou
 12 Ann Francis.
 13 Q. And you indicated you were present at the time that
 14 this was signed. Would you tell us what you can
 15 remember of what was done and said during that
 16 meeting. Maybe we can start with where was the
 17 meeting at which this was said.
 18 A. It was at the offices of Stinson Canning Company.
 19 As I recall, Lou Ann and Arnie came in, went down to
 20 Charlie's office. A short time later Mimi and Gus
 21 came in; that's their two children. They stopped at
 22 my office and said hello and proceeded on down. A
 23 short time later Charlie gave me a call and said
 24 everybody was there ready for the signing and that
 25 they needed my signature. I went down. Somebody

Page 122

1 called Roland Chabot, I believe, to come in to
 2 witness the signatures.
 3 I don't recall any conversation about
 4 anything. To the best of my knowledge, we all
 5 signed the purchase and sale agreements and Roland
 6 witnessed them. I don't remember anything else.
 7 Q. I showed you earlier and we discussed earlier what
 8 we have marked as 1A, which is the Arnold Francis
 9 agreement with all the exhibits attached.
 10 A. Yeah.
 11 Q. Do you recall if there was a package of exhibits in
 12 manila envelopes with each of the Francis family's
 13 stock purchase agreements?
 14 A. I don't, but I wouldn't deny anybody with a manila
 15 envelope.
 16 Q. Did you participate in any way in the drafting of
 17 this stock purchase agreement?
 18 A. No, I did not.
 19 Q. Had you seen the agreement or any version of it
 20 before February 4, 1980, at the signing?
 21 A. Yes, I did.
 22 Q. Where and when had you seen this agreement before
 23 the signing?
 24 A. I believe that it was sent down to us ahead of time
 25 before that time, and I believe that Charlie read it

Page 123

1 over and gave it to me to read.
 2 Q. Did you make any changes, you or Charles make any
 3 changes in it?
 4 A. You mean was there another agreement other than
 5 this?
 6 Q. I should be referring -- I'll refer to Plaintiff's
 7 Exhibit 1 which is Lou Ann's agreement. What I'm
 8 asking you is if you remember requesting that any
 9 changes be made to the agreement that you and
 10 Charles saw before the closing.
 11 A. Yes, I do.
 12 Q. What changes do you remember requesting?
 13 A. Well, I'm going to -- no, I didn't. I read this
 14 over and everything, and there was no changes made
 15 in that stock agreement. I didn't make any changes.
 16 We just read it over.
 17 What I was getting at, and I don't know if
 18 that's a change. I believe that the first one we
 19 looked at had an earlier date on it, and there
 20 wasn't time enough to take care of the thing or
 21 something happened, he had to change the date to the
 22 signing. That's my recollection.
 23 Q. When you were in Charlie's office, did you observe
 24 Lou Ann Francis or Arnie or either of their
 25 children looking over any documents or reading

Page 124

1 documents?
 2 A. Not that I recall.
 3 Q. And I think you said a few minutes ago, but I would
 4 like to ask you again to be sure that I understand
 5 what you said. Do you recall that there were manila
 6 envelopes that appeared to contain documents with
 7 each of the Francis --
 8 A. I don't, but I won't deny it.
 9 Q. Do you remember seeing the exhibits which are
 10 attached to, for purposes of this deposition, a
 11 large pile of exhibits that appear to be an inch
 12 thick? Do you remember seeing those documents at
 13 the closing?
 14 A. I can't recall. If they were there, I didn't look
 15 them over.
 16 MS. COLLIER: Okay. Well, just for the sake
 17 of cleaning up the record, I'm offering all the
 18 exhibits that we have referred to in the deposition
 19 today as exhibits to be attached to this deposition,
 20 and I have no further questions.
 21 MS. DEBEVOISE: Okay. We will have some if
 22 you'll give us a minute to collect our thoughts.
 23 We'll go upstairs if you don't mind.
 24 (A break was taken.)
 25 MS. DEBEVOISE: My name is Kate Debevoise, and

1 I represent the defendants in this matter, and I am
2 going to ask Mr. Stinson a few further questions.

EXAMINATION

4 BY MS. DEBEVOISE:

5 Q. First of all, would you please take a look at the
6 highlighted material on Plaintiff's Exhibit 32 and
7 read that out loud.

8 A. Upon presentation of all the facts including
9 specific examples, a vote was taken to offer the
10 alternative as follows: that the family retain
11 their sock in the company and that a redemption
12 agreement be drawn up in which it was outlined the
13 number of shares to be traded in at the time of an
14 estate tax settlement which would generate enough
15 cash to make payment of the taxes for any family
16 member at the time of death during a period not to
17 exceed 15 years.

18 Q. All right. Mr. Stinson, is that portion of the
19 document you just read entirely accurate?

20 A. No, it isn't.

21 Q. Could you clarify why you don't believe it's
22 entirely accurate.

23 A. Well, we didn't vote that the family had to retain
24 their stock in the company. It was an option.

25 Q. Okay. And is there another reason why that portion

1 taken?

2 A. Yes.

3 Q. And when and how did that occur?

4 A. At the June 9, 1978, meeting all the families were
5 present.

6 Q. Is this advice to the shareholders reflected in the
7 minutes of that meeting?

8 A. Yes, I believe it is.

9 Q. And would you, referring to Plaintiff's Exhibit 33,
10 read the portion of that document that reflects this
11 advice.

12 A. It's B of Tom Van Meer's review of the various
13 options the company is presently considering.

14 Q. And would you read that out loud.

15 A. To buy back stock to pay state and federal estate
16 taxes attributable to the value of the family's
17 stock.

18 Q. Now, is that statement, as written, entirely
19 accurate?

20 A. It's not entirely clear.

21 Q. Would you please clarify what was or you believe
22 should have been said.

23 A. The vote was to buy back enough stock from each
24 family to cover the estate taxes attributable to
25 that stock.

1 of the document is not entirely accurate?

2 A. Well, it says that a redemption agreement was to be
3 drawn up and there wasn't actually an agreement. It
4 was a vote of the board of directors.

5 Q. Was the intent of the sentiment involving what would
6 be done about stock redemption somehow formalized?

7 A. Yes, Tom Van Meer drew up some papers that the
8 directors signed.

9 Q. And what document is it that reflects that?

10 A. Exhibit 32A, April 25, 1978, board meeting, and this
11 is what Tom drew up.

12 Q. Okay. When you say this, would you state out loud
13 for the record exactly what portion of this document
14 you're referring to.

15 A. It's the last two pages of Exhibit 32A.

16 Q. Okay. And those are the formal minutes of the April
17 25 meeting?

18 A. Yes.

19 MS. COLLIER: We can go off the record.
20 (Discussion off the record.)

21 MS. DEBEVOISE: All right. Back on the
22 record.

23 BY MS. DEBEVOISE:

24 Q. Did the directors of the company somehow advise the
25 shareholders of the effect of this vote that was

1 Q. I'm now going to direct your attention again to the
2 request for admission number five and your response
3 to that. Having reviewed the documents you've just
4 been testifying about, do you now recall why you
5 denied request for admission number five?

6 A. I guess it's what I just said, that we didn't vote
7 that the family had to retain their stock and that
8 we didn't have the redemption agreement as such
9 drawn up.

10 Q. Okay. Do you recall that Ms. Collier asked you if
11 you agreed with her that the Francises did not
12 receive fair market value for their stock?

13 A. Yes, I did.

14 Q. And do you recall your answer?

15 A. I answered yes.

16 Q. Would you explain the context of that answer.

17 A. She had referred just previous --

18 Q. When you say she, who are you referring to?

19 A. Sandy Collier referred just previous to that time to
20 the asset value of 20 million, and when I answered,
21 I was assuming the book value or asset value of the
22 company which I agreed they didn't receive one-sixth
23 of that but --

24 Q. Do you believe that the Francises received the fair
25 market value for their stock?

STATE OF MAINE

HANCOCK, ss.

LOU ANN STINSON FRANCIS,
et al.,

Plaintiffs

vs.

CHARLES B. STINSON, et al.,

Defendants

SUPERIOR COURT
Civil Action
Docket No. CV-95-127

COPY

DEPOSITION OF

CHARLES B. STINSON

a witness, called for examination by Counsel for the
Plaintiff, pursuant to notice dated November 20, 1997,
taken at the offices of Sandra Hylander Collier, Attorney
at Law, 121 Main Street, Ellsworth, Maine, beginning at
9:55

Morrison, RPR, Notary Public in and for the State of
Maine.

WORD-FOR-WORD REPORTING
P.O. BOX 5124
Ellsworth, Maine 04605-5124

APPEARANCES:

(Lou Ann and Arnold Francis and Calvin L.
Stinson, Jr., were also present during the taking of
this deposition.)

TRANSCRIPT OF TESTIMONY

CHARLES B. STINSON, having been duly sworn by the Notary
Public, was deposed and testified as follows:

EXAMINATION

BY MS. COLLIER:

Q. Good morning, Mr. Stinson. Would you please state
your full name and place of residence for the
purposes of the record.

A. When you say my full name, besides my middle
initial?

Q. Just state your full name.

A. Charles Burgess Stinson, P.O. Box 62, Prospect
Harbor, Maine.

Q. And what is your residential address? What street
do you live on?

A. Well, Lighthouse Road.

Q. And how long have you lived at that location?

A. Oh, I guess around 30 years.

Q. Mr. Stinson, you were present yesterday throughout
your brother's deposition; is that correct?

A. That's correct.

Page 2

On behalf of the Plaintiffs:
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On behalf of the Defendants:
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INDEX TO EXAMINATION

16	WITNESS:	Page
17	CHARLES B. STINSON	
18	Examination by Ms. Collier:	3
19	Examination by Ms. Debevoise:	71

Page 4

Q. And you heard the questions and answers that were
discussed yesterday?

A. The majority of them.

Q. My first question -- this is not my first question.
My next question to you is do you disagree with any
of the testimony that your brother gave yesterday?

A. Basically, no. Could I amend that just slightly and
say to the best of my memory and knowledge.

Q. Mm-hmm. Yesterday I discussed with your brother and
I would now like to discuss with you a number of
inquiries and/or expressions of interest, shall we
say, that were made by outsiders in possibly
purchasing the Stinson Canning Company. Do you
remember that line of questioning?

A. Yes.

Q. And attached to the stock purchase agreements that
were given to Lou Ann Francis, Arnold Francis and
their children were a number of exhibits. I'm
referring specifically to what were labeled Exhibit
B through Exhibit Y, and I'm going to put these in
front of you for a minute. I would like to ask you
some questions about them.

First of all, back in 1977 and 1978 and 1979,
were you interested in selling Stinson Canning
Company?

Page 5

- 1 A. Not really.
- 2 Q. Did you hire any outside firm to make inquiries in
3 your behalf to solicit possible purchasers?
- 4 A. You're referring to the years you just stated?
- 5 Q. Yes.
- 6 A. No, not to my knowledge.
- 7 Q. To what do you attribute the fact that you received
8 all of these letters, which are Exhibits B through
9 W, during those years?
- 10 A. I really can't recall other than the one from
11 Connors Brothers because I personally knew Don
12 McLean, president of Connors Brothers.
- 13 Q. Referring to Exhibit B, which was part of the
14 attachments, and for the sake of the record the line
15 of questions I'm now going to be pursuing I'm going
16 to be referring to various exhibit numbers, and I'm
17 referring to exhibit numbers as they appeared on
18 these documents attached to the stock purchase
19 agreement.
- 20 Do you recollect seeing the letter dated July
21 18, 1978, from Oakes, Whitney & Associates before?
- 22 A. I don't recall. It is very possible that I had seen
23 it at one time.
- 24 Q. Was Dieter Schnauck authorized to deal with outside
25 inquiries about possibly buying the company?

Page 6

- 1 A. Not to my knowledge.
- 2 Q. Referring to Exhibit C, this is another letter from
3 someone at Oakes, Whitney & Associates, Inc., dated
4 October 24, 1978. Do you recall anything about
5 inquiry from Oakes, Whitney & Associates, Inc.?
- 6 A. I don't recall from memory, no, but obviously we
7 did.
- 8 Q. Do you recall if there was a follow-up to this
9 letter which is Exhibit C --
- 10 A. No, I don't.
- 11 Q. Which indicates he would be calling you for an
12 appointment --
- 13 A. I don't recall it, no.
- 14 Q. To discuss a possible merger?
- 15 A. No, I don't.
- 16 Q. What about Gibbons, Green & Rice, Ltd. There's a
17 letter to you of March 7, 1979, from a Louis van
18 Amerongen. Do you recall that inquiry?
- 19 A. Not from memory, no, without reading it.
- 20 Q. Would you read it over please.
- 21 A. Want me to read it aloud or to myself?
- 22 Q. To yourself would be fine.
- 23 A. (Witness doing as requested.) Okay, I read it.
- 24 Q. Does this refresh your recollection?
- 25 A. It's a little difficult for me to say. Yeah,

Page

- 1 obviously I met with the guy and talked with him,
2 but from memory I don't recall.
- 3 Q. I am referring now to Exhibit E, which appears to be
4 a letter from your brother as treasurer of the
5 company back to Mr. van Amerongen of March 8, 1979.
6 Would you read that letter to yourself please.
- 7 A. (Witness doing as requested.) Okay.
- 8 Q. Do you remember discussing with your brother Cal in
9 early 1979 the inquiry from Mr. van Amerongen's
10 firm?
- 11 A. Not until I read that I didn't, no.
- 12 Q. Now that you've read that over though, you would
13 agree that you did discuss this with your brother at
14 the time?
- 15 A. Obviously.
- 16 Q. What price range was being discussed between you and
17 Gibbons, Green & Rice for the company?
- 18 A. I don't recall.
- 19 Q. Do you recall anything else about the negotiations
20 with Gibbons, Green & Rice?
- 21 A. No, I don't.
- 22 Q. I would direct your attention next to Exhibit F,
23 which is a letter addressed to you from a Robert B.
24 Shetterly from Clorox Company. Would you read that
25 to yourself please.

Page 8

- 1 A. (Witness doing as requested.) Yeah.
- 2 Q. Do you recall any conversations you had with Mr.
3 Shetterly?
- 4 A. I recall meeting with him, but I don't recall any
5 specific conversations, no.
- 6 Q. What was the subject of the meeting with him?
- 7 A. I don't really recall.
- 8 Q. Was the subject of the meeting to discuss Clorox's
9 interest in possibly purchasing the Stinson Canning
10 Company?
- 11 A. Possibly his interest, yes.
- 12 Q. Do you recall anything further about any
13 negotiations with Clorox?
- 14 A. No.
- 15 Q. Let me stop at this point because we have looked at
16 letters beginning in July of '78. Now we're into
17 April of 1979 from it looks like three different or
18 involving three different outside firms. Having
19 looked at those, do they refresh your recollection
20 as to why you were receiving these inquiries and
21 talking with these people?
- 22 A. No, they don't.
- 23 Q. I would direct your attention next to Exhibit G.
24 This is a letter from yourself, an unsigned letter
25 from yourself of May 3, 1979. This appears to

1 confirm the meeting that you are remembering that
 2 you just told me about; is that right?
 3 A. That's what it says, yes.
 4 Q. Exhibits H and I, which I would direct your
 5 attention to next, involve a Koenig, I may not be
 6 pronouncing this right, Associates, Inc.,
 7 correspondence. Would you take a minute to read
 8 this to yourself please, both pages.
 9 A. (Witness doing as requested.) Yes.
 10 Q. Okay. And the next page.
 11 A. (Witness doing as requested.) Okay.
 12 Q. Okay. Do you remember receiving these letters?
 13 A. No.
 14 Q. Did you respond to these letters?
 15 A. I don't know.
 16 Q. Would you have been the individual, as president of
 17 the company, who would have responded to letters
 18 such as this?
 19 A. If it was addressed to me probably, yes.
 20 Q. Now Exhibit J takes us back to Oakes, Whitney &
 21 Associates, Inc., and there's another letter now
 22 dated May 16 of 1979.
 23 A. Mm-hmm.
 24 Q. This letter appears to be confirming a meeting that
 25 you were going to have with these people. Do you

1 remember if that meeting happened?
 2 A. I really don't, no.
 3 Q. Do you think it probable that it did happen?
 4 A. I wouldn't want to say. I have no idea.
 5 Q. Why would you have wanted to meet with Oakes,
 6 Whitney & Associates in 1979?
 7 A. I don't know as I was. I guess probably if I did
 8 I'd be polite to them I guess.
 9 Q. Were you interested in possibly selling Stinson
 10 Canning Company at that time?
 11 A. No.
 12 Q. So you have no idea why you would have met with them
 13 other than to be polite?
 14 A. No, I really don't.
 15 Q. Do you remember a Booth Fisheries expressing an
 16 interest in possibly purchasing the company in 1979?
 17 A. Yes, I do.
 18 Q. And do you remember being interested in the
 19 possibility of Booth Fisheries purchasing the
 20 company?
 21 A. Can you repeat that again.
 22 Q. Do you remember being interested in the possibility
 23 of selling the company to Booth Fisheries?
 24 A. (Reviewing document.) I've got to apologize; I
 25 forget what you asked me now.

1 Q. Do you recall being interested in meeting with Booth
 2 Fisheries to discuss the possibility of Booth
 3 Fisheries buying Stinson Canning Company?
 4 A. What do you mean, being interested in what respect?
 5 Q. In any respect.
 6 A. I know they had interest. I know I possibly met
 7 with the guy, but I don't know how interested I was.
 8 Q. Towards the end of your letter you wrote we will be
 9 looking forward to hearing from Mr. Oakes as soon as
 10 you contact him regarding your decision. What
 11 decision were you referring to?
 12 A. I don't recall. Could have been anything. I don't
 13 know.
 14 Q. Do you recall anything else at this time regarding
 15 negotiations with Booth Fisheries?
 16 A. No, a long time ago.
 17 Q. Exhibit L, which was attached again to the back of
 18 the stock purchase agreements, consists of two
 19 letters in the summer of 1979 addressed to you.
 20 Would you please read those to yourself.
 21 A. (Witness doing as requested.) Mm-hmm.
 22 Q. Do you remember receiving this correspondence from
 23 Mr. Grosset in 1979?
 24 A. I remember meeting with him.
 25 Q. How many times did you meet with him?

1 A. I don't recall. One as far as I know.
 2 Q. What was the subject matter of the meeting?
 3 A. Basically what he said in the letter. There wasn't
 4 much interest in it, so it didn't go too far.
 5 Q. Did he just contact you out of the blue?
 6 A. Best I recall he apparently did, yes.
 7 Q. Exhibit N consists of three letters from someone at
 8 a firm called Atlantis. You're welcome to look at
 9 all these letters, but I really would like to ask
 10 about the last one, so whatever you want to do.
 11 A. (Witness reviewing document.) Mm-hmm.
 12 Q. Do you remember the meeting with the representatives
 13 from Atlantis and Hanson Industries?
 14 A. No, I really don't recall it, no.
 15 Q. Do you have any reason to doubt that there was such
 16 a meeting?
 17 A. Not really, I guess.
 18 Q. Can you recall why you participated in that meeting?
 19 A. I guess I had no reason not to.
 20 Q. This was a meeting for the purpose of discussing the
 21 possible purchase of Stinson Canning Company by
 22 Hanson Industries?
 23 A. Their interest as they showed in the letters.
 24 Doesn't necessarily mean I was interested, that they
 25 apparently had an interest.

- 1 Q. Do you remember any prices of sale being discussed
2 with them?
3 A. I don't recall that there was.
4 Q. Exhibit Q is a letter from someone at Niederhoffer,
5 Cross and Zeckhauser, Inc., dated August 28, 1979.
6 Do you remember receiving that correspondence, Mr.
7 Stinson?
8 A. It's apparent that I did, but like a lot of things
9 that many years ago, it's difficult to remember.
10 They were just showing what kind of a company they
11 had. I don't really remember that much about it.
12 Q. Did you consider this letter an inquiry into the
13 possible purchase or the possible sale of Stinson
14 Canning Company?
15 A. I would take it they was out just looking and
16 inquiring if there was a possibility. There wasn't
17 apparently.
18 Q. Do you remember ever having a meeting with anybody
19 from this company?
20 A. Not directly.
21 Q. Indirectly?
22 A. I said not for certain, no, I don't really recall if
23 we did or didn't. Without reading that letter --
24 whether they indicate we had a meeting, I don't know
25 without reading it. Wouldn't matter one way or the

- 1 other.
2 Q. Exhibit R is a letter dated September 7, 1979, from
3 a Denis Kelly at Lehman Brothers. Please read that
4 to yourself.
5 A. (Witness doing as requested.)
6 Q. Do you have any present recollection of
7 corresponding with or meeting with Mr. Kelly?
8 A. Not right offhand.
9 Q. There's a representation in the last paragraph of
10 the letter of an intent to have a meeting with you.
11 Do you recall if there was any meeting with this man
12 or someone else?
13 A. Not offhand.
14 Q. Exhibit S is a letter from a gentleman at Kitter
15 Peabody & Company addressed to you as president. Do
16 you have any recollection of receiving this inquiry?
17 A. I don't remember it offhand, no.
18 Q. Exhibit T is a letter addressed to your father as
19 chairman of the board dated October 8, 1979, from
20 Western Companies, Inc.
21 A. Mm-hmm.
22 Q. Do you recall having seen this letter back in
23 October of 1979?
24 A. No.
25 Q. Exhibit U appears to be a response that you wrote on

- 1 October 17, 1979, to Mr. Owen's letter from Western
2 Companies. Would you read that to yourself.
3 A. (Witness doing as requested.) Mm-hmm.
4 Q. And would you agree with me that a fair
5 characterization of your letter in October of 1979
6 is basically that you're telling him that you're not
7 interested in selling Stinson Canning Company to a
8 firm such as his?
9 A. Basically.
10 Q. Exhibit V is a letter dated November 14, 1979, from
11 someone at Star-Kist Foods, Inc., and in this letter
12 he thanks you for your invitation to visit your
13 company. Do you remember why you invited Mr. Hauge
14 to visit Stinson Canning Company?
15 A. I don't at this time recall why I invited him. I
16 don't know.
17 Q. Wasn't Star-Kist expressing an interest in possibly
18 purchasing Stinson Canning Company?
19 A. Not to my knowledge. I'd quicker think he's
20 probably more interested in having a joint working
21 relationship at the Bath plant; otherwise, why would
22 they want to meet in Bath for? So I presume they
23 wanted us possibly to do some work for them at that
24 plant, but I don't really recall the situation.
25 Q. Exhibit W is a letter dated August 15, 1979,

- 1 addressed to you from the president of Katy
2 Industries, Inc. Would you take a moment to read
3 through that letter to refresh your recollection of
4 it.
5 A. (Witness doing as requested.) Mm-hmm.
6 Q. Now do you recall negotiations with Katy Industries,
7 Inc.?
8 A. I don't recall any negotiations. I recall the
9 situation.
10 Q. What was the situation?
11 A. Well, just met with me and I don't recall Dieter.
12 They just met and they showed interest in acquiring
13 the company; apparently had no interest.
14 Q. How many times did you meet with Katy Industries?
15 A. I don't recall.
16 Q. More than once?
17 A. I wouldn't want to say.
18 Q. Do you agree that you had met with Katy Industries,
19 Inc., before the date of this letter, August 15,
20 1979?
21 A. Apparently I met with him sometime. I don't recall
22 when.
23 Q. Did you provide financial information to Mr. Saliba
24 about your company?
25 A. Well, I'd have to go over it again, whether it said

- 1 I did or not. It's possible. I don't recall that
 2 we did or not.
 3 Q. Did you discuss this rather detailed letter with
 4 your brother?
 5 A. I don't remember. It's possible.
 6 Q. Exhibit X is a letter dated May 2, 1979, from
 7 Connors Brothers. Do you remember Connors Brothers
 8 expressing an interest in possibly acquiring your
 9 company?
 10 A. Yes, I do.
 11 Q. What, to the best of your recollection, was the
 12 substance of your discussions with Connors Brothers
 13 on this subject?
 14 A. Oh, I think we probably went back and forth a couple
 15 of different times and a price was suggested, and if
 16 I recall he didn't -- wasn't willing to pay what we
 17 asked the last correspondence that we had.
 18 Q. What was Connors Brothers offering?
 19 A. I don't recall. I think with interest and
 20 everything I think it was somewhere around 16
 21 million.
 22 Q. And what was your last demand?
 23 A. Well, I've got to find the letter. It's not in
 24 here. There's a letter somewhere I believe I wrote.
 25 Q. If I suggested \$20 million, would that sound correct

- 1 to you?
 2 A. I don't know. I'm thinking with an additional
 3 interest rate or something it added up to better
 4 than 18 million, possibly 20; I don't recall.
 5 That's the last I recall of the conversation. I
 6 think that ended it right there.
 7 Q. Did you communicate Connors Brothers' offer of 16
 8 million to Lou Ann and Arnie Francis?
 9 A. When?
 10 Q. When you received it.
 11 A. No, I had no reason to.
 12 Q. Did you tell anyone else about the offer of \$16
 13 million when you received it?
 14 A. When you refer to anybody else, who are you
 15 referring to specifically?
 16 Q. I'm asking anybody else.
 17 A. I assume my brother; I think probably he was aware
 18 of it.
 19 Q. This next document I'm showing you is a three-page
 20 document that I'll represent to you comes after
 21 Exhibit X and before Exhibit Y but has no Exhibit
 22 number.
 23 MS. DEBEVOISE: Can we go off the record for a
 24 minute.
 25 (A discussion was held off the record)

- 1 BY MS. COLLIER:
 2 Q. The letter that I'm showing you is a letter from
 3 Rosenkranz and Company dated August 24, 1979. It is
 4 not labeled with any exhibit letter, but I would
 5 represent to you that it was located in this
 6 position, meaning between Exhibit X and Exhibit Y,
 7 in the attachments to the Francis stock purchase
 8 agreements. Do you remember some discussions with
 9 Rosenkranz and Company about the possible
 10 acquisition of the company?
 11 A. I recall they inquired.
 12 Q. Did Rosenkranz and Company actually make an offer on
 13 the company?
 14 A. I don't recall if they did or not. A lot of
 15 companies showed interest in the company, but it
 16 didn't amount to anything. A lot of them we threw
 17 in the wastebasket. Some of them we was courteous
 18 enough to reply to, or I was.
 19 Q. Did you authorize Tom Van Meer to meet with
 20 Rosenkranz to discuss his desire to enter into
 21 negotiations to arrange a sale of the Stinson
 22 Canning Company assets?
 23 A. Do you mind repeating that again.
 24 Q. Yes.
 25 A. Did I authorize --

- 1 Q. Did you authorize your attorney, Mr. Van Meer, to
 2 act in your behalf to meet with Rosenkranz?
 3 A. I don't recall that I did. It's very possible.
 4 Q. You're welcome to take the time, if you'd like, to
 5 read that letter, but if I represented to you that
 6 this is a letter from Mr. Van Meer back to you and
 7 your brother --
 8 A. No, it isn't.
 9 Q. Oh, it's from Mr. Kruger.
 10 A. Kruger.
 11 Q. I apologize; you're right. And it appears from the
 12 content of this letter that Mr. Kruger and Mr. Van
 13 Meer had met with Mr. Rosenkranz to discuss his
 14 desire to enter into negotiations about the sale of
 15 the company. Does that refresh your recollection
 16 that you asked him to do that?
 17 A. I don't recall that I asked him. Apparently I must
 18 have or they had permission to. I don't recall a
 19 heck of a lot about it. It's quite an involved
 20 proposal, so it would be complicated for me to sit
 21 here and put through my mind today.
 22 MS. DEBEVOISE: Is there a question pending?
 23 BY MS. COLLIER:
 24 Q. I agree with you, Mr. Stinson, that it is a very
 25 complicated working proposal. You believed back in

Page 21

1 November of 1979 that Stinson Canning Company was
 2 worth about \$20 million; is that correct?
 3 A. Worth to who?
 4 Q. Did you believe that the company was worth \$20
 5 million?
 6 A. I don't believe I had any specific opinion exactly
 7 what it was worth. To me it was worth -- you mean
 8 worth in what respect, to me or to somebody wanting
 9 to buy it or what?
 10 Q. You can't answer my question the way I asked it?
 11 A. Well, maybe you try it once more.
 12 Q. In your opinion, was Stinson Canning Company worth
 13 \$20 million in November of 1979?
 14 A. I don't know as I can answer that question.
 15 Q. Having reviewed these numerous exhibits that we just
 16 have done, is it still your position that you had no
 17 interest whatsoever in selling the company in 1978
 18 and 1979?
 19 A. It wasn't sold.
 20 Q. So your answer is, yes, you had no interest
 21 whatsoever in selling the company?
 22 A. I had no interest at that time, no.
 23 Q. And you did not tell Lou Ann and Arnie Francis as
 24 these inquiries were coming in or these offers were
 25 being made, you did not tell them about them at that

Page 22

1 times, did you?
 2 A. I had no reason why I should.
 3 Q. So your answer is, no, you did not?
 4 A. No.
 5 Q. What, in your opinion, were the duties that you owed
 6 to Lou Ann and Arnie Francis as stockholders in
 7 Stinson Canning Company?
 8 A. In what respect?
 9 Q. I'm asking you, sir, to tell me in your own words
 10 what you understood your duties were to Lou Ann and
 11 Arnie Francis. You were the president of the
 12 company. You were a director of the company. You
 13 owned the voting stock together with your brother in
 14 the company, all of the voting stock, and your
 15 wives. What duties did you owe to your sister and
 16 her husband?
 17 A. Probably the same as I did to all the rest of the
 18 stockholders and to myself as well.
 19 Q. And what were those duties?
 20 A. To be used fairly and treat everybody fairly.
 21 Q. In your opinion, did you use Lou Ann and Arnie
 22 fairly --
 23 A. Yeah.
 24 Q. In connection with the acquisition of their stock?
 25 A. Absolutely.

Page 23

1 Q. I noticed when we went over Exhibits B through Y
 2 that there were no letters from Zapata Corporation;
 3 is that correct? In this set of documents nothing
 4 about Zapata?
 5 A. I didn't notice any.
 6 Q. Now you had in fact --
 7 MS. DEBEVOISE: I would just like to state for
 8 the record that I don't believe we looked at some of
 9 the Exhibits in B through Y. Can we go off the
 10 record for a minute?
 11 (Discussion off the record.)
 12 BY MS. COLLIER:
 13 Q. Do you remember Zapata Company or Zapata Corporation
 14 expressing interest in possibly buying the company
 15 back in 1978?
 16 A. I remember something about it, yeah.
 17 Q. What do you recall about that?
 18 A. Not too much, just they showed an interest.
 19 Q. And at one point there was going to be a
 20 stockholders meeting to discuss an offer from
 21 Zapata. Do you remember that?
 22 A. Yeah, I believe there was one.
 23 Q. Do you remember how much Zapata offered for the
 24 company?
 25 A. Oh, I believe it's 12.5, something like that I

Page 24

1 believe that they suggested or something, in that
 2 area.
 3 Q. Now did you consider that these various letters,
 4 Exhibits B through Y, constituted inquiries with
 5 regard to the possible acquisition of the
 6 outstanding stock or assets of the company?
 7 MS. DEBEVOISE: Are you referring to anything
 8 in particular when you ask that question that we
 9 could identify?
 10 MS. COLLIER: I'm asking him if he considers
 11 that these were inquiries into the possible
 12 acquisition of the company.
 13 A. They was inquiries of an interest.
 14 BY MS. COLLIER:
 15 Q. Yesterday I asked your brother some questions about
 16 a stock redemption agreement that you and your
 17 brother enjoyed with the company from 1975, and I'm
 18 going to pull that out. I believe that's Exhibit
 19 14. Do you recollect this stock redemption
 20 agreement?
 21 MS. DEBEVOISE: Is this from yesterday?
 22 MS. COLLIER: Yes.
 23 MS. DEBEVOISE: Hold on a minute.
 24 (Discussion off the record.)
 25 A. Am I supposed to read that whole thing over?

Page 25

1 BY MS. COLLIER:

2 Q. You can. I'm not going to ask you about everything
3 in it. I'm mainly going to ask you about the last
4 pages, if you want to look at those. Do you recall
5 entering into this stock redemption agreement?

6 A. Yeah, I recall it.

7 Q. Okay. And would agree with me that basically the
8 purpose of this agreement was to provide that
9 control of the company could remain with the
10 survivor of you or your brother or your wives in the
11 event one of you should die?

12 A. To the point either my brother or I, not nothing to
13 do with our wives, no.

14 Q. And in order for this agreement to work, it was
15 necessary for all of you who signed this agreement
16 to stipulate to a value per share of your stock in
17 the event it was necessary to perform under the
18 agreement; is that right?

19 A. I don't know if it was necessary in order for it to
20 work. It was done to make sure that the Class A
21 stock kept up with the value of the common stock.

22 Q. And when this agreement was initially signed in
23 December of 1975, the value was set per share at
24 \$3,000, and I asked your brother yesterday about the
25 increases that subsequently were made to that value

Page 26

1 per share.

2 A. Mm-hmm.

3 Q. And I'd like to ask you a few questions along that
4 same line. Did you participate in the decision as
5 to what value would be used per share?

6 A. I would say so -- not me alone, no, with the
7 cooperation of accountants; they were the ones that
8 did the calculating.

9 Q. And what was your understanding as to how the value
10 per share was computed?

11 A. I don't recall.

12 Q. Did you ever tell Lou Ann and Arnie Francis that,
13 for example, as of 1978 you agreed that the value
14 per share for the common stock was \$5,000?

15 A. What stock are you referring to when you say common?
16 There's two classes of common.

17 Q. Class A voting. Did you ever tell them that?

18 A. No, I never told them that. I had no reason to.

19 Q. Did you consider that the value of the Class B non-
20 voting common stock was equal to the value per share
21 of the Class A voting stock?

22 A. Could you repeat that once more.

23 Q. Did you believe that the value per share of your
24 Class A voting stock was equal in value to the value
25 per share of the Class B nonvoting stock, common

Page 27

1 stock?

2 A. Not consistently, not always.

3 Q. Close though?

4 A. It tried to keep up with the value of the common B,
5 didn't always.

6 Q. Sometimes the common B was higher?

7 A. Mm-hmm.

8 Q. So that the value of the Class B common stock was at
9 least as much as the value per share of the Class A
10 voting common stock?

11 A. I think as I stated earlier that we voted and that
12 was the purpose of it, to be sure it kept up with
13 the value of the Class B as the company grew in
14 value and profits.

15 Q. And the company was growing in value from 1975
16 through 1980?

17 A. It was profitable.

18 Q. Did you tell Lou Ann and Arnie Francis when it came
19 about for them to sell their stock to the company
20 that the value of their stock per share was at least
21 \$5,000?

22 A. Repeat that again.

23 Q. Did you tell Lou Ann and Arnie Francis when it came
24 time for them to want to sell their stock that in
25 your opinion the value per share of the Class B

Page 28

1 nonvoting stock was at least \$5,000?

2 A. Now when you say when it come time for them to sell
3 their stock, I don't quite know what you mean by
4 that comment.

5 Q. I'll rephrase the question for you. Did you tell
6 Lou Ann and Arnie Francis that the value per share
7 of their Class B common stock was at least \$5,000?

8 A. I didn't have any reason to.

9 MR. SILSBY: Can we take a break?

10 MS. COLLIER: Mm-hmm.

11 (A break was taken.)

12 MS. COLLIER: Back on the record.

13 BY MS. COLLIER:

14 Q. Regarding the interest of Zapata Corporation in your
15 company in 1978, I'm going to show you what's been
16 marked as Plaintiff's Exhibit 37 and ask you to take
17 a minute to read over that.

18 A. Yeah.

19 Q. Do you recall receiving this letter from Mr. Wight?

20 A. Oh, I think I probably did.

21 Q. It appears that Mr. Wight was unhappy with you about
22 some aspect of your handling of the Zapata interest
23 and I would like to ask you what it was that -- what
24 was your understanding of the disagreement that Mr.
25 Wight had with you about how you handled the Zapata

Page 29

1 inquiry?

2 A. Not so much as the way I handled it as with the fact

3 that he didn't feel I kept my brother informed what

4 was going on which I think he is absolutely off

5 base.

6 Q. So you did in fact keep Trug fully informed of these

7 inquiries, including Zapata?

8 A. He knew about these letters and Zapata. This stuff

9 has to go through the board of directors before it

10 can amount to anything anyway.

11 Q. And you wrote back to Mr. Wight on September 7,

12 1978. I'm giving you Plaintiff's 38A it's called.

13 This is a three-page letter. Would you read that

14 over to yourself.

15 A. Mm-hmm. (Witness doing as requested.) Okay.

16 Q. The meeting that had been set for the stockholders

17 to discuss the Zapata offer was never held, was it?

18 A. The meeting of the stockholders?

19 Q. Right.

20 A. I don't recall that we ever had a meeting with the

21 stockholders to discuss it. We had a board meeting

22 to discuss it.

23 Q. In paragraph four on the first page of Exhibit 38A

24 you write, quote, my brother was asked and approved

25 of sending financial statements to different

Page 30

1 corporations who perhaps had some interest in

2 looking at this company, end quote. Did he ask you

3 for approval to send the financial statements to

4 different corporations?

5 A. Say that again.

6 Q. I'll rephrase it. Did you give him the approval to

7 send the financial statements to corporations?

8 A. I don't know if he actually needed approval. I

9 might have asked him to.

10 Q. To send them to different corporations who perhaps

11 had some interest in looking at the company?

12 A. Very possible.

13 Q. Well you wrote that you did that, so you did that,

14 didn't you?

15 A. Well, I won't say to every corporation; possibly

16 certain ones.

17 Q. Okay. On page two of your letter in the third

18 paragraph, and this continues into the fourth, you

19 are very critical of your brother. Were you having

20 disagreements with your brother in terms of issues

21 of management of the company at this time?

22 A. We didn't totally agree on every aspect of the

23 direction of the company.

24 Q. Can you describe for me what the nature of your

25 disagreements with your brother were at this time.

Page 31

1 A. Well, I basically believe that he probably was in

2 favor more of paying out bigger dividends than

3 perhaps I was. I preferred to keep the money in the

4 company to expand it and modernize it.

5 Q. Did you and he disagree about the decision made in

6 December of 1977 to have Mr. Van Meer contact the

7 Francis and Wight families about the estate tax

8 problems?

9 A. I believe he had some disagreement about it, if I

10 recall.

11 Q. Maybe he thought that was a little heavy handed?

12 A. I don't recall what the reason was. I think, if I

13 recall, something he thought something about there

14 should have been more options given before they went

15 and met with them.

16 Q. You disagreed with him about that?

17 A. I don't know if I totally disagreed. As I under-

18 stood, the purpose for the meeting wasn't for the

19 purpose of offering options. It was to explain to

20 them the possibility that we all had with estate

21 problems.

22 Q. Mr. Stinson. I'm showing you Plaintiff's Exhibit 29

23 which I discussed yesterday with your brother.

24 Directing your attention to the third paragraph --

25 fourth paragraph, excuse me. In this letter Mr.

Page 32

1 Schnauk writes that a discussion went on as to the

2 possibility of contacting the same, referring back

3 to family member stockholder, through Mr. Van Meer

4 and explaining the implication in continuing to hold

5 Class B and preferred stock and to vindicate the

6 possibility, if anyone was interested, to redeem

7 Class B and preferred stock to the corporation for a

8 lump sum, one-time settlement.

9 Do you remember that issue being discussed

10 during that meeting?

11 A. I remember part of the issue being discussed, as I

12 recall.

13 Q. Okay. And what do you recall?

14 A. I recall that we discussed implications of

15 continuing to hold on to Class B and preferred

16 stock, and the purpose of the meeting was for Mr.

17 Van Meer and Mr. Kruger to discuss with the Wights

18 and Francis the possibility of estate tax

19 problems, but they did not to my knowledge meet with

20 them for the purpose of any sort of acquiring the

21 stock.

22 Q. Are you suggesting to me that when Mr. Schnauk

23 wrote here that, I'll try to use his words here, to

24 vindicate the possibility, if anyone was interested,

25 to redeem the stock, that that was not discussed at

Page 33

Page 35

- 1 the meeting?
- 2 A. We discussed the possibilities in this meeting and
- 3 other meetings and various options, but it was not
- 4 discussed to my knowledge when they met with the
- 5 Wights and Francises at that time.
- 6 Q. Can you recall any other disagreements that you were
- 7 having with your brother in 1978 at the time that
- 8 you wrote this letter?
- 9 A. Not specifically. Nobody agrees on everything,
- 10 which we certainly didn't.
- 11 Q. On page three of Exhibit 38A the next to the last
- 12 paragraph in this paragraph you write that once one
- 13 looks at the whole picture and the family situation
- 14 as it is and the irreparable damage your letter
- 15 could have on the future relationship of this
- 16 family, you could tell me if a good solid
- 17 corporation should offer this family a good price
- 18 for its stock and a good working contract and had an
- 19 excellent record of paying dividends that you would
- 20 refuse a 1.5 to 2 million dollars for your family's
- 21 share of this company's stock.
- 22 In your opinion as of September 7, 1978, would
- 23 1.5 to 2 million dollars for the Wight family's
- 24 stock have been a fair price?
- 25 A. Not necessarily, no.

Page 34

Page 36

- 1 Q. And why do you say not necessarily?
- 2 A. The simple reason it didn't say that. It just said
- 3 if the company was acquired and if we could get that
- 4 much per family, probably be better off than what we
- 5 was drawing for pay at that time.
- 6 Q. I show you now Plaintiff's Exhibit 38. This is a
- 7 different letter from you dated a few days later,
- 8 September 11, 1978, also addressed to Mr. Wight.
- 9 It's considerably shorter. You read it over; I'm
- 10 going to ask you a question about it.
- 11 A. (Witness doing as requested.) Mm-hmm.
- 12 Q. Can you explain why you wrote this letter to Mr.
- 13 Wight when you had just sent him a letter evidently
- 14 four days earlier?
- 15 A. Apparently, I must have left something out of the
- 16 other one, I guess, that he should have knowledge
- 17 of.
- 18 Q. In paragraph three of this letter, you refer to
- 19 having received a written offer from the Zapata
- 20 Corporation on August 22, 1978.
- 21 A. Yes.
- 22 Q. Okay. Was that written offer shared with the
- 23 stockholders of the company?
- 24 A. No, it was not. It was discussed at a board
- 25 meeting.

- 1 Q. And I know you've told me earlier today, and I
- 2 assume your answer is the same, that you did not
- 3 feel that you had any obligation to communicate such
- 4 matters to the shareholders.
- 5 A. Absolutely not because it didn't go any further than
- 6 the board; no decision made except to forget it.
- 7 Q. Did the board of directors of the company vote to
- 8 adopt a stock redemption plan for all of the other
- 9 shareholders other than you and your brother and
- 10 your wives at the April 1978 board meeting?
- 11 A. You got the copy of the board meeting?
- 12 Q. Mm-hmm. 32 and 32A are what we're looking for.
- 13 Showing you, Mr. Stinson, Plaintiff's Exhibit 32
- 14 and 32A pertaining to the April 25, 1978, board
- 15 meeting.
- 16 A. Yes. So what was your question?
- 17 Q. My question is did the board, in fact, adopt a stock
- 18 redemption plan for the other shareholders on April
- 19 25, 1978?
- 20 A. No, it didn't have a redemption agreement. It voted
- 21 to offer to purchase enough stock from a deceased
- 22 stockholder to pay the estate taxes.
- 23 Q. Based upon the advice you were receiving from Mr.
- 24 Van Meer and Mr. Kruger and any other information
- 25 that you knew as of April 25, 1978, would you agree

- 1 that no stockholder would have an estate tax problem
- 2 after that vote was taken in relation to the
- 3 ownership of their Stinson Canning Company stock?
- 4 A. They wouldn't have an estate tax problem?
- 5 Q. Mm-hmm.
- 6 A. That would depend whether they chose to -- yeah.
- 7 Based on that, yeah, they had the opportunity to
- 8 dispose enough stock to pay the estate taxes, that's
- 9 true.
- 10 Q. So the problem that Mr. Van Meer had brought to the
- 11 attention of the board, according to the minutes we
- 12 looked at beginning in December of 1977, had
- 13 basically been addressed and solved by that vote in
- 14 April of 1978?
- 15 A. It was addressed, yes.
- 16 Q. And that vote was an absolute vote in the sense that
- 17 the corporation retained no discretion as to whether
- 18 or not to do that; it was a vote that the
- 19 corporation would do that, correct?
- 20 MS. DEBEVOISE: Why don't you look at the
- 21 vote.
- 22 A. What was the question again?
- 23 MS. COLLIER: Would you read back that
- 24 question please.
- 25 (The pending question was read back by

1 the reporter.)
 2 A. It was voted that the corporation would do it.
 3 BY MS. COLLIER:
 4 Q. Thank you. Do you have any memory of the meeting
 5 that was held on June 9 of 1978 with all of the
 6 stockholders?
 7 A. Do you have a copy of that?
 8 Q. I do. I'm certainly willing for you to look at this
 9 Exhibit 33, which summarizes what happened, but
 10 without looking at it I'm just wondering if you can
 11 tell me if you remember anything about it at all.
 12 A. Some things.
 13 Q. Would you tell me please what you do remember.
 14 A. Well, I'd prefer to look at it.
 15 Q. I prefer you to tell me what you remember first.
 16 A. About the meeting June 9, 1978?
 17 Q. Right.
 18 A. Well, the basic reason, as I recall, for the meeting
 19 was to make the family aware of possible estate
 20 problems. There was other issues discussed as well.
 21 They was given a '77 financial statement, 1977, and
 22 I guess various things were discussed about fish
 23 quotas, and I believe at that time we was talking
 24 about the possibility of building an offshore
 25 fishing vessel. That's basically, without looking

1 A. Yeah, basically.
 2 Q. Is there any part of that that is inconsistent with
 3 your own recollection at this time of what happened
 4 at the meeting?
 5 A. No.
 6 Q. Thank you. That's all I want to ask you about
 7 that. Apart from that meeting June of 1978, when is
 8 the next time that you recall talking with Lou Ann
 9 or Arnie Francis about estate tax problems or the
 10 sale of their stock?
 11 A. Would you repeat that. Are you referring to about
 12 selling the stock or estate tax problems?
 13 Q. I'll break it into two questions; maybe that would
 14 be easier. After that meeting in June of 1978, did
 15 you ever discuss possible estate tax problems in
 16 connection with ownership of the stock with Lou Ann
 17 or Arnie Francis?
 18 A. Not to my knowledge.
 19 Q. Did you ever discuss with Arnie or Lou Ann Francis
 20 the vote that was taken by the board in April of
 21 1978 to purchase so many shares of stock of a
 22 deceased stockholder back into the company as was
 23 necessary to satisfy estate taxes?
 24 MS. DEBEVOISE: This is after the '78 meeting?
 25 MS. COLLIER: Yeah.

1 at it, what I would comment on.
 2 Q. From reviewing many minutes of many meetings over
 3 the years, it appears to me that there were very few
 4 occasions, if any other occasions, when all of the
 5 shareholders -- strike that, when all of the
 6 children, you children and spouses, actually
 7 attended meetings at the same time. Was that a
 8 fairly rare event?
 9 A. It wasn't done very often.
 10 Q. Why was such a meeting held at that particular time?
 11 A. To make the family aware of the estate tax problem
 12 they could possibly have. We all had the same
 13 problem. That was the basic reason for it, to my
 14 recollection.
 15 Q. Showing you Plaintiff's Exhibit 33. I'm sure you
 16 have read this before, but I would like you to read
 17 it again fairly carefully at this point.
 18 A. (Witness doing as requested.) Okay.
 19 Q. And you have just read over that entire document to
 20 your satisfaction, correct?
 21 A. I read it over. I don't know how satisfied I'd be.
 22 I have to read things several times before they sink
 23 in too deep.
 24 Q. Do you agree that that is a fair and accurate
 25 summary of what happened at that meeting?

1 A. After the '78 meeting?
 2 Q. Mm-hmm.
 3 A. You're going to have to repeat that again because
 4 you've lost me here.
 5 Q. Okay. Did you ever discuss with Lou Ann or Arnie
 6 the vote that was taken in April of 1978 by the
 7 board to buy back stock in the event a stockholder
 8 died?
 9 MS. DEBEVOISE: Can you clarify again that
 10 this is after the June 1978 meeting.
 11 MS. COLLIER: Well actually --
 12 MS. DEBEVOISE: If it is.
 13 BY MS. COLLIER:
 14 Q. Well, after you took the vote in April of 1978,
 15 other than what took place at the meeting in June,
 16 so it could be before that or it could be after
 17 that, but did you ever talk with Arnie and Lou Ann
 18 about that vote?
 19 A. No.
 20 Q. Do you agree that you owed a duty to Arnie and Lou
 21 Ann and the other shareholders to tell them about
 22 the vote?
 23 A. They was at the meeting 1978. They should have
 24 known what was going on as well as I did. It was
 25 explained in that meeting.

Page 41

- 1 Q. Did you ever discuss with Lou Ann or Arnie Francis
2 the sale of their stock?
3 A. At any time?
4 Q. Right.
5 A. Well I don't know quite how to answer that.
6 Q. I would like you to tell me each and every
7 conversation you can ever recall having with them on
8 the subject of their selling their stock.
9 A. The only one I can recall was late 1979. I had been
10 away on a trip, and I returned. My wife usually
11 gives me the messages I had while I'm gone, and she
12 says did you know that Lou Ann wanted to sell her
13 stock. I said, no, I was not aware of it, why. She
14 said she called up here --
15 MS. DEBEVOISE: Can you slow down.
16 A. She said Lou Ann called and wanted to talk with me
17 about selling her stock and she said that I was not
18 home, she would deliver the message, and she made
19 the comment that you were about seventh on the list.
20 And Lou Ann said well if he has no intention of
21 buying my stock I have a gentleman who is very
22 interested in buying it, and my wife said I will
23 give Charlie the message.
24 The next day, which I think was on a Saturday,
25 I called Lou Ann's house. Arnold answered the

Page 42

- 1 phone. Lou Ann was not home. I asked Arnold, I
2 said how come Lou Ann is anxious to sell her stock.
3 He said she wanted to get her personal affairs in
4 order, and that was the answer. So I said tell her
5 I'll be in the office Monday and Tuesday, she can
6 give me a call.
7 Q. Okay. What happened next?
8 A. So I don't recall whether it was Monday or Tuesday.
9 She called me and told me she wanted to sell her
10 stock and she was willing to sell it for \$700,000.
11 My comment: I'll take it up before the board and
12 I'll let you know, and then it proceeded from there.
13 Q. What happened next?
14 A. That was the end of our conversation. The board
15 voted on it, which I believe you'll see one of the
16 meetings there, to accept her offer.
17 Q. Mm-hmm. What happened next after the board voted?
18 A. Well, I guess if I recall, the agreement was worked
19 out and drawn up by the company attorney.
20 Q. Mm-hmm.
21 A. You received an agreement drawn up by the lawyer?
22 A. Right.
23 Q. Mr. Van Meer?
24 A. Correct.
25 Q. And then there was a meeting at which those

Page 43

- 1 agreements were signed?
2 A. Yes.
3 Q. And you were there?
4 A. Right.
5 Q. It was at the company in Prospect Harbor?
6 A. Correct.
7 Q. The agreements were given to the Francises at that
8 meeting?
9 A. There was agreements there to be signed, yes.
10 Q. You had them there at the office for them to come in
11 and sign?
12 A. Yes.
13 Q. And somebody must have called the Francises and told
14 them to come in, you had the agreements?
15 A. I believe somebody did.
16 Q. And the Francises came into your office or where was
17 this?
18 A. As I recall, it was in my office, yes.
19 Q. Was anyone else there?
20 A. Anyone else there?
21 Q. Mm-hmm.
22 A. Yeah, the Francis family was there, myself. My
23 brother came in later. Roland Chabot came in and
24 witnessed the signatures.
25 Q. Did you have any discussion with any of the Francis

Page 44

- 1 family after they arrived and before they signed the
2 agreements?
3 A. Not that I recall, other than normal conversation.
4 Q. You didn't discuss any of the language in the
5 agreement or the attachments?
6 A. Not to my knowledge, at least they didn't ask any
7 questions to my knowledge.
8 Q. Were the attachments in manila envelopes as Lou Ann
9 and Arnie have testified?
10 A. I don't know if they was in manila envelopes or not.
11 They was there to be signed. I can't say if they
12 was in manila envelopes or white ones or what they
13 was in.
14 Q. Were they in envelopes?
15 A. I don't recall.
16 Q. So you have no memory of whether they looked at
17 those attachments or whether the attachments were in
18 separate manila envelopes or white envelopes; you
19 don't remember anything about that?
20 A. I don't know whether they was in manila envelopes
21 or not.
22 Q. Do you remember anything else about what the
23 Francises did in regards to looking at the
24 documents?
25 A. I assume they looked them over and I --

Page 45

- 1 Q. Do you remember whether they did or not?
- 2 A. Not exactly, no.
- 3 Q. Have you just told me everything that you have a
- 4 memory of at this time about what was said between
- 5 you and Lou Ann and Arnie Francis on the subject of
- 6 the sale of the stock?
- 7 A. I don't recall ever discussing it with Arnie. I
- 8 discussed it with Lou Ann on the phone as I just
- 9 explained to you. That's about the extent of it, as
- 10 I recall.
- 11 Q. This was in late 1979?
- 12 A. Beg your pardon?
- 13 Q. This was in late 1979?
- 14 A. Late November, I believe, 1979.
- 15 Q. And you never told Lou Ann or Arnie about any of
- 16 these inquiries that we discussed earlier today, any
- 17 of these offers to purchase?
- 18 A. They received them in that purchase and sale
- 19 agreement.
- 20 Q. You never told them about them?
- 21 A. I had no reason to.
- 22 Q. And when Lou Ann indicated that she wanted to sell
- 23 stock and the figure of \$700,000 was used, did you
- 24 tell her what your opinion of the value of the stock
- 25 of Stinson Canning Company was at that time?

Page 46

- 1 A. For whose stock and what stock are you referring to?
- 2 Q. Her stock.
- 3 A. Her stock? Whatever she agreed to. She agreed to
- 4 sell it for \$700,000, and the board of directors
- 5 agreed to accept her offer; and that's the value of
- 6 the stock as far as I'm concerned is what the buyer
- 7 and seller can agree to.
- 8 Q. Let me show you Plaintiff's Exhibit 39. This is a
- 9 letter from you to Tom Van Meer dated December 28,
- 10 1979. I'll give you a few minutes to read this
- 11 before I ask you some questions.
- 12 A. (Witness reviewing document.) Mm-hmm.
- 13 Q. In this letter, Mr. Stinson, you are telling Mr. Van
- 14 Meer in paragraph three on the first page that in
- 15 regards to a sale of the company the majority of the
- 16 stockholders, including those active in the company,
- 17 seem to be willing to make a move, depending of
- 18 course who it is with, and if each of them can get a
- 19 reasonable individual working agreement and if the
- 20 figure was around 18. I believe you mean \$18
- 21 million; is that correct?
- 22 A. If it were, yeah.
- 23 Q. And then you go on to say I do feel it is possible
- 24 to get the 18 and a reasonable working contract for
- 25 those of us who are active in the company. Did you,

Page 47

- 1 in fact, believe it was possible to get \$18 million
- 2 for your company and a reasonable working contract
- 3 for you and the others who were actively working in
- 4 the company at that time?
- 5 A. Apparently I must have.
- 6 Q. And you didn't tell Lou Ann or Arnie Francis in
- 7 December of 1979 before they sold their stock in
- 8 February of 1980 that you thought you could get \$18
- 9 million for the company?
- 10 A. I don't recall that I did.
- 11 Q. In the last paragraph on the first page of this
- 12 letter you are referring specifically to the
- 13 Francises having made up their mind to go through
- 14 with the deal and you asked Mr. Van Meer a question,
- 15 which was do you see any reason why such a move
- 16 should be withheld. What move were you referring
- 17 to?
- 18 A. I believe the one that was discussed about the
- 19 possibility of -- to explain that upper paragraph
- 20 that you just talked about about the 18 million.
- 21 Q. Were you concerned about the fact that the Francises
- 22 seemed willing to go through with a sale of their
- 23 stock at \$700,000 and at that same time you believed
- 24 the majority of the stockholders wanted to sell and
- 25 that you could get at least \$18 million for it; did

Page 48

- 1 that bother you?
- 2 A. The part that I was concerned. I wanted to make sure
- 3 the Francis family understood the situation.
- 4 Q. You knew that you had an obligation to them to be
- 5 sure that they did clearly understand the
- 6 circumstances?
- 7 A. They were given the information in that purchase and
- 8 sale agreement about all these offers.
- 9 Q. Mr. Stinson, a couple of years later -- actually
- 10 strike that. During -- strike that, too. I want to
- 11 ask you some questions about Eva Wight and her
- 12 family and their stock. You've told me I believe
- 13 now everything you can remember about your personal
- 14 dealings the Francises and their sale of stock; is
- 15 that correct?
- 16 A. Best of my knowledge.
- 17 Q. Would you please tell me now everything that you
- 18 recall about Eva Wight and her husband and children
- 19 and their sale of their stock.
- 20 A. I was not totally involved. I never discussed it
- 21 with her.
- 22 Q. You never had any discussions with them?
- 23 A. Well, we had one I guess. I can't remember when to
- 24 heck it was. She wrote a letter and wanted to meet
- 25 with my brother and I down to my father's one

Page 49

1 Saturday afternoon, and I believe that's when she
 2 started talking about the sale of her stock. Very
 3 obvious she and I didn't agree on the value of it.
 4 That was about the last time I talked with her.
 5 Q. What did you propose that the company give her for
 6 their stock?
 7 MS. DEBEVOISE: Objection to the foundation of
 8 that question. There has been no statement that he
 9 proposed anything.
 10 BY MS. COLLIER:
 11 Q. Go ahead and answer it if you can please.
 12 A. If you don't mind repeating it once more.
 13 Q. No. What did you propose that the company pay Eva
 14 and her family for their stock?
 15 A. I don't know as I proposed anything. I think I just
 16 said as far as I was concerned it wasn't worth any
 17 more than what Lou Ann and Arnold agreed to sell
 18 theirs for.
 19 Q. Do you have any idea what the basis was for the
 20 \$700,000 figure being used as the value of Lou Ann
 21 and Arnie's and their family's stock?
 22 A. I think you'd have to ask them. They're the ones
 23 that said they'd sell it for \$700,000; it wasn't
 24 me. You'd have to ask them how they come to that
 25 conclusion.

Page 50

1 Q. Then on what basis did you take the position with
 2 the Wights that their stock wasn't, quote, worth any
 3 more than what Lou Ann and Arnie's was, end quote?
 4 A. Well, the only way any different I would say add to
 5 it would be I think it was three years, two years,
 6 three years since the Wights sold. I didn't feel it
 7 was any more fair to pay one more than the other.
 8 Q. Other than that meeting that you're apparently
 9 remembering, I think you characterized it as you and
 10 your sister didn't see eye to eye on value. Do you
 11 have any other -- do you have memory of any other
 12 meetings or discussions with the Wight family?
 13 A. About their stock?
 14 Q. Right.
 15 A. I didn't have any, not that I recall.
 16 Q. Did you join in the vote to approve the sale of the
 17 stock to the company from Lou Ann and Arnie for
 18 \$700,000; did you agree with that vote?
 19 A. Make that a little bit more clear now.
 20 Q. Right. My memory is that there was one vote against
 21 the sale of stock for \$700,000, and I'm asking what
 22 your memory is.
 23 MS. COLLIER: I just want to know what he
 24 recalls of that.
 25 MS. DEBEVOISE: Well, I object to the

Page 51

1 foundation of that question because I believe it's
 2 inaccurate.
 3 BY MS. COLLIER:
 4 Q. What is your memory of the vote to approve the sale
 5 of the Francis stock at 700,000?
 6 A. As I recall without reading the minutes of the
 7 meeting, I believe the board voted to accept her
 8 offer.
 9 Q. Unanimous vote?
 10 A. Beg your pardon?
 11 Q. Was it a unanimous vote as you remember it?
 12 A. I don't recall. You know, it was voted to accept
 13 her offer. Whether it was majority, I don't recall.
 14 Q. Did you have any discussions with your brother
 15 before that vote was taken or at that meeting where
 16 the vote was taken about that price?
 17 A. I don't recall. No doubt there probably was some
 18 discussion. I don't particularly recall any
 19 specific ones.
 20 Q. Did your brother have any disagreements with that
 21 price?
 22 A. I think I believe as I recall he felt that they
 23 probably should get more for it.
 24 Q. Did he tell you why he had that belief?
 25 A. I don't recall the details.

Page 52

1 Q. You wouldn't have sold your stock to the company for
 2 \$700,000 in 1980, would you?
 3 A. I had no interest in selling my stock.
 4 Q. You really didn't answer my question. Would you
 5 have sold your stock for \$700,000?
 6 A. No.
 7 Q. It was worth a lot more than that, wasn't it?
 8 A. I think what I had for stock and what she had and
 9 her family, I had voting stock, but nobody is going
 10 to buy -- who wants to buy minority stock in a
 11 company? I mean what's the value? She's the one
 12 that said she would sell her stock for \$700,000, not
 13 I. So there's no point in asking me what I would
 14 do. She suggested it, said she would sell it for
 15 that price, and the company accepted her offer.
 16 Q. So whether in fact the stock was more valuable than
 17 \$700,000 was irrelevant to you?
 18 A. I'm not in a position to sit down and state, no more
 19 than anybody else is, what a minority stock is worth
 20 in a closely held company. It's very difficult, and
 21 the only decision I can see is what the buyer and
 22 the seller agree to pay, and that's what was in this
 23 case.
 24 Q. Is that what your accountant and attorney advised
 25 you?

Page 53

1 MS. DEBEVOISE: Objection to any discussions
 2 between Mr. Stinson and his attorney as constituting
 3 confidential attorney/client privileged information.
 4 BY MS. COLLIER:
 5 Q. Let me rephrase my question, sir. Did you receive
 6 any advice from anyone else as to how to determine
 7 the value of minority stock interest in Stinson
 8 Canning Company at that time?
 9 A. Not that I know of.
 10 Q. Did you when Lou Ann and her husband came to you or
 11 Lou Ann came to you and said \$700,000, you give us
 12 \$700,000 and we'll sell, did you make any effort to
 13 determine the value of their stock?
 14 A. She didn't come to me. She called me on the phone
 15 and said she wanted to sell her stock and would sell
 16 it for \$700,000.
 17 Q. Did you then make any effort to determine what the
 18 actual value of the stock was?
 19 A. I didn't see why I should. She wanted to sell it
 20 for that; why should I argue with her?
 21 Q. In fact, it was a pretty good deal for the company
 22 to get it for that price, wasn't it? That's why you
 23 voted for it.
 24 A. Why I voted for it?
 25 Q. Mm-hmm.

Page 54

1 A. Basically, if you want to know the principal truth,
 2 I really wasn't interested in buying anybody's
 3 stock. I had better things to do with the company's
 4 money than spend it for minority stock. I preferred
 5 the money be used, as it was used, to modernize the
 6 company, invest in the company, and that was my
 7 choice.
 8 Q. You voted to approve the purchase of the stock
 9 because it was a good deal for the company, correct?
 10 A. No.
 11 MS. DEBEVOISE: Objection. That has been
 12 asked and answered in the last question.
 13 MS. COLLIER: Now it has been answered.
 14 MS. DEBEVOISE: Would you please repeat the
 15 last question and answer.
 16 (The last question and answer were read
 17 back by the reporter.)
 18 A. No, it isn't correct.
 19 MS. COLLIER: We can go off the record.
 20 (A lunch break was taken from 12:10 to
 21 12:55 p.m.)
 22 BY MS. COLLIER:
 23 Q. Mr. Stinson, you've told me about the conversation
 24 you had with Arnie on the phone and then Lou Ann in
 25 the late fall of 1979 concerning their sale of

Page 55

1 stock. Has your brother Calvin ever explained to
 2 you or told you that he had any discussions with Lou
 3 Ann or Arnie prior to the sale of their stock about
 4 that?
 5 A. He never told me. I know based on one of the
 6 meetings we had that he was asked to contact them
 7 about the meeting June the 9th, 1978. That's the
 8 only one I recall.
 9 Q. He hasn't told you about any other conversations he
 10 ever had with them about it?
 11 A. I don't recall any.
 12 Q. And as far as Eva Wight and her family was
 13 concerned, you've explained to me that you did not
 14 feel it was fair for them, meaning the Wights, to
 15 get more for their stock than the Francis family;
 16 is that correct? That's your feeling?
 17 A. That was my comment, plus the fact that I had a
 18 concern about the number of family members that may
 19 want to sell their stock and a concern about the
 20 cost to the company because the company had already
 21 spent large sums of money and was spending more to
 22 modernize, cut its costs. So that was my major
 23 concern. It just would limit the company's ability
 24 to expand and automate.
 25 Q. Do you remember that during the time that -- during

Page 56

1 the time after Lou Ann and her family had sold their
 2 stock and before the time that Eva and her family
 3 signed their stock purchase agreements there was
 4 discussion still going on with the Wights about
 5 estate tax problems?
 6 A. I don't recall that there was.
 7 Q. Is it fair to say that the negotiations by the
 8 Wights for the sale of their stock largely took
 9 place between Mr. Van Meer and Mr. Kruger, Mr.
 10 Fitzgerald; in other words, various representatives
 11 were involved in that particular negotiation?
 12 A. I don't think that is totally correct. You were
 13 referring to negotiations?
 14 Q. Yeah.
 15 A. I don't recall that Kruger and Van Meer was involved
 16 in any negotiation. The only one I know of was
 17 basically through her brother, and he might have
 18 possibly consulted Kruger on some information or
 19 something. But I don't think Kruger was directly
 20 involved in any negotiation. He might have
 21 furnished my brother some information.
 22 Q. Let me ask it maybe a different way that makes more
 23 sense. Who conducted the negotiations regarding the
 24 Wights' stock?
 25 A. Conducted them or initiated them?

1 Q. Who was involved in them.
 2 A. To my knowledge, my brother and Eva Wight.
 3 Q. Okay. Ultimately, a significantly higher amount was
 4 paid by the company for the Wights stock than the
 5 Francis stock. Do you know how that figure
 6 ultimately was arrived at?
 7 A. I wasn't involved, so I really don't know how it was
 8 arrived at. I know she received more, yes.
 9 Q. Did you vote to approve the sale to the company of
 10 the Wight stock for the price that was ultimately
 11 agreed upon?
 12 A. I voted against it.
 13 Q. Did anyone else vote against it?
 14 A. I don't believe so.
 15 Q. So you and your brother were in disagreement about
 16 that price being paid for the stock?
 17 A. We didn't agree on it, no.
 18 Q. To your knowledge, was there any appraisal done or
 19 other professional opinion sought in regards to the
 20 valuation of the Wight stock?
 21 A. Not that I can recall.
 22 Q. To the best of your recollection between 1980 and
 23 1983 when the Wights sold their stock, were there
 24 any further inquiries being made by outside
 25 companies into the possible purchase of Stinson

1 A. She absolutely didn't.
 2 Q. Do you have any reason, to your knowledge, why she
 3 did not tell the truth?
 4 A. I would have difficulty explaining why anybody
 5 didn't tell the truth, but it happens frequently.
 6 Q. My question though is about Ida on this subject in
 7 connection with this case.
 8 A. Well, I'm not sure I understand your question.
 9 Q. Do you know of any reason why Ida would not tell the
 10 truth?
 11 A. Well, I've always wondered why she didn't. I don't
 12 know why she'd make such a stupid statement.
 13 Q. Point of fact, you weren't there when she had a
 14 conversation with --
 15 A. No, I wasn't.
 16 Q. So she very well may be telling the truth; isn't
 17 that so?
 18 A. If she did, I wasn't made aware of it. If the
 19 promise had been any good, it would have to be taken
 20 before the board, and it never was; never discussed,
 21 never mentioned.
 22 Q. Do you remember that it was discussed at a board
 23 meeting in March of 1978 that one option might be to
 24 offer shareholders who were interested in selling
 25 the possibility that the company would pay them more

1 Canning Company?
 2 A. Between 1980 and '83?
 3 Q. Mm-hmm.
 4 A. Not that I can recall.
 5 Q. Did the company ever experience any financial
 6 difficulty from 1975 through 1983?
 7 A. No.
 8 Q. Did Lou Ann ever tell you that a promise had been
 9 made to her that if she sold -- if she sold her
 10 stock and her family sold their stock for the
 11 \$700,000 and the company was later sold at a price
 12 that would result in a greater amount per share
 13 being paid, that the company or you or your brother
 14 would make up the difference?
 15 A. Absolutely not.
 16 Q. Are you aware that any such promise was made to her
 17 by anyone?
 18 A. Not to my knowledge, no.
 19 Q. Are you aware that Ida has testified that she had a
 20 conversation with your brother in which your brother
 21 indicated to her that such a promise had been made?
 22 A. She made that comment in her deposition.
 23 Q. Do you have any reason to believe that your sister
 24 Ida would not tell the truth in connection with this
 25 matter?

1 in the future if it sold for a greater price?
 2 A. That option was incorrectly worded. I think the
 3 correct statement would be, my brother explained
 4 yesterday several times, that if the company was in
 5 the process, and I'm quoting what our attorney told
 6 us and I'm not sure that I can quote it accurately.
 7 But basically what he said, if we was in the process
 8 of selling the company and we knew we was going to
 9 sell and we deliberately bought a family member's
 10 stock for a price lower than what we was going to
 11 get, we would have to make up the difference.
 12 Q. What attorney told you that?
 13 A. Tom Van Meer made that statement at one time. I
 14 won't say it exactly but something to that effect.
 15 Q. You don't consider that in the fall of 1979 and
 16 early 1980 you were in the process of selling the
 17 company?
 18 A. No, we were not.
 19 Q. Did you receive that advice that you just testified
 20 to before the company purchased Lou Ann's family's
 21 stock?
 22 A. It was stated in one of our meetings previous to
 23 that, sometime previous to that, yes.
 24 Q. Had someone asked Mr. Van Meer to give an opinion on
 25 that issue?

Page 61

- 1 A. I don't recall specifically, but it was mentioned at
2 a meeting.
- 3 Q. And I think you told me earlier that you did not
4 tell Lou Ann and Arnie -- strike that. You did not
5 tell Lou Ann when she talked with you in late 1979
6 that you believed the company could sell for at
7 least \$18 million?
- 8 A. I didn't see the necessity in it. She already
9 agreed -- offered to sell her stock for the price
10 she mentioned.
- 11 Q. Did you consider that you had a duty to protect your
12 sister's interests in connection with the sale of
13 her stock?
- 14 A. She offered. She said she would sell her stock for
15 \$700,000, and I complied with it. I met her wishes,
16 or I didn't; the company did.
- 17 Q. Your answer is, yes, you agree that you had a duty
18 to protect her interests?
- 19 A. I did protect her interests. Her interest was to
20 offer to sell her stock for \$700,000.
- 21 Q. You agree that you had such a duty?
- 22 A. I had a duty, and I did. The company did, not me.
- 23 Q. Are you're saying that you personally had no such
24 duty?
- 25 A. I presume to agree, yes. But it's up to the board

Page 62

- 1 to accept the offer. I can't personally myself go
2 out and say, yeah, I'm going to do this. The board
3 has to approve of it. I can't approve of it
4 personally.
- 5 Q. Your sister had no involvement in the operations of
6 the company; is that true?
- 7 A. That's correct.
- 8 Q. And she did not sit on the board. She did not work
9 for the company.
- 10 A. No.
- 11 Q. She was totally reliant upon you and your brother to
12 provide her with accurate information about the
13 financial condition of the company, wasn't she?
- 14 A. Not totally, no. She had an attorney, as my older
15 sister had. She could have gotten advice, as my
16 older sister got. She could have come and sit down
17 and discussed it with us. She never did. She had
18 all kinds of options. She made the choice. She
19 said she wanted to sell her stock for that price,
20 and I presented the board with it and the board
21 agreed.
- 22 Q. Didn't you approach her first and offer to buy her
23 stock for \$300,000?
- 24 A. No, I did not.
- 25 Q. Did you ever have any discussion with her at all

Page 63

- 1 about \$300,000 as a value for her stock?
- 2 A. Never did.
- 3 Q. You remember that a figure of \$300,000 for a
4 family's stock had been discussed earlier in 1978,
5 don't you?
- 6 A. When you say discussed, I don't quite know what you
7 mean by discussed.
- 8 Q. Do you remember the figure of \$300,000 being
9 mentioned as a possible price to pay for a family's
10 minority interest?
- 11 A. That was one of the options, yes, in that meeting
12 that they all attended. She was well aware of it,
13 as the rest of us was.
- 14 Q. How did the figure of \$300,000 come to --
- 15 A. Best of my recollection, I believe my father at one
16 of the meetings brought that figure up, but he was
17 not in favor of anybody selling their stock.
- 18 Q. By that do you mean he used an extremely low value
19 to discourage the sale?
- 20 A. I don't know what his reason was. As best I recall,
21 he's the one that suggested the \$300,000 if anybody
22 wanted to sell their stock.
- 23 Q. And at that time, in June of 1978, the stockholders
24 in attendance were told that the company would pay
25 \$300,000?

Page 64

- 1 A. That was one of the options that was offered.
- 2 Q. What consideration did you give at that time to
3 whether or not that represented a fair value for a
4 family's stock?
- 5 A. That would depend on whether the buyer and seller
6 wanted to agree to it, and apparently they didn't.
- 7 Q. You did not seek or obtain any outside appraisals or
8 opinions of value of the stock at that time, did
9 you?
- 10 A. We didn't get any, no; we didn't have any. It
11 wasn't necessary.
- 12 Q. After you sold the company, after the company was
13 sold I should say in 1990, did you ever have any
14 discussion with Lou Ann about paying her more for
15 her stock?
- 16 A. No, I didn't. I don't see why I should.
- 17 Q. You've never sat down and talked about it with her?
- 18 A. No reason to.
- 19 Q. She has never brought it up with you?
- 20 A. No, she never has.
- 21 Q. She never asked you for her fair share?
- 22 A. Did you say has she ever asked me?
- 23 Q. Mm-hmm.
- 24 A. No, she never has.
- 25 Q. Do you know if she has approached your brother and

Page 65

- 1 discussed it with him?
- 2 A. Not to my knowledge.
- 3 Q. Do you think that Lou Ann and her family received
- 4 fair value for their stock?
- 5 A. She received a value she wanted for it, yes.
- 6 Q. So your answer is yes?
- 7 A. Beg your pardon?
- 8 Q. Your answer is yes?
- 9 A. I'm saying she received what she asked.
- 10 Q. And because of that, she received fair value in your
- 11 opinion?
- 12 A. In her opinion she must have.
- 13 Q. In your opinion as president of the company.
- 14 A. Yeah. Far as I'm concerned, she received fair
- 15 value, yes.
- 16 Q. What disclosures did you make to Lou Ann and her
- 17 family as far as what assets were being sold when
- 18 they signed the stock purchase agreements in
- 19 February of 1980?
- 20 A. I don't really recall, whatever the company owned.
- 21 Q. Did you discuss it with her?
- 22 A. What assets were sold when the company was sold?
- 23 Q. Right.
- 24 A. I don't see why I should have.
- 25 Q. You don't see why you should have?

Page 66

- 1 A. Hell no; she didn't own any stock in the company.
- 2 Q. I'm talking about back in 1980 when she signed the
- 3 stock purchase agreements.
- 4 MS. DEBEVOISE: Can you repeat that question
- 5 or read it back because I think it's --
- 6 MS. COLLIER: Let me work with the witness on
- 7 this. I see that my questions may have confused
- 8 you, and I apologize for that if they did.
- 9 BY MS. COLLIER:
- 10 Q. In February of 1980 when Lou Ann and Arnie came in
- 11 and signed their agreements, that's the time I'm
- 12 talking about.
- 13 A. Okay.
- 14 Q. Did you make any disclosures to any of them about
- 15 what it was that the company owned that they were
- 16 signing their rights away to?
- 17 MS. DEBEVOISE: I object to the form of the
- 18 question.
- 19 BY MS. COLLIER:
- 20 Q. You can answer that, if you can.
- 21 A. I don't recall. I know whatever is in that purchase
- 22 and sale agreement is what she received.
- 23 Q. There were no other discussions or representations
- 24 other than what the documents contain, correct?
- 25 A. Not to my knowledge.

Page 67

- 1 Q. Let me show you what's been marked as Plaintiff's
- 2 Exhibit 48. Do you recognize this to be a document
- 3 in your brother's handwriting?
- 4 A. In my brother's handwriting?
- 5 Q. Mm-hmm.
- 6 A. That is his handwriting, yeah.
- 7 Q. Have you seen this particular paper before?
- 8 A. No.
- 9 Q. I want to show you Plaintiff's 49. Have you seen
- 10 that document before?
- 11 A. Let's see. Yeah.
- 12 Q. Okay. And is this a summary of the -- or what is
- 13 this? You tell me.
- 14 A. What did you ask me?
- 15 Q. I just asked you if you could explain to me what
- 16 this document is.
- 17 A. Shows what the stockholders received when the
- 18 company was sold before and after taxes.
- 19 Q. The company ultimately did sell in 1990; is that
- 20 right?
- 21 A. True.
- 22 Q. And it sold for \$24 million gross?
- 23 A. Yeah. I guess it did, yeah.
- 24 Q. And you and the members of your family received a
- 25 total gross distribution of \$6,844,412; is that

Page 68

- 1 correct?
- 2 A. That's what those figures say right there.
- 3 Q. And your brother received slightly less than that.
- 4 A. Slightly less or slightly more?
- 5 Q. Slightly more, sorry. And your sisters each
- 6 received \$5,173,517, correct?
- 7 A. Mm-hmm.
- 8 Q. The company had a value of 18 to 20 million ten
- 9 years earlier; is that correct?
- 10 A. I don't really remember.
- 11 Q. Did the company acquire any significant new assets
- 12 between 1980 and 1990 that you can recall?
- 13 A. Any new assets?
- 14 Q. Any significant new assets.
- 15 A. I can't remember.
- 16 Q. Was the company operating substantially in the same
- 17 manner in 1990 as it had been in 1980?
- 18 A. When you say same manner, what do you mean by same
- 19 manner?
- 20 Q. Compare the company in 1990 with the company in
- 21 1980.
- 22 A. Compare it in what way? What's your point?
- 23 Q. Did it own the same assets in 1990 that it had in
- 24 1980?
- 25 A. I don't know. I can't remember. Basically it must

Page 69

1 have. I don't know of too many that were sold. I
 2 couldn't tell you without looking at the records.
 3 Q. The company in 1980 I believe, and correct me if I'm
 4 wrong here, had plants operating in Bath, Addison,
 5 Prospect Harbor and Southwest Harbor?
 6 A. 1980?
 7 Q. Right.
 8 A. Had plants in Bath, Rockland, Belfast. I wouldn't
 9 go as far as saying they still had the one in
 10 Southwest Harbor or not. We closed it in I don't
 11 remember what year and had the one in Prospect
 12 Harbor.
 13 Q. In 1990 did the company still operate plants in
 14 Bath, Rockland, Belfast and Prospect Harbor?
 15 A. Yes, it did, but not Southwest Harbor. That was
 16 closed sometime; I don't know when.
 17 Q. Did the company assume any new debt, and by that I
 18 don't mean just regular debts but any significant
 19 new debts between 1980 and 1990?
 20 A. Not that I recall. I'd want to review the records
 21 to be absolutely sure.
 22 Q. So having reviewed what we just did, would you agree
 23 with me that the company in 1990 was substantially
 24 the same as the company in 1980?
 25 A. Well, I'm not sure what you mean. substantially the

Page 70

1 same. A company in that type of business had many
 2 variables, basically the supply of fish, so I don't
 3 really know what you mean by substantially the same.
 4 It had the same people operating it and it had the
 5 same number of plants except for the one in Addison,
 6 Southwest Harbor; I don't recall when that was
 7 closed.
 8 I forgot about we had a vessel built, an
 9 offshore vessel built in 19 -- when was it? I think
 10 we started building in October of 1978. It was
 11 launched November 3, 1979.
 12 Q. And there was a debt for the construction of that
 13 boat?
 14 A. It cost somewhere around \$3 million. I won't say it
 15 was a debt, no. We didn't go in debt for it.
 16 Q. The company paid for it as you --
 17 A. That's right.
 18 Q. And that vessel was in the water before the sale of
 19 the Francis stock; it was an asset --
 20 A. In the water before the sale of the Francis stock?
 21 It was launched. It wasn't -- yeah, it was in the
 22 water. You launch it; it goes into the water, but
 23 it was not fully finished and delivered until March
 24 sometime 1980. I can't remember the exact date when
 25 it was delivered. We didn't fish until the next

Page 71

1 spring, that spring.
 2 MS. COLLIER: I think we are done, but I would
 3 like to have a break for a few minutes.
 4 (A break was taken.)
 5 BY MS. COLLIER:
 6 Q. I do have one last question for you, Mr. Stinson.
 7 I'm just not sure how I worded this question to you
 8 before. Did you, yourself, ever make a promise to
 9 Lou Ann in connection with the company's purchase of
 10 her stock to the effect that if the company sold
 11 later at a price per share greater than what she was
 12 being paid the company or yourself would make it up?
 13 A. I think you asked me that before. No, I never did.
 14 MS. COLLIER: Thank you. I have no further
 15 questions.
 16 MS. DEBEVOISE: I just have a very few
 17 questions of Mr. Stinson.
 18 EXAMINATION
 19 BY MS. DEBEVOISE:
 20 Q. During the break we just had, did you have a further
 21 opportunity to review Plaintiff's Exhibit 49? You
 22 have to answer out loud.
 23 A. Beg your pardon?
 24 Q. You have to answer out loud.
 25 A. Yeah, I reviewed it, right.

Page 72

1 Q. Can you clarify your earlier description of what
 2 this document represents?
 3 A. Oh, I stand to be corrected somewhat. This is a
 4 estimate Bob Kruger made to give us an idea what our
 5 taxes would be if we should receive this amount of
 6 money for the company. It was not an actual -- it
 7 is not what we actually received. It is an
 8 estimate.
 9 Q. When, with relation to the sale, was this document
 10 prepared?
 11 A. I'm not sure I understand your question.
 12 Q. Was this document prepared prior to the sale of the
 13 company?
 14 A. Yes, it was.
 15 Q. And do I understand what you're saying to be that
 16 the figure for the value of the company and the
 17 figure for net price per share are not exactly what
 18 it turned out to be?
 19 A. No, they're an estimate.
 20 Q. Do you have any further observations concerning this
 21 document that you would like to make?
 22 A. Just the income part of it, shows what the various
 23 people would receive, the various individual
 24 stockholder. It's just an estimate.
 25 Q. I'm going to move quickly on. Do you recall earlier

Page 75

1 DEPONENT SIGNATURE PAGE

2

3 CAPTION: LOU ANN STINSON FRANCIS vs. CHARLES B. STINSON

4 DEPONENT: CHARLES B. STINSON

5

6 I, _____, do hereby

7 acknowledge that I have read pages _____ through _____,

8 Inclusive of the transcription of my deposition and that:

9 (check appropriate line)

10

11 _____ the same is a true, correct and complete

12 transcription of the answers given by me to the

13 questions therein recorded.

14 _____ except for changes noted on the attached errata

15 sheet, the same is a true, correct and complete

16 transcription of the answers given by me to the

17 questions therein recorded.

18 _____, Deponent

19

20 _____

21 (date)

22

23

24

25

Page 76

ERRATA SHEET

2 CAPTION: LOU ANN STINSON FRANCIS vs. CHARLES B. STINSON
3 DEPONENT: CHARLES B. STINSON
4 DATE OF JOB: 1-8-98

5	PAGE:	LINE:	AS APPEARS	CHANGE TO
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25	Signature of deponent	Date
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Page 7

1 And do you recall when that occurred?
 2 A. Would you -- what is that again, ma'am?
 3 Q. Do you recall when that occurred?
 4 In 1980, I believe.
 5 Would you describe how it came about that you decided
 6 to sell your stock?
 7 A. We -- we was approached by Trug over the telephone
 8 and -- if we was interested maybe in disposing of our
 9 stock in Stinson Canning Company. It was out of the
 10 clear blue sky as far as I was concerned, you know,
 11 because, I mean, we never -- I never knew what there
 12 was there as far as Stinson Canning Company was. Never
 13 knew what there was there.
 14 Excuse me?
 15 I never knew what there was there. I had no idea of
 16 what the value or anything of Stinson Canning Company
 17 was.
 18 Now, when you say we were approached by Trug, who do
 19 you mean?
 20 A. Lou Ann and I.
 21 Q. Who actually received the phone call that you're
 22 describing?
 23 Who received the phone call?
 24 Yes.
 25 Please be careful to try and wait until I finish

Page 8

1 these questions.
 2 Okay. I thought you was done.
 3 Q. I'm done with that one now.
 4 A. Oh, okay. Lou Ann ended up -- Gus received the phone
 5 call. Gus picked the phone call up first, and then he
 6 turned it over to his mother, which would be Lou Ann.
 7 Q. So what you understand of the discussion that occurred
 8 in that phone call you understand from Lou Ann telling
 9 you?
 10 Yes.
 11 And would you give me your best recollection of exactly
 12 what she told you that Trug said?
 13 Well, let me see. I believe that she -- she was as
 14 surprised as I was when, you know, Trug called about,
 15 you know, wanting to know if we wanted to dispose of
 16 our stock. It was -- it was mentioned as -- the way I
 17 understood it, that we'd owned the -- we'd owned the
 18 stock for, what, maybe -- let's see. Since we had been
 19 married -- I don't know how many years that would be --
 20 and that chances are we would never ever receive
 21 anything from Stinson Canning Company. It was a closed
 22 corporation.
 23 And evidently we was approached -- and we was
 24 approached to sell it. And once things were stated,
 25 you know, we -- evidently we had -- we had no say in it

Page 9

1 whatsoever. At least I wouldn't have any say in it. I
 2 had -- Charlie and Trug would be -- would have been the
 3 main people that owned it, and they could make all the
 4 decisions if they -- the way I understood it. I talked
 5 to Charlie. This was afterwards.
 6 You want after I --
 7 Well, right now --
 8 A. You want to know what I know -- do you want to know
 9 what I know about it or just so on and so forth?
 10 I would like to cover --
 11 Okay.
 12 -- one topic at a time.
 13 A. Okay.
 14 So I would like to make sure that we finish --
 15 Okay, sure.
 16 -- discussing all the details concerning this telephone
 17 conversation for starters.
 18 Have -- have you finished telling me everything
 19 that you recall Lou Ann relating to you about what was
 20 said in the telephone conversation?
 21 Yes. After -- but we did have a meeting. Then we set
 22 up -- there was a meeting set up with -- I think the
 23 first time we went down we saw Charlie at his house.
 24 Was this meeting discussed during the telephone
 25 conversation?

Page 10

1 A. I -- that -- no, I don't believe so. I don't believe
 2 Lou Ann did.
 3 Q. All right. When would you say that this telephone
 4 conversation occurred?
 5 A. Day and date, year?
 6 Q. I would like to give you -- you to give me your best
 7 recollection of the date.
 8 A. Okay. Well, it occurred in the fall of '79.
 9 Q. Now, did I understand you to testify that you had never
 10 thought about selling your stock in the company before
 11 this phone call?
 12 A. No, we had no -- no reason to sell the stock in the
 13 company.
 14 Q. All right. Now I would like you to move on to the next
 15 thing that happened with relation to your decision to
 16 sell your stock. And I think you had just started
 17 talking about a meeting with Charlie.
 18 A. Okay. Okay. After that we -- I believe we went down
 19 and we set up a meeting with Charlie and talked to him.
 20 This was at his house. And I guess he explained so on
 21 and so forth to us, whatever. The gist that I had
 22 received from this is it -- that evidently the company
 23 was not in the best of situation.
 24 I was led to believe that if -- if anything
 25 should happen to Lou Ann, that I would be liable for

Page 11

1 her shares or whatever she owned. And I -- I was led
 2 to believe that if anything happened to Stinson Canning
 3 Company, that we would have to come up -- if it was a
 4 debt, we would have to come up and -- we would have to
 5 come up with our share of the debt.
 6 Q. Now, when would you say that this meeting took place?
 7 A. When would I say it took place? I would say within --
 8 oh, probably within a week, 10 days of the telephone
 9 call.
 10 Q. And who all was present at this meeting?
 11 A. Lou Ann and I and -- and Charlie and Oris. Charlie's
 12 wife Oris.
 13 Q. I believe you said that we set up a meeting with
 14 Charlie at his house. Do I understand you correctly to
 15 be saying that you and Lou Ann set up a meeting with
 16 Charlie at his house?
 17 A. We went to Charlie's house, yes, ma'am.
 18 Q. Did you arrange that visit beforehand, or did you just
 19 drop in?
 20 A. We didn't just stop in, no. We -- we -- evidently we
 21 spoke to Charlie about coming over and seeing him at
 22 his house and talking with him about this.
 23 Q. So what was your purpose in setting up this meeting?
 24 A. Well, I -- I would assume to find out what it was all
 25 about. Why all of a sudden that they approached us to

Page 12

1 buy us out.
 2 Q. Now, you said something to the effect of Charlie
 3 explained this and that and whatever. What -- what
 4 exactly do you recall that Charlie did explain?
 5 A. As I -- as I stated before, about the financial
 6 statement of the company. If anything should happen to
 7 Lou Ann or if the company went bankrupt, then we was
 8 responsible for our share.
 9 Q. What exactly do you recall that Charlie said about the
 10 financial condition of the company?
 11 A. At the time -- at the time this took place, I believe
 12 that they was in the process of building a -- roughly a
 13 \$3,000,000 boat. And I -- and I also believe that
 14 maybe between Charlie and Trug that Charlie might not
 15 have been -- you know, it -- it was costing them a lot
 16 of money. And at the time I believe -- I really
 17 believe that they -- that they was having problems with
 18 this big bill, and it --
 19 Q. With the --
 20 A. -- and it definitely -- it -- Charlie and Calvin, Jr.
 21 was not seeing eye to eye on this. Maybe I'm wrong.
 22 Q. All right. This is something that was just your
 23 assumption?
 24 A. No. After talking -- I -- I had talked to Calvin, Jr.
 25 afterwards, and he seemed to say this.

Page 19

1 but them.
 2 Now, you consulted -- you and your wife consulted an
 3 attorney with respect to your sale of your stock in the
 4 company, didn't you?
 5 Yes.
 6 You consulted Bill Silsby, correct?
 7 A. Pardon?
 8 Q. You consulted Bill Silsby, correct?
 9 We spoke with Bill Silsby.
 10 And didn't you have some meetings with Bill Silsby and
 11 some other representatives of the company concerning
 12 the possibility of selling your stock?
 13 A. Other representatives of the company? I -- now, are
 14 you meaning -- are you saying stockholders,
 15 shareholders or what when you mean that?
 16 Q. I will make the question more specific --
 17 A. Okay.
 18 -- and ask you if you recall meeting with your wife and
 19 Bill Silsby and Tom Van Meer, the company lawyer, with
 20 respect to the prospect of selling your stock in the
 21 company?
 22 A. Never meet with Tom Van Meer, no, ma'am.
 23 How many discussions did you have with Bill Silsby
 24 concerning the sale of your stock in the company?
 25 A. One.

Page 20

1 And where did that discussion occur?
 2 Pardon? Where or when did you say?
 3 Q. Where.
 4 A. Where? It occurred I would say here in his office in
 5 Ellsworth.
 6 And when did that meeting occur?
 7 Within the -- within the latter part of '79.
 8 Q. And who was present at that meeting?
 9 A. Lou Ann, myself and Bill.
 10 Did Mr. Silsby obtain any financial information
 11 concerning the company for you?
 12 A. No, ma'am, we had none.
 13 Did you ever prior to this time your family sold their
 14 stock request any financial information concerning the
 15 company?
 16 No, ma'am. It was their company. I had no reason to.
 17 Q. Did you ever have any discussions with Calvin Stinson,
 18 Sr. about selling your stock in the company?
 19 Calvin Stinson? No, ma'am.
 20 All right. Now you've told me about all of the
 21 discussions you had with either Trug or Charlie
 22 concerning your sale of the stock prior to the time of
 23 the sale; is that correct?
 24 Yes.
 25 Did you discuss your proposed sale of company stock

Page 21

1 with any accountant prior to the time you sold your
 2 stock?
 3 No, ma'am.
 4 Q. Do you -- do you recall whether you ever attended any
 5 meetings of the board of directors or shareholders of
 6 the Stinson Canning Company prior to the time you sold
 7 your stock?
 8 A. We attended one that I can recollect, and that was in
 9 probably 1977, '78.
 10 And how did you happen to attend that particular
 11 meeting?
 12 I believe we were probably sent a note. I can't -- I
 13 don't recollect, but we was -- was was there. And I
 14 would assume we were sent out a meeting -- a notice
 15 that they was going to have a stockholders meeting.
 16 When you say we, who are you referring to?
 17 A. Lou Ann and myself.
 18 Q. Had you ever received notices of any meetings prior to
 19 that occasion?
 20 Not that I can recollect, no, ma'am.
 21 And you had never attended any meetings prior to that
 22 occasion?
 23 A. No, I never had. I attended one meeting that I can
 24 recollect.
 25 What do you recall being discussed at this particular

Page 22

1 meeting?
 2 A. Not too much, ma'am, because everything that they were
 3 discussing I wouldn't -- really hadn't -- I wouldn't
 4 really be too interested in in the sardine business.
 5 Q. Do you --
 6 A. As I said -- as I said before, Charlie and Trug were
 7 the owners. They ran it. They did it the way they
 8 wanted to do it.
 9 Q. Do you recall who else was present at this meeting?
 10 A. I -- I believe -- I believe it was all -- all wives and
 11 husbands.
 12 Q. What wives and husbands are you referring to?
 13 A. That would be Lou Ann and myself, Dana Stratton and
 14 Joyce Stratton, Ida Mae and Dick Trenholm, Trug and
 15 Arlene, Charlie and Oris, Dieter Schnauck was there and
 16 Chabot was there.
 17 Q. Do you recall that there was any particular reason that
 18 you were all in attendance at this meeting?
 19 A. No, I don't.
 20 Q. Do you recall that three options concerning stock
 21 ownership of the families in the company was discussed
 22 at this meeting?
 23 A. No, ma'am.
 24 Q. Do you recall anything else about this meeting?
 25 A. No. We was there, that was it.

Page 23

1 MR. CALVIN STINSON: Does he know what the
 2 purpose of the meeting was?
 3 Q. Did you have an understanding about the purpose of the
 4 meeting before you went to the meeting?
 5 A. No.
 6 Q. Do you recall any discussion at all concerning the
 7 families ownership of stock in the company?
 8 A. No. No, I don't.
 9 Q. Would you describe how frequently you saw your
 10 brother-in-law Calvin, Jr. prior to the -- in the
 11 10-year period prior to the time of your sale of stock?
 12 A. I would see Calvin, Jr. around. We was not that
 13 friendly. It was -- it was different things. He
 14 was -- if I was down to the factory, I would go in and
 15 I would speak to him; but we was not -- just didn't
 16 have that much in common.
 17 Q. And how frequently did you see Charlie during the
 18 10-year period prior to the sale of your stock?
 19 A. Prior?
 20 Q. Yes.
 21 A. Charlie and I was friendly. We used to visit back and
 22 forth. We even went and looked at old cars together.
 23 He bought a -- I believe at one time he bought an Essex
 24 and he -- we brought it home, repaired it, put an
 25 engine in it and fixed it up; and I don't know if he

Page 24

1 still has it or not. But we was real friendly. He
 2 used to come down to the house and we -- and we used to
 3 go down there and visit back and forth. It was a good
 4 relationship. But we had also been friendly for --
 5 since 19, probably, '48, '49. We both used to speed.
 6 Q. In cars?
 7 A. In cars.
 8 MR. CALVIN STINSON: They didn't run.
 9 MS. DEBEVOISE: You're making me lose my train of
 10 thought here.
 11 MR. CALVIN STINSON: That's possible.
 12 Q. At one time -- at some point did you work for the
 13 Stinson Canning Company yourself?
 14 A. When I was in high school in the -- probably in 19, oh,
 15 '50, maybe '51 I had a summer job over there.
 16 Q. And what did you do for your job?
 17 A. What did I do? I cased up, I worked by the hour. Did
 18 whatever jobs that had to be done.
 19 Q. Was that the only time you've ever worked for the
 20 company?
 21 A. That's the only time I ever worked for the company.
 22 MS. DEBEVOISE: Go off the record for a minute.
 23 (Discussion off the record.)
 24 (Deposition Exhibit Nos. 1 - 13 were marked.)
 25 Q. Okay. Mr. Francis, I'm going to ask you to take a look

1 at the group of documents that have been marked
 2 Deposition Exhibit 1 with a 2/4/80 stock purchase
 3 agreement between you and the Stinson Canning Company
 4 on the top and ask you if you recall seeing that group
 5 of documents sometime prior to today?
 6 MS. COLLIER: Can I ask for clarification? Are
 7 you asking him just about the stock purchase agreement
 8 that you're referring to or the whole pile that's
 9 Exhibit 1?
 10 MS. DEBEVOISE: At the moment my question is that
 11 group of documents that is Exhibit 1.
 12 A. Yes, I would have to say I did; but I did not read it.
 13 Q. Well, let me break this down into questions about
 14 different documents within the group first then.
 15 With regard to the stock purchase agreement
 16 itself, which is the top document on the pile --
 17 A. Okay.
 18 Q. -- can you identify your signature as that which
 19 appears above your typewritten name on the third line
 20 on the right on Page 6 of the document?
 21 A. Yes, that's my signature.
 22 Q. Do you recall signing this document?
 23 A. Yes, I signed the document.
 24 Q. When was the first time you ever saw that document?
 25 A. When --

1 Q. Excuse me, this document?
 2 A. When was the first time? When I signed it.
 3 Q. All right. And do you recall whether you signed the
 4 document on the date that it is dated, February 4,
 5 1980?
 6 A. No, I don't know what the date was on it.
 7 Q. Where were you when you signed the agreement?
 8 A. This agreement was signed at Stinson Canning Company's
 9 place of business in Prospect Harbor.
 10 Q. And how were you notified concerning the meeting at
 11 which you signed the document?
 12 A. I have no recollection how I was notified about going
 13 over.
 14 Q. Do you recall who was present?
 15 A. When these were signed right here?
 16 Q. Yes.
 17 A. I would say that Charlie and Trug was there -- if you
 18 want me to call him Trug. I've always known him by
 19 that -- Chabot was there, and I believe they had a
 20 lawyer there. I couldn't tell you what the lawyer's
 21 name would be. Whoever their -- was representing them
 22 at the time.
 23 Q. If I mention the name Tom Van Meer, would that mean
 24 anything to you?
 25 A. It would -- I would recognize the name, but I would

1 have no idea who he was.
 2 Q. So if a lawyer was there, you're not sure --
 3 A. No.
 4 Q. -- whether or not it would have been Tom Van Meer?
 5 A. Right.
 6 Q. And were other members of your family also present
 7 besides you?
 8 A. When we went over to sign the stock agreements, I
 9 believe Mimi went with us, that would be my daughter
 10 Marion; and Gus, that was Arnold; and Lou Ann. We all
 11 went together.
 12 Q. All right. Was there any discussion that you recall
 13 that took place prior to your execution of the
 14 agreement?
 15 A. No, ma'am.
 16 Q. Do you recall who gave you the agreement to sign?
 17 A. No, I don't.
 18 Q. Do you recall being provided at that time with the
 19 exhibits to the agreement that are A through Z, all of
 20 these documents here behind the agreement?
 21 A. These?
 22 Q. Yes.
 23 A. These were -- these were given to me after the -- we
 24 had sold our stock to Stinson Canning Company.
 25 Q. Were they given to you at the meeting?

1 A. After we had signed over our stock this was passed to
 2 me -- all this stuff here was passed to me in a Manila
 3 envelope.
 4 Q. And do you recall who gave you the exhibits?
 5 A. No, ma'am.
 6 Q. Were they given to you in the Manila envelope that is
 7 on the table right now?
 8 A. Not this one, but they was given to us in a Manila
 9 envelope.
 10 Q. Did you read the stock purchase agreement before you
 11 signed it?
 12 A. No, I did not.
 13 Q. Why not?
 14 A. I had no reason to.
 15 Q. Why do you say that?
 16 A. It was -- Charlie and Trug was doing the -- it was
 17 their thing. Why should they do anything different
 18 than what they had ever done?
 19 Q. What do you mean by why should they do anything
 20 different?
 21 A. Why should they do anything -- I mean, they've always
 22 been honest, so why should they do anything different?
 23 Q. Well, weren't you concerned to see what the terms of
 24 the agreement were that you were signing?
 25 A. The terms of the agreement were we knew we was going to

1 get -- I knew I was going to get so much money, so much
 2 interest over a 10-year period, and that was it.
 3 Q. Is it your testimony that you didn't read this
 4 agreement at all --
 5 A. I --
 6 Q. -- at the time you signed it?
 7 A. -- didn't read this at all, no.
 8 Q. And had you requested to see any information at all
 9 concerning the company prior to the time you signed the
 10 agreement?
 11 A. I had not, no, ma'am.
 12 Q. Did you look at Exhibits A through Z after they were
 13 provided to you at the closing?
 14 A. Before I signed or after? I never looked at them, no.
 15 I signed, and that was it.
 16 Q. All right. And then your testimony is that you were
 17 provided with the exhibits after you signed the
 18 agreement, correct?
 19 A. These here.
 20 Q. After the closing?
 21 A. After.
 22 Q. Right.
 23 A. Yes.
 24 Q. Did you look at the exhibits while you were still at
 25 the closing?

1 A. No, ma'am.
 2 Q. Did you ever look at them?
 3 A. No.
 4 Q. Have you looked at them to this day?
 5 A. No.
 6 Q. Have you read the stock purchase agreement since the
 7 time you signed it?
 8 A. No.
 9 Q. If you'll take a look at Paragraph 2 on the first page
 10 which goes over onto the next page with me, I'm going
 11 to ask you some questions about -- relating to that.
 12 That paragraph refers to the aggregate purchase price
 13 of \$108,076.70 --
 14 A. Okay, yes.
 15 Q. -- being paid on a closing date in two ways. One, a
 16 down payment of \$10,807.67; and, two, a promissory note
 17 for \$97,269.03. And my first question with relation to
 18 that is whether you were, in fact, provided with the
 19 down payment at the closing?
 20 A. Yes, I was.
 21 Q. And was that provided to you in the form of a check?
 22 A. Yes, ma'am.
 23 Q. And who gave it to you, do you recall?
 24 A. I don't recall, no. We was given a check.
 25 Q. The promissory note outlines nine annual installment

Page 43

boat, the Calvin L., I don't believe that everyone was all in accordance with building that boat. And I think this caused friction from what I have heard in the company between the two boys.

Well, how in your mind does that constitute a misrepresentation as to the financial condition of the company?

A. Well, if they -- if they had a \$3,000,000 boat on their hands, it was a dead fish. That's quite a liability costing you 175, \$200,000 a year to keep this boat. And if your cash is limited, it wouldn't be long before you're going to eat some money up.

Q. Right. Are you aware of anything else you consider to be a misrepresentation concerning the financial condition of the company?

A. Oh, I -- I would assume -- no. We never knew how healthy the company was or how poor the company was.

Q. What exactly was it that Trug told you about there being problems with the boat or the company?

A. The Calvin L.? I believe the way Trug -- I talked to Trug one day with this boat, and I think this was a -- something that he didn't felt they needed. They had other boats that was doing the same job. And to lay out this amount of money and all of a sudden evidently the grand -- the banks were closed to the United States

Page 44

fishing there, so this created a problem with that boat because it was too big to fish in shallow water with. It was made to go offshore.

(Discussion off the record.)

Q. Paragraph 48 also alleges that misrepresentations were made concerning, quote, the supposed owners estate tax consequences to the families in the event of their father's death, close quote. And my question to you is, what misrepresentations are you aware of concerning supposed owners estate tax consequences to the families in the event of their father's death?

A. Ask that again, please?

What, if any, misrepresentations are you aware of that were made concerning the supposed owners estate tax consequences to the families in the event of their father's death?

A. And I will state -- and your counsel can correct me if they think I'm wrong -- that I believe their father refers to Calvin Stinson, Sr., his death.

MS. COLLIER: That's correct.

I can't give you an answer on that.

Q. Okay. All right. You stated that you believe Trug made a false representation to you concerning the financial condition of the company in his discussion concerning that boat; is that correct?

Page 45

A. Yes.

Do you believe that Charlie Stinson made any material false representation to you concerning the financial condition of the company?

A. No.

MR. SILSBY: Can I clarify something? Are you asking this as to his knowledge, or do you mean the whole family? Just to him?

MS. DEBEVOISE: His knowledge of --

MR. SILSBY: Okay. His?

MS. DEBEVOISE: Can you read my question back?

(The reporter read the requested question.)

MR. SILSBY: Okay. Thank you. I understand now.

Q. All right. I'll follow that up then --

MS. DEBEVOISE: Thank you, Bill.

-- with the question of are you aware of any material false representation which Charlie Stinson made to any member of your family concerning the financial condition of the company?

A. No, I'm not aware.

What is it about Trug's discussion with you concerning this boat that you believe was false?

A. That I believe what was false?

Q. You state -- you testified earlier, if I understand correctly, that it's your understanding that Trug

Page 46

misrepresented the financial condition of the company in his discussion with you concerning this boat that the company owned.

A. When I talked to Trug, he was concerned about the financial status with that boat because the comment was made -- the boat was tied, I believe, up in the Bath River, and it was tied with a piece of nylon; and Trug said we would be better off if it was tied with a piece of thread so it would go adrift and they could collect the insurance on it.

Q. Do you believe that anything he told you at that time was false?

A. No. I believe he was telling me the truth. He was telling me what he felt. Why would he lie to me?

MS. DEBEVOISE: Okay. Why don't we take a break.

(A short recess was taken.)

Q. At the time of your family's sale of their stock to the company, did you own any other stock? And first I'll address that question to you personally. Did you own any stock in anything else besides the Stinson Canning Company?

A. To do with Stinson Canning, no.

MR. CALVIN STINSON: Not to do with it.

Q. No. Did you --

A. Well --

Page 47

Q. -- personally own any stock in any other company other than the Stinson Canning Company such as Texaco or anything?

A. I would assume I had some investments, yes, that could have been stock in other companies through like any of these outfits that reinvest your money in different companies.

Q. All right. Would you describe --

A. But, no, I never had any -- never had any stock. No stock, no paper.

Q. Would you describe what kind of investments you did have at the time?

A. What we -- back in 1980?

Q. Yes.

A. Probably what we had was CDs and a Keogh plan.

Q. Did you read any financial literature such as business newspapers or magazines or reports at that time?

A. No, ma'am.

Q. Do you recall that the house you bought in Prospect Harbor, you and your wife, you bought from the Stinson Canning Company?

A. Yes.

Q. And do you recall that you also sold it back to the Stinson Canning Company?

A. Yes.

Page 48

Q. With regard to the June 9, 1978 meeting which we discussed earlier, do you recall being told that if any stockholder wished to sell their stock back to the company, that they should contact Charlie or Calvin, Jr.?

MS. COLLIER: I'm going to object to the question just to the extent that you're referring to him having testified to a June 9, 1978 meeting. I don't believe the date of that meeting was ever established. He -- I believe the testimony was that sometime in 1978 or 1979 he remembered attending one meeting.

MS. DEBEVOISE: All right.

Q. I will rephrase that question to ask you first of all if you recall testifying earlier about a meeting in 1978 or 1979 that you attended at the Stinson Canning Company?

A. Yes, I attended one meeting.

Q. All right. And I believe you said that among other people other family members were at that meeting?

A. Family members were at that meeting.

Q. And this you testified was the only meeting -- company meeting that you had ever attended?

A. That's the only one that I can recall that I ever attended.

Q. All right. At that meeting do you recall being

STATE OF MAINE

SUPERIOR COURT

HANCOCK, ss.

Civil Action

LOU ANN STINSON FRANCIS, et al.,)

Docket No. CV-95-127

Plaintiffs)

v.)

CHARLES B. STINSON, et al.,)

Defendants)

DEPOSITION OF ARNOLD G. FRANCIS, taken pursuant to notice dated October 7, 1996, at the law offices of William S. Silsby, Jr., Esq. at 49 Church Street, Ellsworth, Maine, on November 7, 1996, commencing at 11:15

11:15

Public in and for the State of Maine.

APPEARANCES:

For the Plaintiffs: SANDRA HYLANDER COLLIER, ESQ.

WILLIAM S. SILSBY, JR., ESQ.

For the Defendants: KATE S. DEBEVOISE, ESQ.

Also Present: Mr. Charles B. Stinson

Mr. Calvin Stinson, Jr.

Ms. Lou Ann Francis

1 nodding or saying mm-hm and things like that, you state
2 your answer clearly so that it can be taken down by the
3 reporter such as yes or no or whatever it may be.

4 Would you state your address, please?

5 A. It's 48 Francis Road, North Steuben.

6 Q. And what is your date of birth?

7 A. 2/9/57.

8 Q. Are you married?

9 A. Yes.

10 Q. What is your wife's name?

11 A. Kim.

12 Q. Kim Francis?

13 A. Yes. Kim C. Francis.

14 Q. And when were you married?

15 A. That's -- I'm not sure. I mean --

16 MR. CALVIN STINSON: You should have brought your
17 wife with you.

18 Q. Approximately how many years have you been married?

19 A. 16 years, approximately. I -- that's a good date.

20 MR. CALVIN STINSON: Do you have any kids older
21 than that?

22 Q. Do you have any children?

23 A. Yes. Three.

24 Q. Would you tell me their names and --

25 A. Sarah.

Page 4

Page 5

1

INDEX

Page 2

Deponent: ARNOLD G. FRANCIS

Examination by:

Page

Ms. Debevoise

3

6

EXHIBITS

(Deposition Exhibit No. 1 was retained by Ms.
Debevoise.)

12

Number

Description

Page

13

1

Package of Documents Received
at Closing

24

14

2

Unsigned Letter, 11/27/79 with
Attachments

44

15

3

Signed Letter, 11/27/79

45

16

4

Letter, 5/15/78

47

17

18

19

20

21

22

23

24

25

1 Q. -- and dates of birth or approximate ages?

2 A. Sarah Francis, she is 15; and Mary. And let's see.

3 Mary is 4th grade. Nine -- nine, I believe. And

4 Arnold, Jr. is -- let's see, his birthday -- he just

5 had his birthday, so -- he's in 2nd grade, so he --

6 eight.

7 Q. Would you please describe your education starting with

8 high school?

9 A. What do you mean? Yes.

10 Q. Did --

11 A. Yeah. I went through high school.

12 Q. What high school did you graduate from?

13 A. Narraguagus.

14 Q. Could you repeat that?

15 A. Narraguagus High School.

16 Q. Where is that?

17 A. That's in Harrington, I believe.

18 Q. And what year did you graduate?

19 A. '75.

20 Q. Did you have any further education after high school?

21 A. I went to Husson College, one year.

22 Q. And did you specialize in anything while you were at

23 Husson?

24 A. No, just business. I just had business.

25 Q. Did you have any education after that?

Page 3

Page 6

1

STIPULATION

2 It is hereby agreed by and between the parties
3 that signature is not waived.

4

5 ARNOLD G. FRANCIS, having been duly sworn by the Notary
6 Public, was examined and deposed as follows:

7

EXAMINATION

8

BY MS. DEBEVOISE:

9

Q. Would you please state your full name for the record?

10

A. Arnold G. Francis.

11

Q. Would you like to be addressed as Mr. Francis this
12 morning?

13

A. Gus.

14

Q. Gus?

15

A. Yes.

16

Q. All right. Gus, my name is Kate Debevoise, and I
17 represent the defendants in this case as you probably
18 know. The only ground rules I would like to lay for
19 the deposition are for you to try and wait until I
20 completely finish asking a question before you attempt
21 to answer it even though you think you may know the
22 question before it's fully out of my mouth. In the
23 same vein, I'll attempt not to interrupt you in the
24 middle of your answer to assert another question. And
25 it would be helpful for the record if instead of

1 A. No, other than -- yeah. I did do, like, aviation. You
2 know, like pilot's license and instrument course.

3 Q. Where did you do that?

4 A. It's a combination -- I did my instrument training at
5 Acadia Air which is in Bar Harbor Airport. And, you
6 know, I -- my pilot's was in -- I think between Bar
7 Harbor Airport and -- I'm trying to think. There is
8 a -- up to Old Town. There is an airport in Old Town.
9 I can't remember the name of it, but yeah.

10 Q. When did you get your pilot's license?

11 A. Wait a minute and I'll tell you. I think it's 8 --
12 8/25/84.

13 Q. And did you go to work after you left Husson?

14 A. Yes.

15 Q. Would you describe your work -- work history between
16 then and the present telling me where you worked, in
17 what position and for how long?

18 A. Basically I do the same thing now as what I did when I
19 got out of school. We buy and sell lobsters and store
20 lobsters. You know, we run a lobster pound. Sometimes
21 we catch lobsters. You know, sometimes we go out and
22 fish for them and other times we buy them.

23 Q. And what is the name of that business?

24 A. The business -- my brother-in-law and I are in, you
25 know, kind of partners. We work together. And, you

Page 7

1 know, mainly I just work by -- you know, it would just
 2 be Arnold G. Francis Lobstering.
 3 Q. That's the name of the business?
 4 A. Well, yeah. I'm self-employed. I just, you know, work
 5 by myself. Then I work with my brother-in-law, and
 6 that's when we -- you know, we go under, like, Francis
 7 & Alley.
 8 Q. Do you -- you go under both names?
 9 A. Right, yep.
 10 Q. And where is your business located?
 11 A. At the same as the address above that I gave you. 48
 12 Francis Road.
 13 Q. Do you recall that for a period of years you owned
 14 stock in the Stinson Canning Company?
 15 A. What do you mean?
 16 Q. Do you recall that at some point you owned stock in the
 17 Stinson Canning Company?
 18 A. Yeah, yeah.
 19 Q. Do you recall when and how you obtained it?
 20 A. No. I know -- you know, I know I obtained it. You
 21 know, I -- no, I really don't. I -- my grandfather, I
 22 guess.
 23 Q. Is it your understanding that it was a gift to you?
 24 A. I don't know.
 25 Q. And when you say your grandfather, you mean Calvin

Page 8

1 Stinson, Sr.
 2 A. Right, yes.
 3 Q. Do you recall how much stock you had?
 4 A. Don't know.
 5 Q. At some point you sold all your stock; is that right?
 6 A. Yes.
 7 Q. Do you recall when that was?
 8 A. I believe it was in 1980.
 9 Q. Do you recall how it came about that you decided to
 10 sell your stock?
 11 A. I guess we was -- we was approached by my uncles.
 12 Q. Do you recall this yourself?
 13 A. I was -- I was -- happened to be at the house -- or
 14 house and office at one time when -- when one of my
 15 uncles called, and then they talked to my mother.
 16 Q. Which uncle was that?
 17 A. I'm not really sure. I thought it was Trug.
 18 Q. And did you speak to your uncle on that occasion?
 19 A. No. I believe I just -- you know, like, I kind of,
 20 like, picked the phone up. I think I just, like, kind
 21 of picked the phone up, and then my mother picked the
 22 phone up and she talked.
 23 Q. And --
 24 A. And afterwards she said that she talked with one of my
 25 uncles.

Page 9

1 Q. When do you believe this occurred?
 2 A. Maybe -- I don't know. It was a few months before I
 3 think we sold. You know, I'm not sure when.
 4 Q. Do you think it's possible that --
 5 A. In November maybe something. December, November of --
 6 Q. Of 1979, is that what you're --
 7 A. Right, yeah. Before -- right, it would be '79. But
 8 I'm not sure. I -- you know.
 9 Q. Now, when you said earlier you guessed you were
 10 approached by your uncles on this occasion, what made
 11 you think that?
 12 A. What is that?
 13 Q. When you said you guessed that you were approached by
 14 your uncles to sell the stock on the occasion of this
 15 telephone call, what gave you that impression?
 16 A. When my mother got off the phone, she said that --
 17 something about selling the stock.
 18 Q. What did she say?
 19 A. That -- wanted to know, I guess, if we wanted to sell
 20 the stock. I -- I really don't know.
 21 Q. Well, it's important that you give me your best
 22 recollection. And take a minute to think about it if
 23 you need to.
 24 A. I -- you know, they -- she received the phone call, and
 25 I was there when the -- when she received the phone

Page 10

1 call and -- you know, just concerning about selling
 2 stock. And that's -- and then that's all I know about
 3 it.
 4 Q. That's your best recollection?
 5 A. I was -- I was never -- huh? Yes.
 6 Q. When you say you were at the house in the office, what
 7 are you referring to?
 8 A. Well, we have an office which is attached to our
 9 house at my mother's and father's house which -- you
 10 know, we have a line -- one telephone line rings into
 11 the office plus it rings into their house as well. We
 12 have a couple of lines. And I just happened to be
 13 there, I guess, when the phone rang and --
 14 Q. This was --
 15 A. -- and picked --
 16 Q. -- your mother's house?
 17 A. At my mother's house.
 18 Q. Was anybody else present?
 19 A. I can't -- I can't recall.
 20 Q. Did she say anything further to you about selling your
 21 stock?
 22 A. That day? I -- no, I can't remember that day. But she
 23 did mention that -- yes, she did. You know, as the
 24 weeks went on or the days went on, she did.
 25 Q. Did she ask you if you wanted to sell your stock?

Page 11

1 A. Yes.
 2 Q. When was that? When did that conversation occur?
 3 A. Sometime I would say in the period from when she was
 4 notified until, obviously, the period that we sold.
 5 Q. So is it your testimony then that sometime subsequent
 6 to that telephone call you've just described she asked
 7 you if you wanted to sell your stock?
 8 A. After the telephone call, yes. You know, sometime
 9 after. You know, it wasn't that day, but -- you know.
 10 Q. And what was your response?
 11 A. I really didn't know, you know. I didn't know anything
 12 about it, you know. I mean, I didn't know, you know,
 13 about selling the stock. You know, I had no
 14 recollection. I said -- I left it up to her.
 15 Q. Did she suggest to you that it would be a good idea if
 16 you did sell your stock?
 17 A. She was -- you know, it was pretty -- yeah, I think
 18 from the conversation that I -- yes, I had with my
 19 mother and stuff under the -- under the situation that
 20 it would be the best to do.
 21 Q. Do you recall if she gave you any reason why it would
 22 be a good idea?
 23 A. Yes, I do.
 24 Q. What was that?
 25 A. Well, you know, I was -- she -- you know, I was told

Page 12

1 that, you know, if something happened to my mother
 2 or -- or, you know, if the company, you know, went
 3 under or something, then it could affect my business.
 4 And -- so, you know.
 5 Q. How would that affect your business?
 6 A. You know, that -- you know, that I was, like, maybe
 7 involved. You know, like, you know, if she had to pay
 8 inheritance fees or -- you know, for something, then,
 9 you know, I would have to do -- or if the business, you
 10 know, went under. You know, that's as much as I can
 11 recall about it.
 12 Q. Why would that have any effect on your business?
 13 A. Well, I -- I don't know. I would think that, you know,
 14 if she was 1/6 owner, or, you know, a partner in
 15 something and if it, you know, went under, I don't know
 16 if you would be -- you know, I would be liable or if
 17 she -- you know. That's the impression I was under.
 18 Q. When you say she was a 1/6 owner of the business, what
 19 business are you talking about?
 20 A. Stinson Canning Company, I guess, I believe. Right?
 21 She owned stock.
 22 Q. Okay. Then -- I understood your testimony previously
 23 to be that if something happened to your mother or the
 24 Stinson Canning Company went under, it would affect
 25 your personal business. Is that what you said before

Page 13

Page 16

1 or not?

2 A. Yes. Yeah. Her business -- you know, my family's

3 business plus my business.

4 Q. Well, how would it have any effect on your personal

5 business?

6 A. Well, because I own stock in the -- in the business, I

7 thought.

8 Q. Right. You're not referring then to your own personal

9 lobster business?

10 MS. COLLIER: Can I --

11 THE DEPONENT: I don't --

12 MS. COLLIER: -- I ask a question here. For sake

13 of the record, are you still following the question of

14 what he was told?

15 MS. DEBEVOISE: Yes.

16 MS. COLLIER: Okay.

17 MS. DEBEVOISE: I'm following up on that

18 question. And --

19 MS. COLLIER: What you were told.

20 MS. DEBEVOISE: -- Gus told me what he was told,

21 and then I was asking him how in his mind that would

22 affect his personal business.

23 A. Well, I -- I guess in my mind is if -- I thought, you

24 know, if I had -- I had to pay an inheritance fee. If

25 something happened to my mother, you know, if she

1 concerning the sale of your stock?

2 A. No, I can't -- you know, I -- no, I -- I don't believe

3 I -- no, I can't -- I can't remember.

4 Q. Do you recall having any discussions with your Uncle

5 Charlie about the sale of your stock?

6 A. I can't remember.

7 Q. Do you recall whether you discussed the prospect of

8 selling your stock with any attorney?

9 A. No, I -- I never talked to any attorney that I can --

10 that I can recall.

11 Q. Did you discuss it with any accountant?

12 A. Not that I can recall.

13 Q. Do you recall discussing it with anyone else that I

14 haven't mentioned?

15 A. No, not that I can recall.

16 Q. And how old were you in February of 1980?

17 A. I believe 23. I was born in '57.

18 THE DEPONENT: Right, 23? 23?

19 A. 22 or 23.

20 Q. Are you aware of whether or not your parents consulted

21 an attorney with respect to the family's sale of their

22 stock in the company?

23 A. I have no idea.

24 Q. Do you recall whether they discussed -- they discussed

25 it with an accountant?

Page 14

Page 17

1 passed away or something or -- that's what I was

2 just -- you know, believed. I really don't know.

3 Q. All right. In any event, it is correct that it was

4 your mother who suggested to you that it would be a

5 good idea to sell the stock because something might

6 happen to the company or she might have to -- or

7 because there might be inheritance taxes that would

8 affect you?

9 A. Right. What she -- or -- well, we might be liable. I

10 guess. She might be liable for something. That's

11 what --

12 Q. What might -- what was your understanding that she said

13 she might be liable for?

14 A. I don't know.

15 Q. Did she give you any other reasons why she thought it

16 might be a good idea to sell the company? I mean --

17 I'm sorry. Sell your stock in the company.

18 A. Well, just that, you know, she talked with a -- with my

19 uncles and -- and she talked -- which were her -- you

20 know, and they suggested that, you know, it would be

21 the right thing to do.

22 Q. Did she tell you why they had suggested it would be the

23 right thing to do?

24 A. I can't recall.

25 Q. Do you recall whether you had any discussions with your

1 A. I have no -- I don't know.

2 Q. Now, do I take it that you were living at the same

3 address you cited earlier between the time you returned

4 from Husson and the present?

5 A. Yes, basically. You know, they've -- you know, like it

6 used to be -- yeah, I've lived in the same area, right.

7 The same -- basically, yeah, the same area.

8 Q. Where were you living in February of 1980?

9 A. Right down -- yeah, I was living in the same house I'm

10 living in today.

11 Q. What was your approximate annual income in February of

12 1980?

13 A. I -- I have no recall. I would have to look at my

14 income tax forms which I didn't bring that with me, so

15 I don't know.

16 Q. You have no general idea?

17 A. Nope.

18 Q. Do you recall how the sale price at which you sold your

19 stock was arrived at?

20 A. No.

21 Q. Do you recall having any discussion with that -- about

22 that with your mother?

23 A. No, I can't -- no, I don't recall.

24 Q. Do you recall having any discussion about it with

25 anybody?

Page 15

Page 18

1 father about whether you should sell your stock in the

2 company?

3 A. I can't -- I can't recall. I have -- you know, I --

4 you know -- you know, probably, you know, my mother and

5 father both were sitting down there together when we

6 talked about this. So, you know, they both, you know,

7 were there, I guess. You know, I can't recall.

8 Q. Do you have any specific recollection of them both

9 being present at such conversation as we sit here

10 today?

11 A. You mean with both my mother and father there at some

12 of these conversations?

13 Q. Yes.

14 A. Yes.

15 Q. Did you have any discussions with your sister

16 concerning the prospect of selling your stock?

17 A. Nope.

18 Q. Did you have any conversations with your grandfather

19 Calvin, Sr. about it?

20 A. Nope.

21 Q. Did you have any conversations with your uncle Calvin,

22 Jr. about it?

23 A. I can't recall.

24 Q. Is it fair to say that as you sit here today, you

25 cannot recall any discussion with Calvin Stinson, Jr.

1 A. No.

2 Q. Did you ever attend any meetings of the Stinson Canning

3 Company prior to the time you sold your stock in the

4 company?

5 A. No, I don't believe I have. I don't believe I did.

6 I'm not -- you mean board meetings, things like that?

7 Q. Yes.

8 A. No, I don't believe --

9 Q. Or shareholder meetings.

10 A. No, I don't believe I've ever been to a shareholder

11 meeting.

12 Q. Would you describe how often you saw your grandfather

13 Calvin, Sr. prior to the time you sold your stock in

14 the company? Let's say the 10-year period prior to the

15 time you sold your stock.

16 A. Prior? Prior to 1980?

17 Q. Yes. Between 1970 and 1980.

18 A. 1980. How many times I would visit him? I guess

19 occasionally.

20 Q. Does that mean several times a year?

21 A. More than several times a year.

22 Q. And on what type of occasion would you see him?

23 A. Sometimes I would see him when I used to -- we used to

24 go down to the factory and get bait and stuff. I would

25 stop in on the way down or the way back sometimes.

Page 19

1 Sometimes at Thanksgiving I would -- you know, we would
 2 go to Thanksgiving. On his birthday sometimes, you
 3 know.
 4 Q. Who had Thanksgiving on those occasions?
 5 A. What is that?
 6 Q. Who had Thanksgiving at their house on those occasions?
 7 A. Oh, I don't know. You know, he might not have -- he
 8 might not have -- have it there. You know, I might
 9 just stop down or -- you know. You know, I only live
 10 15, 20 miles away, so, you know, I -- you know. And we
 11 drive by there some, so I would just stop in
 12 periodically.
 13 Q. When you say you saw him on his birthday, are you
 14 referring to a particular birthday?
 15 A. No, just, you know, some birthdays.
 16 Q. How would you describe your grandfather's health during
 17 the last 10 years of his life?
 18 A. In what regards? I mean --
 19 Q. His physical and mental health.
 20 A. In the last 10 years? From like age --
 21 Q. Of his life.
 22 A. In the last 10 years of his -- so like from 90 to 100,
 23 basically.
 24 Q. Basically. I guess it was a little older than that.
 25 A. Over 100, right. So -- you know, failed a lot from --

Page 20

1 you know. And, you know, sometimes I would go --
 2 sometimes, you know, I would go in and talk with him
 3 and he wouldn't know who I was. You know, he wouldn't
 4 recognize me.
 5 Q. When did that start happening?
 6 A. Oh, I -- I don't know, you know. Like -- it was within
 7 the last 10 years. That's what we're talking about,
 8 right --
 9 Q. Right --
 10 A. -- the last 10 years?
 11 Q. -- of his life.
 12 A. So, yeah, it's within that period. You know, I
 13 don't -- you know, so.
 14 Q. When you say he failed a lot, in what respect did you
 15 mean?
 16 A. Just, you know, he -- you know, like when I first
 17 would -- when I would see him, you know, he would be up
 18 walking around and, you know, doing stuff and greet you
 19 at the door maybe or -- or whatever. And then, you
 20 know, towards the end of it, you know, he would be
 21 sitting -- you know, he would be in his chair or, you
 22 know, he would be over in his bed or something and he
 23 would be covered over with a blanket, you know. He was
 24 always fairly active, you know.
 25 Q. Do you mean even up to the end?

Page 21

1 A. No, no, no. I mean before, before the last 10. You
 2 know, you -- right? You're talking about before the
 3 10-year period?
 4 Q. Well, you just said he was always fairly active, so --
 5 A. Right. Before that 10 year -- you know, up until -- up
 6 until he got 90 years old he was fairly active I
 7 thought for my opinion for --
 8 Q. Okay. Would you describe the interaction you had with
 9 your uncle Calvin Stinson, Jr. or Trug in the 10-year
 10 period prior to the time you sold your stock?
 11 A. Well, I used to go out hunting with him in November
 12 sometimes.
 13 Q. How often did you do that?
 14 A. A few times. I don't -- you know, I don't know how
 15 many times.
 16 Q. A few times in 10 years?
 17 A. Well, I -- so are we talking between -- the 10-year
 18 period -- the last 10 years, or are we -- anytime?
 19 Q. I'm referring now to --
 20 A. Well --
 21 Q. -- the 10-year period prior to the time that you sold
 22 your stock in the company. So that's between 1970 and
 23 1980.
 24 A. '75 --- yeah, yeah, yeah. So '75 to '80, yeah. I was
 25 like -- I can remember being in high school -- yeah,

Page 22

1 being in high school and going up to hunting camp, I
 2 believe, up to Goodwin's Siding.
 3 Q. Up to what?
 4 A. Up to his hunting camp.
 5 Q. And what was the name you just used?
 6 A. Goodwin's Siding I thought was the name of the hunting
 7 camp. I guess that's what --
 8 Q. All right. Do I understand correctly then that it's
 9 your testimony that between 1970 and 1980 you may have
 10 gone hunting with him several times?
 11 A. Right.
 12 Q. And did you have any other occasions to interact with
 13 him during that period?
 14 A. We may have been -- you know, we used to stop over, you
 15 know, like at Christmastime. You know, I don't know
 16 what periods, but we used to stop in at Christmastime,
 17 visit some of the family.
 18 Q. When you say we, who are you referring to?
 19 A. My mother and father and myself, my sister.
 20 Q. Is your sister older or younger than you?
 21 A. Younger.
 22 Q. How old is she?
 23 A. She is a year -- like a year and a half younger than I
 24 am.
 25 Q. Were there any other particular occasions on which you

Page 23

1 interacted with your Uncle Trug during this 10-year
 2 period?
 3 A. I used to -- I used to see him some -- you know,
 4 sometimes we used to get bait, you know, at the factory
 5 and sometimes I would walk up -- walk up to the office,
 6 say hi to him. To both him and Charlie.
 7 Q. And how would you describe the -- your relationship
 8 with him during this period?
 9 A. Fine.
 10 Q. All right. Would you describe the interaction you had
 11 with your Uncle Charlie in the 10-year period prior to
 12 the time you sold your stock?
 13 A. I could -- you know, when we was getting bait sometimes
 14 down there, I would walk -- like I say, I would walk up
 15 and say hi to him and -- yeah, yeah.
 16 Q. Did you have any other particular occasions to interact
 17 with him?
 18 A. Some. Maybe on holidays or -- you know, we might -- I
 19 might talk with him.
 20 Q. Did you do any hunting with him?
 21 A. I can't recall. I can't -- I can't remember. You
 22 know, I don't remember.
 23 Q. And how would you describe your relationship with him?
 24 A. Fine.
 25 MS. DEBEVOISE: Off the record for a minute.

Page 24

1 (Discussion off the record.)
 2 MS. DEBEVOISE: All right. I'm going to ask you
 3 to mark as Exhibit 1 what is labeled Exhibit B,
 4 documents provided by Arnold G. Francis, which I will
 5 represent is the package that was produced to me by
 6 counsel for the plaintiffs in response to the
 7 defendants' first request for production of documents.
 8 Do you want to take a look at it?
 9 MS. COLLIER: Sure.
 10 MS. DEBEVOISE: I didn't copy it for obvious
 11 reasons.
 12 (Discussion off the record.)
 13 (Deposition Exhibit No. 1 was marked.)
 14 MS. DEBEVOISE: Just for the record, I will
 15 retain Deposition Exhibit 1 in my possession since it's
 16 so bulky.
 17 Q. Gus, have you had a chance to look at Deposition
 18 Exhibit 1 --
 19 MS. COLLIER: It's this. These papers. All
 20 these papers.
 21 Q. -- just now?
 22 A. Just now? Yes.
 23 Q. Would you focus particularly on the document titled
 24 Stock Purchase Agreement --
 25 A. Mm-hm.

Page 25

Page 28

1 Q. -- dated February 4, 1980 and tell me if you recall
2 seeing this document before?
3 A. Yep. Yes.
4 Q. Can you identify the signature appearing above your
5 typewritten name on the sixth page as yours?
6 A. Yes, it is.
7 Q. When was the first time you saw this document?
8 A. When I moved -- when I went down to Stinson Canning
9 Company and signed it.
10 Q. When was that?
11 A. Evidently the date it says on here, February -- the 4th
12 day of February, 1980.
13 Q. Was anyone else present on that occasion?
14 A. At the office? My -- my sister, myself, and my mother
15 and father and another guy, Roland. I think. Roland --
16 I don't know. It says on here, I think. It says his
17 name -- and Charlie and Trug. I can't -- yeah. I
18 don't recall.
19 Q. Do you recall how you were notified of the occasion of
20 signing the agreement?
21 A. I think I was notified by my mother.
22 Q. Do you recall what she said to you?
23 A. No, I don't recall. Just that -- no, I don't recall.
24 Q. Were all the people you mentioned just now in the room
25 when you were provided with the agreement?

1 Q. Okay.
2 A. Right.
3 Q. There are a number of exhibits, A through Z, I believe,
4 to the stock purchase agreement. Do you recall seeing
5 those at the time of the closing?
6 A. Nope.
7 Q. Do you recall whether, in fact, you had a thick package
8 like this at the time of the closing?
9 A. I don't recall. All I -- all I -- you know, I just
10 went in and signed some papers. They gave me this,
11 hand -- I got this handed -- I got this then I left. I
12 got this stack -- this whole stack of stuff. This
13 is -- this is what I received there.
14 Q. All right. And the stack of stuff that you are
15 referring to --
16 A. The papers, right.
17 Q. -- for the record, is the -- your original stock
18 purchase agreement and exhibits that is the same as
19 what was contained in Exhibit B that was produced to me
20 by your attorneys; is that correct?
21 A. Right, this; yes.
22 Q. I take it you don't recall looking at any of the
23 exhibits to the stock purchase agreement; is that
24 right, at the time of the closing?
25 A. Right, right. I didn't look -- no. All I -- I just --

Page 26

Page 29

1 A. I don't recall who was -- who -- you know, who was in
2 the room. I know that my mother and my father and my
3 sister and myself were in the room, and I believe my
4 uncles were in the room.
5 Q. Are you sure?
6 A. I'm not 100 -- no, I'm not 100 percent sure.
7 Q. You said you believed that --
8 A. I --
9 Q. -- Roland Chabot --
10 A. Right, because he walked in and signed it.
11 Q. Let me finish -- was in the room.
12 Do I understand from what you just started to say
13 now that he was not in the room the entire time that
14 you were?
15 A. I couldn't say if he was or he wasn't. You know, it
16 seems that -- I can't -- I can't recall.
17 Q. You just said that he walked in and signed it. Does
18 that imply that he came in after you were already
19 there?
20 A. I -- I can't --
21 Q. All right.
22 A. I can't remember.
23 Q. Would you describe everything that happened on the
24 occasion of your all being present in the room that
25 day? What happened first?

1 this paper was -- whatever -- or wherever I had to sign
2 they just opened it up, as far as I can recall, and I
3 just signed it; and that was it.
4 Q. All right. Is it fair to say then that you did not
5 look at any of the exhibits to the stock purchase at
6 the --
7 A. I didn't --
8 Q. -- or the agreement at the time you signed it?
9 A. You're asking me if -- if I looked at these papers
10 before I signed this?
11 Q. Yes.
12 A. No, I didn't look at these papers before I signed this.
13 I didn't need -- I don't believe that I had these
14 papers before I signed this. I think that -- you know,
15 it's like -- I just signed this and then I -- when I
16 was leaving or whatever, I just took this bunch of
17 papers with a clip. They had a clip on it and clipped
18 it, and I think I just left.
19 Q. Is it your testimony that you were provided with the
20 exhibits after you signed the stock purchase agreement?
21 A. I can't -- I can't recall. I didn't have these before
22 I -- I did not have this paper before I went into
23 that -- before I went down there.
24 Q. Before you went to what I'm referring to as the
25 closing?

Page 27

Page 30

1 A. You know, all -- all I can -- I can recall just walking
2 up into the office and some papers laid in front of me.
3 And I just signed the papers, my sister and I, and
4 then -- I think -- I believe that she rode with me --
5 and then we just left. And I -- yep.
6 Q. Who presented you with the papers?
7 A. I can't recall.
8 Q. Did you read the agreement before you signed it?
9 A. I can't recall. I don't remember.
10 Q. Do you recall any discussion at the time of the closing
11 concerning your family's sale of stock?
12 A. What is that now? Could you repeat it?
13 Q. Do you recall any discussion that took place on this
14 occasion concerning your family's sale of this stock?
15 A. You mean at the office or --
16 Q. Yes.
17 A. -- or earlier? At the office when we was --
18 Q. At the office.
19 A. At the office? No, that I can recall. You know, I
20 mean, that's -- I don't remember.
21 Q. Okay. I thought we had covered previously any
22 conversations you might have had with anybody
23 concerning the sale of the stock prior to this
24 occasion. Am I correct?
25 A. Right.

1 A. The closing, correct.
2 Q. All right. When you were at the closing, were you
3 provided with the entire package?
4 A. I -- I can't remember.
5 Q. Is it correct that you don't recall who provided you
6 with the documents?
7 A. Right. I -- no, I can't remember who actually handed
8 out the documents.
9 Q. Do you recall any particular statements -- statements
10 made by either of your uncles at the closing?
11 A. No, I don't.
12 Q. All right. Would you please refer to Paragraph 2 of
13 the stock purchase agreement? Paragraph 2 refers to
14 the aggregate purchase price of \$136,426.70 being paid
15 to you as -- on the closing date in two ways. A down
16 payment of \$13,642.67 and a promissory note for the
17 balance of \$122 -- \$122,784.03; is that correct?
18 A. Yes.
19 Q. Were you provided with the down payment at the time of
20 the closing?
21 A. I believe. Yes, I believe I was.
22 Q. Do you recall being provided with a check?
23 A. Yes.
24 Q. Do you recall who gave it to you?
25 A. No, I don't.

Page 31

- 1 Q. Do you recall what you did with it?
 2 A. When I -- I -- I -- I guess -- I put it in the bank.
 3 Q. And did you subsequently use it for anything in
 4 particular?
 5 A. No, I didn't.
 6 Q. Do you recall -- strike that.
 7 Let me just ask you if all the payments outlined
 8 in the promissory note which is part of this exhibit
 9 have been paid to you?
 10 A. Yes.
 11 Q. How did you receive those payments?
 12 A. Once a year. It's -- it's on this sheet right here.
 13 Q. All right. So is it your --
 14 A. Arnold G.
 15 Q. -- testimony that you received payments in accordance
 16 to the schedule which is the third page in this
 17 exhibit?
 18 A. Yes.
 19 Q. How did those payments come to you?
 20 A. By mail.
 21 Q. And do you recall who sent them to you?
 22 A. No.
 23 Q. Do you still have any of the money that was paid to you
 24 in the form of the down payment and pursuant to the
 25 promissory note?

Page 32

- 1 A. Are you asking --
 2 Q. Let me make that a simpler question.
 3 Do you still have any of the money that you were
 4 paid for the sale of your stock in the Stinson Canning
 5 Company?
 6 A. I have it all.
 7 Q. Were you provided with any other documents of the
 8 Stinson Canning Company prior to the time you executed
 9 your stock purchase agreement?
 10 A. You're asking me if -- if I received any -- if I had
 11 any other papers other than what is here in front of
 12 me?
 13 Q. Yes.
 14 A. No.
 15 Q. Did you ask to see any?
 16 A. No.
 17 Q. Are you aware of whether anyone else on your behalf
 18 such as your mother, your father, an attorney, or an
 19 accountant looked at any information concerning the
 20 company prior to your purchase of stock?
 21 A. No. I never had anybody look in my behalf.
 22 Q. When did you first hear of the idea of your family and
 23 the Wight family filing a lawsuit against your uncles?
 24 A. I don't recall the -- you know, I don't -- I don't know
 25 what the date -- I don't know when.

Page 33

- 1 Q. Do you recall from whom you first heard about the idea?
 2 A. Could you repeat that?
 3 Q. Do you recall who first told you of the idea of your
 4 family and the Wight family filing a lawsuit against
 5 your uncles?
 6 THE DEPONENT: Could I talk to you?
 7 MS. COLLIER: Do you want to talk?
 8 THE DEPONENT: Yes, for a second.
 9 MS. COLLIER: Take a short break.
 10 (A short recess was taken.)
 11 Q. All right. I believe the question I had just asked you
 12 before you left the room was from whom you first heard
 13 of the idea of your family and the Wight family filing
 14 a lawsuit against your uncles?
 15 A. From my mother.
 16 Q. Do you recall when she first mentioned the idea to you?
 17 A. Not the date. No, I -- not the date.
 18 Q. Do you recall the year?
 19 A. No. I would have to look back. I would have to check.
 20 I would have to --
 21 Q. How would you check?
 22 A. I mean, I -- I don't know. No, I don't know what year.
 23 Q. Do you recall what she said to you about the idea of
 24 filing a lawsuit?
 25 A. Basically when -- when she talked about, you know,

Page 34

- 1 filing the lawsuit, basically -- you know, basically,
 2 you know, I -- you know, in the beginning when we sold
 3 our stock, you know, we was kind of going on a -- you
 4 know, a faith of -- you know, when I sold my stock, you
 5 know, or whatever, I was just kind of going on the --
 6 you know, the -- the faith of my uncles and stuff, you
 7 know, because I had no idea what stock -- you know,
 8 what it was doing or anything. And -- and -- and I was
 9 under the opinion -- under -- assumed that if they sold
 10 it for more, then, you know, I would be made up the
 11 difference.
 12 Q. You assumed that?
 13 A. Right. That's what I was told from my mother.
 14 Q. When were you told that by your mother?
 15 A. Back -- back in -- before -- you know, before we sold
 16 that they -- you know. Yeah.
 17 Q. Would you explain exactly what it was that your mother
 18 told you?
 19 A. You mean back before we even sold the stock when she
 20 was approached -- when we was approached -- when she
 21 was approached to sell the stock?
 22 Q. Yes.
 23 A. My uncles dealt with my mother. And my mother told me
 24 that if we sold our stock now -- if we sold our stock,
 25 that -- and she was going on the belief of her

Page 35

- 1 brothers -- that we would be -- you know, if they sold
 2 it for more, then we would be paid the difference --
 3 Q. Okay.
 4 A. -- of what -- the value of the stock that we sold for.
 5 And if they sold it for more, then we would be
 6 compensated the difference.
 7 Q. And when was it that your mother told you that this had
 8 been said to her?
 9 A. The date you mean?
 10 Q. Yes.
 11 A. This -- between -- between the point that she was first
 12 notified and before we sold. So it was before the date
 13 that we sold.
 14 Q. Did she tell you who in particular told her this?
 15 A. No. She just said her brothers.
 16 Q. Did she tell you when in particular it had been said to
 17 her?
 18 A. Not -- no. I mean, I -- I can't recall what day and
 19 date. No, I can't. But I do know it was in-between
 20 those -- that period from the time we was notified
 21 and -- and before we sold.
 22 Q. Did she tell you anything else about what they had said
 23 in that regard?
 24 A. I can't remember right now.
 25 Q. Did she tell you that they had said that they would

Page 36

- 1 make it up to you out of their own pockets personally?
 2 A. I don't know. I don't know.
 3 Q. All right. I'm going to get back to the subject we
 4 were on originally, which is what your mother told you
 5 about the idea of filing a lawsuit against your uncles.
 6 And I would like you to focus on what she said about
 7 filing a lawsuit. Did she just tell you that the
 8 family was going to be filing a lawsuit?
 9 A. I really don't know. I -- you --
 10 Q. Did she ask you if you wished to join as a plaintiff in
 11 the lawsuit or if you wanted to be a part of the
 12 lawsuit?
 13 A. Yes.
 14 Q. And what was your response?
 15 A. I said yes.
 16 Q. And why did you say yes?
 17 A. I -- I -- because, you know, I guess I was under the
 18 impression that, you know, what she had told me earlier
 19 that, you know -- that, you know, we were going to be
 20 made up the difference on selling our stock and that --
 21 I believe.
 22 Q. Did anybody ever tell you personally that any
 23 difference would be made up to you?
 24 A. I can't remember.
 25 Q. Let me restate that in a clearer way. Did either of

1 your uncles ever state directly to you that if the
2 company were later sold for more money, that the
3 difference would be made up to you?
4 A. I can't remember.
5 Q. With regard to this stock purchase agreement that we
6 were discussing before, did you ever read the
7 agreement?
8 A. This agreement?
9 Q. Yes.
10 A. I can't remember if I did or if I didn't.
11 Q. Are you aware -- or did you become aware -- have you
12 become aware between the time you signed the agreement
13 and the time that we sit here today that on Page 4 of
14 the agreement in little Roman numeral iii under little
15 (b) it states, the other shareholders of the company
16 may at some future date agree to sell the outstanding
17 stock or substantially all of the assets of the company
18 and its subsidiaries at a price per share -- excuse me,
19 at a per share price in excess of that realized by him.
20 A. No, I didn't -- I didn't know anything about that. I
21 mean, I -- I didn't read that.
22 Q. Is this the first time you have been aware that the
23 agreement had that provision in it?
24 A. I -- I don't remember. I don't remember -- I don't
25 remember reading this paper, you know.

1 Q. Well, has it ever been brought to your attention by
2 anybody since the time you signed it and the present
3 that the agreement had this provision in it?
4 MS. COLLIER: You mean other than attorney/client
5 confidential discussions?
6 Q. Yeah, I wouldn't ask you a question calling for
7 attorney/client information, but anybody such as your
8 mother or any other family member?
9 A. No, I've never -- no, I've never gone over this.
10 Q. I'm now going to ask you some questions about the
11 amended complaint currently in place in this matter.
12 And I'm going to ask you your knowledge of all facts
13 which provide the basis for certain allegations in the
14 complaint.
15 MS. DEBEVOISE: Do you have a copy of the
16 complaint handy?
17 MS. COLLIER: I don't. Well, wait. Yes, I do.
18 MS. DEBEVOISE: Go off the record for just a
19 minute.
20 (Discussion off the record.)
21 Q. All right. In Paragraph 14 of the complaint it is
22 alleged that on or about February 4, 1980 the
23 defendants further promised the Francis family that if
24 they agreed to sell their stock for a certain price per
25 share, their interest would be protected in the future,

1 to wit: if the said plaintiffs sold their stock at
2 said price per share in 1980, the defendants promised
3 to pay to the plaintiffs the difference between the
4 price per share paid to them in 1980 and the price per
5 share received upon the sale of the company in the
6 future.
7 My question to you is, what personal knowledge do
8 you have of facts which provide the basis for that
9 allegation?
10 A. That's what my mother had told me.
11 Q. All right. Are you referring to the conversation --
12 A. Back --
13 Q. -- you testified about earlier that you say you had
14 with your mother prior to the time you sold your stock
15 in the company?
16 A. Right.
17 Q. All right. Do you have any other factual basis
18 supporting this allegation?
19 A. Not that I can recall.
20 Q. All right. I'll now direct you to Paragraph 48 of the
21 complaint -- amended complaint --
22 MS. COLLIER: Right here.
23 Q. -- which states in the first part that all of
24 defendants' said actions as alleged above in light of
25 the attendant circumstances were part of an intentional

1 plan or course of conduct to defraud plaintiffs of
2 their fair shares in the family company.
3 And I'll ask you if you have any other factual
4 basis in support of that allegation in addition to what
5 you've already testified to?
6 MS. COLLIER: I'm going to object to the form of
7 the question, but you can answer that to the best of
8 your ability.
9 Q. Let me rephrase the question.
10 A. All right.
11 Q. Would you please state all facts of which you are aware
12 which support the allegation that all of the
13 defendants' said actions as alleged above in light of
14 the attendant circumstances were part of an intentional
15 plan or course of conduct to defraud plaintiffs of
16 their fair shares in the family company?
17 THE DEPONENT: Can I talk to you for a minute?
18 MS. COLLIER: Mm-hm.
19 MS. DEBEVOISE: Excuse me. I don't want to go
20 off the record while a question is pending.
21 MS. COLLIER: I think he has an absolute right to
22 confer with his attorney at any time.
23 MS. DEBEVOISE: I think that that is not correct,
24 not when a question is pending.
25 MS. COLLIER: Well, I disagree. And he has a

1 right to consult his attorney.
2 MS. DEBEVOISE: Well, I don't want to have him go
3 out in the hall again and consult his attorney and come
4 up with a new answer.
5 THE DEPONENT: Well, I don't understand --
6 MR. SILSBY: All right. Let's -- let's just not
7 answer the question, and we'll let the Court decide it.
8 So let's go on to another one.
9 MS. DEBEVOISE: Are you instructing your client
10 not to answer this question?
11 MR. SILSBY: I'm instructing my client that if he
12 feel he needs to consult with an attorney, he has that
13 right. You're saying that because there is a pending
14 question, he doesn't have that right. Fine. We'll let
15 the Court decide it.
16 MS. DEBEVOISE: Then you're instructing him not
17 to answer the question?
18 MR. SILSBY: I am under this circumstance,
19 absolutely.
20 Do you agree, Sandy?
21 MS. COLLIER: Mm-hm.
22 THE DEPONENT: I don't understand.
23 Q. All right. Further in Paragraph 48 it is alleged that
24 said fraudulent means include but are not limited to
25 the misrepresentations pled above, including

1 misrepresentations as to the financial condition of the
2 company. And my question to you at this point is do
3 you have any factual -- do you have any knowledge of
4 facts which support the allegation that
5 misrepresentations as to the financial condition of the
6 company were made?
7 A. Back when we sold -- you mean when we sold the company,
8 when we -- the information that -- that I -- that --
9 that I know is what my mother had told me.
10 Q. What she had told you when?
11 A. Could you repeat the question, please?
12 Q. Let me rephrase the question.
13 Are you aware of any misrepresentations which
14 were made by either of your uncles as to the financial
15 condition of the Stinson Canning Company prior to the
16 time of your sale of stock in the company?
17 A. I don't know.
18 MS. COLLIER: I would like to advise my -- our
19 client that -- to avoid your objection about a pending
20 question -- you had asked a little earlier to consult
21 with your lawyers. Do you still want to do that?
22 THE DEPONENT: Yes.
23 MS. COLLIER: All right.
24 MS. DEBEVOISE: All right. I object for the
25 record for -- to this consultation in the middle of

Page 43

1 questioning of the witness.
 2 MS. COLLIER: Come on, Gus.
 3 (A short recess was taken.)
 4 Q. Are you aware of any misrepresentations made by either
 5 of your uncles concerning the financial condition of
 6 the Stinson Canning Company prior to the time you sold
 7 your stock in the company?
 8 A. I don't know.
 9 Q. Is it fair to say then that you are not personally
 10 aware of any misrepresentations made by either of your
 11 uncles concerning the financial condition of the
 12 company?
 13 A. I don't know anything about it.
 14 Q. Are you aware of any misrepresentations made by either
 15 of your uncles concerning -- and I'll quote from
 16 Paragraph 48 -- the supposed owners estate tax
 17 consequences to the families in the event of their
 18 father's death, close quote.
 19 A. I don't -- I don't know.
 20 Q. When did you first learn that the Stinson Canning
 21 Company had been sold?
 22 A. I -- I don't know.
 23 Q. Do you recall how you learned?
 24 A. I heard it.
 25 Q. From whom?

Page 44

1 A. I don't recall. You know, it was -- you know.
 2 Q. When did you become -- excuse me. Were you finished?
 3 A. No, go ahead.
 4 Q. When did you become aware of how much the company had
 5 been sold for?
 6 A. I don't know. I don't know -- I don't know how much
 7 the company was sold for.
 8 Q. As we sit here today, you don't know how much the
 9 company was sold for?
 10 A. Nope.
 11 Q. Do you believe that either of your uncles acted in
 12 actual ill will towards you in the purchase of your
 13 stock by the company?
 14 A. I don't know.
 15 MS. DEBEVOISE: Can you mark that Exhibit 2, I
 16 guess?
 17 (Deposition Exhibit No. 2 was marked.)
 18 Q. I'm going to ask you if you would take a look at what
 19 has been marked Deposition Exhibit 2 for a minute.
 20 A. Mm-hm.
 21 Q. And I will represent that the three pages which
 22 comprise this document were produced by your attorneys
 23 in response to the defendants' first request for
 24 production of documents. I'll ask you if you recall
 25 having seen this particular group of documents before?

Page 45

1 A. No, I don't recall.
 2 Q. You stated earlier that there should be no Jr. after
 3 your name?
 4 A. Correct.
 5 MS. DEBEVOISE: Would you mark this Deposition
 6 Exhibit 3?
 7 (Discussion off the record.)
 8 (Deposition Exhibit No. 3 was marked.)
 9 Q. All right. I'm now going to show you what has been
 10 marked Deposition Exhibit 3, which I would state
 11 for the record appears to be an identical copy of
 12 exhibit -- the first page of Exhibit 2 except that
 13 there are signatures appearing above the signature
 14 lines, and I'll ask you if you recall having seen that
 15 document before?
 16 MS. COLLIER: Could I just interject for the
 17 record that the -- it appears that the content of the
 18 documents in terms of the printed text is the same, but
 19 the -- the typing appears different in terms of the --
 20 the font.
 21 MS. DEBEVOISE: All right. Then let me just
 22 state that perhaps my --
 23 MS. COLLIER: Would you agree with me?
 24 MS. DEBEVOISE: -- characterization of the
 25 appearance was incorrect.

Page 46

1 Q. In any event --
 2 MS. DEBEVOISE: And I would agree with Ms.
 3 Collier as to her recent characterization of that
 4 document.
 5 Q. In any event, my question is, do you recall ever having
 6 seen Exhibit 3 before?
 7 A. I can't remember.
 8 Q. Can you identify the signature appearing above your
 9 typewritten name on the third line as yours?
 10 A. Yes.
 11 Q. But I take it you don't recall signing the document?
 12 A. No. No, I don't. I don't recall signing it. That is
 13 my signature.
 14 Q. All right. The document states -- and it's addressed
 15 to the Stinson Canning Company. It states, gentlemen,
 16 please be advised that the undersigned is selling their
 17 Class B Common and Preferred stock in the company, copy
 18 of said stocks attached hereto and marked as Exhibit A,
 19 at a price for the Common stock of \$10,000 per share
 20 and the Preferred stock at \$100 per share. This notice
 21 is given in accordance with the By-Laws of the company,
 22 Article 7, Section 7.3.
 23 Do you recall that a notice such as this was sent
 24 out by your family?
 25 A. No, I don't recall.

Page 47

1 MR. SILSBY: What is the date of that?
 2 MS. COLLIER: It's typed November 27, 1979.
 3 Q. Do you know why such a notice would have been sent out
 4 by your family at this time, November 27, 1979?
 5 A. No.
 6 Q. Do you recall that your family ever contemplated
 7 selling their stock in the Stinson Canning Company to
 8 anybody other than the company?
 9 A. I can't remember.
 10 MS. DEBEVOISE: Would you mark this as Exhibit 4?
 11 (Discussion off the record.)
 12 (Deposition Exhibit No. 4 was marked.)
 13 Q. All right. I've now handed you what has been marked
 14 Deposition Exhibit 4, and I'll ask you if you've had a
 15 chance to look at it?
 16 A. Mm-hm, yeah.
 17 Q. Do you recall having seen this letter before?
 18 A. No, I -- I don't recall it.
 19 MS. DEBEVOISE: I'll state for the record that
 20 this is a May 15, 1978 letter from the Stinson Canning
 21 Company addressed to Arnold G. Francis, Jr.
 22 MR. SILSBY: Can I look at that a minute?
 23 Q. The letter states that the company has planned to have
 24 a meeting on June 9, 1978 at 10:00 a.m. in the office
 25 in Prospect Harbor for the purpose of explaining the

Page 48

1 financial results of the year ended December 31, 1977,
 2 together with certain questions pertaining to stock
 3 ownership. And then it proceeds to invite you to
 4 attend in the next paragraph. Do you recall whether or
 5 not you attended a meeting in Prospect Harbor
 6 concerning the company on June 9, 1978?
 7 A. No, I -- I believe that -- no, I didn't attend.
 8 Q. Right. Do I understand your testimony correctly that
 9 it's not just that you don't recall attending, but you
 10 did not, in fact, attend such a meeting?
 11 A. Not that I can recall.
 12 Q. Okay.
 13 MS. DEBEVOISE: Off the record.
 14 (A short recess was taken.)
 15 Q. Were you aware of the price that you were to be paid
 16 for your stock in the Stinson Canning Company prior to
 17 the date that you signed the stock purchase agreement?
 18 A. I don't know.
 19 Q. When did you first learn of the price that you were --
 20 were to receive for your stock in the company?
 21 A. I'm not sure. I can't remember.
 22 Q. Have you ever seen a financial statement of the Stinson
 23 Canning Company?
 24 A. Not that I can recall.
 25 Q. Did you have any knowledge at all of the financial

Page 49

1 condition of the Stinson Canning Company at the time
 2 you sold your stock back to the company?
 3 A. I don't remember.
 4 Q. Do you know who it was that set the price for the sale
 5 of your stock in the company?
 6 A. No.
 7 MS. DEBEVOISE: I have no further questions.
 8 Thank you.
 9 MS. COLLIER: We have no questions today for Gus.
 10 MS. DEBEVOISE: This deposition is not concluded
 11 until such time as we inquire further of Mr. Francis
 12 concerning the issues he was instructed not to testify
 13 about earlier by his counsel.
 14 That's it.
 15 MS. COLLIER: Well, I -- we can go off the
 16 record.
 17 (A short recess was taken.)
 18 BY MS. DEBEVOISE:
 19 Q. All right. I'm going to revisit an area I was
 20 questioning you about before --
 21 A. Okay.
 22 Q. -- with regard to Paragraph 48 of the amended
 23 complaint, and I'm going to ask you to state any
 24 factual basis you're aware of for the allegations --
 25 for the allegation that the defendants were part of an

Page 50

1 intentional plan or course of conduct to defraud
 2 plaintiffs of their fair shares in the family company?
 3 A. I don't know.
 4 MS. DEBEVOISE: Okay. I have no further
 5 questions. And with that the deposition is concluded.
 6 MS. COLLIER: No questions.
 7 (The deposition was concluded at 1:10 p.m.)
 8 - - - - -
 9
 10
 11 _____
 12 ARNOLD G. FRANCIS
 13 Subscribed and sworn to before me
 14 this ____ day of _____, 1996.
 15 _____
 16 Notary Public
 17 Deposition Date: November 7, 1996
 18 Case Name: Francis, et al. v. Stinson, et al.
 19
 20
 21
 22
 23
 24
 25

Page 51

1 CERTIFICATE
 2 I, Kimberly B. Arsenault, a Notary Public in and
 3 for the State of Maine, hereby certify that the
 4 within-named deponent was sworn to testify the truth,
 5 the whole truth and nothing but the truth, in the
 6 aforementioned cause of action.
 7 I further certify that this deposition was
 8 stenographically reported by me and later reduced to
 9 print through Computer-Aided Transcription, and the
 10 foregoing is a full and true record of the testimony
 11 given by the deponent.
 12 I further certify that I am a disinterested
 13 person in the event or outcome of the above-named
 14 cause of action.
 15 IN WITNESS WHEREOF I subscribe my hand and affix
 16 my seal this ____ day of _____, 1996. Dated at
 17 Falmouth, Maine.
 18
 19
 20
 21 _____
 22 Notary Public
 23 My Commission Expires
 24 March 17, 2001.
 25

STATE OF MAINE
HANCOCK, ss.
LOU ANN STINSON FRANCIS, et al.,)
Plaintiffs)
v.)
CHARLES B. STINSON, et al.,)
Defendants)

SUPERIOR COURT
Civil Action
Docket No. CV-95-127

TELEPHONIC DEPOSITION OF JEAN WIGHT RAKOSKE,
taken pursuant to agreement, at the law offices of
Bernstein, Shur, Sawyer and Nelson, at 100 Middle
Street, Portland, Maine, on November 14, 1996,
commencing at 10:05 A.M., before Kimberly B. Arseneault,
a Notary Public in and for the State of Maine.

APPEARANCES:

For the Plaintiffs: SANDRA HYLANDER COLLIER, ESQ.
WILLIAM S. SILSBY, JR., ESQ.
(via telephone)
For the Defendants: KATE S. DEBEVOISE, ESQ.

1 Do you have any instruction on that -- or
2 statement on that, Sandy?
3 MS. COLLIER: No, I don't. I think that's fine.
4 We can certainly do that. And I might even suggest
5 that we may wish to do that right now to get some
6 ground rules so that we don't get right in the middle
7 of this. We're perfectly willing to do that if you --
8 it's your deposition, but maybe it would make sense to
9 do that.
10 MS. DEBEVOISE: Well, I'm certainly hoping that
11 it won't be necessary. I don't think it's been an
12 issue in most of the depositions we've conducted.
13 MS. COLLIER: Not most of them. Some of them.
14 MS. DEBEVOISE: So why don't we try to go ahead.
15 And there is always the possibility that you and I
16 could resolve it in any event.
17 THE DEPONENT: Can you just tell me what you just
18 said? Does that mean that I can't ask her to consult
19 with her privately? Is that what you're saying?
20 MS. DEBEVOISE: If you ask, I will object; and
21 then we will have to call the Court to have the Court
22 decide whether that's appropriate or not.
23 THE DEPONENT: Yeah. Well, I was doing this with
24 the assumption that I could do that. Is that -- how is
25 that inappropriate?

Page 2

Page 5

1 INDEX
2 Deponent: JEAN WIGHT RAKOSKE
3 Examination by: Page
4 Ms. Debevoise 3
5
6
7
8
9

10 EXHIBITS
11 Number Description Page
12 1 Stock Purchase Agreement 38
13
14
15
16
17
18
19
20
21
22
23
24
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1 MS. DEBEVOISE: It's our position that that is
2 not allowed under the rules of civil procedure.
3 Depositions are to be conducted as trials are.
4 MS. COLLIER: Okay. It seems to me that we
5 should go to the Court and get a clarification. I
6 don't want -- Jean, I don't want you to be confused or
7 inhibited in what I certainly and Bill and I certainly
8 believe is your right. I just want you -- unless you
9 can confirm -- or if you can confirm, Jean, that --
10 before we get started, please do ask to speak to us
11 anytime you feel that you need to and let us lawyers
12 deal with it from there; okay?
13 THE DEPONENT: Okay.
14 MS. COLLIER: All right.
15 Q. Okay. On that basis, we will proceed.
16 Ms. Rakoske, would you tell us your address,
17 please?
18 A. 1687 Youngs Road -- do you want me to pause here --
19 Delanson, New York 12053.
20 Q. Would you repeat the name of the town, please?
21 A. Sure. It's Delanson. D E L A N, as in Nancy, S O N.
22 Q. And what is your date of birth?
23 A. 3/10/53.
24 Q. Are you married?
25 A. Yes.

Page 3

Page 6

1 STIPULATION
2 It is hereby agreed by and between the parties
3 that signature is not waived.
4

5 JEAN WIGHT RAKOSKE, having been duly sworn by the
6 Notary Public, was examined and deposed as
7 follows:

EXAMINATION

BY MS. DEBEVOISE:

10 Q. As I stated before we went on the record, my name is
11 Kate Debevoise; and I represent the defendants in this
12 case. Let me just ask you, Ms. Rakoske, to please try
13 and wait until I've completely finished my question
14 before you attempt to answer.
15 A. Okay.
16 Q. And I will also try not to interrupt you in the middle
17 of your answer. And as I'm sure you're aware, it's
18 necessary to give audible answers to questions instead
19 of just nodding, especially in this context.
20 MS. DEBEVOISE: Also, I will state for the record
21 my objection to Ms. Collier's instruction to her client
22 that she can take a break anytime she wants during
23 questioning to consult with counsel. And if that
24 occurs, we will suspend the deposition and call the
25 Court to get instructions from the judge.

1 Q. And what is your husband's name?
2 A. Paul Rakoske.
3 Q. When were you married?
4 A. We were married October 9, 1982.
5 Q. Do you have any children?
6 A. Three children.
7 Q. Would you give me their names and ages, please?
8 A. Sure. Luke, L U K E, and he's 11; and Jesse,
9 J E S S E, he is nine; and Paul, Jr. who is eight.
10 Q. Ms. Rakoske, would you describe your educational
11 background beginning with high school?
12 A. As in terms of what I've completed or --
13 Q. What institutions you attended and what degrees you
14 got, if any, from them and what years you got them.
15 A. Okay. I went to Morse High School and got a high
16 school diploma in 1971.
17 Q. Is that in Bath?
18 A. Yes.
19 Q. And did you have any further education?
20 A. I've had further education, but I haven't gotten my
21 degree yet. And I've had it from the University of
22 Maine at different branches, and I'm going to school at
23 Empire State College here in New York; but I don't have
24 a degree yet.
25 Q. Would you tell me what years you attended different

Page 7

Page 10

branches of the University of Maine?
 Yes. I attended University of Maine 1971 to '72, I think it was '93 and '94. I will have to check to be sure, but I think it was '93, '94. I think that's it.
 And were you -- what type of program are you enrolled in?
 Well, I was initially enrolled in music performance, and then I changed to a major in English.
 And what type of program are you presently enrolled in at Empire State?
 I think I haven't declared it yet. I haven't technically declared it yet.
 Is it your intent to obtain a Bachelor's degree?
 Yes.
 (Discussion off the record.)
 How long have you lived at your present address?
 Well, I've lived -- do you mean, like, not interrupted or just in all, because I've lived here for a while and then I moved and I came back.
 Please describe all of that.
 THE DEPONENT: What year did we buy the house? '84?
 Okay. We bought the house at the end of '84, so in '84 until '92. '84 to '92 I was --
 Ms. Rakoske, I'm going to ask you -- it appears that

1 A. I don't really remember except that it seems to me that
 2 at the time that it was -- for some reason it was
 3 necessary to do that, but I don't really recall, you
 4 know, right now any specifics.
 5 Q. Mm-hm. Excuse me. I should say yes.
 6 Do you recall if you obtained that impression
 7 from your mother or if you obtained it from somebody
 8 else?
 9 A. No, I don't believe I obtained it from someone else
 10 because I really only talked to her about it that I
 11 recall.
 12 Q. Did you have any discussions with anyone else
 13 concerning whether or not you should sell your stock?
 14 A. I don't remember that I did. I -- I can't say that I
 15 didn't, but I don't remember any.
 16 Q. All right. Just to try and nail this down, I'm going
 17 to mention a number of names and ask you if you had any
 18 discussions that you recall with those particular
 19 individuals about whether or not you should sell your
 20 stock.
 21 A. Okay.
 22 Q. And the first one is your father.
 23 A. I don't think so. I can't remember, but I don't
 24 remember anything specific.
 25 Q. And the next person is your sister Carla.

Page 8

Page 11

you may be conferring with somebody else to provide your answers, and I would ask you not to do that. Just give your best recollection. And if your recollection is incomplete, that's all right.
 Okay. So I lived here from '80 -- end of '84 through '92. And then I moved away for three years and came back, and I've lived here about 14 months.
 Where did you move for three years?
 Bath, Maine.
 And what was the purpose of your moving back to Bath at that point?
 Purpose?
 Let me rephrase that. What was the reason?
 We were having -- we were separating.
 So do I understand correctly that you moved back to Bath yourself at that time?
 Right.
 All right. Do you recall that for some period of time you owned stock in the Stinson Canning Company?
 Yes, I do recall that.
 Do you recall how and from whom you obtained that stock?
 Not really. I -- I don't really remember how I obtained it or from whom directly. Do you know what I mean?

1 A. I don't think so. I'm not clear on these, you know,
 2 but I -- you know, as far as I can remember, I don't
 3 think I did.
 4 Q. All right. Next your grandfather Calvin Stinson, Sr..
 5 A. No.
 6 Q. Next your uncle Calvin Stinson, Jr. or Trug.
 7 A. No.
 8 Q. Next your uncle Charles Stinson.
 9 A. No.
 10 Q. Did you have any such discussions with any attorney?
 11 A. Not that I recall.
 12 Q. Did you have any such discussions with any accountant?
 13 A. No, I don't think so.
 14 Q. Do you recall whether your mother conferred with any
 15 attorney or accountant in connection with your family's
 16 sale of their stock?
 17 A. I don't -- you know, I don't know, but I don't think
 18 so. I don't remember that.
 19 Q. I'm going to represent to you that the date of your
 20 stock purchase agreement was February 10, 1983 and ask
 21 you if you recall where you were living at that time?
 22 A. 1983?
 23 Q. February 10, 1983.
 24 A. I was living here in New York.
 25 Q. Were you employed at that time?

Page 9

Page 12

Do you have a general idea?
 Yeah. I mean, generalized that it was from my grandfather and that it was just given to me as a -- as being a part of the family or whatever.
 And when you refer to your grandfather, are you referring to Calvin Stinson, Sr.?
 Yes.
 Do you recall how much stock you had?
 No, not really. Do you mean did I recall then you mean?
 Do you recall now how much stock you had when you had it?
 You know, I really don't. At this time I don't recall.
 All right. Is it correct that at some point you sold all of your stock?
 Yes.
 Do you recall when that occurred?
 I think it was '80 -- I'm not sure, but I think it was '84. It's been awhile.
 Do you recall how you came to decide to sell your stock?
 Well, I recall that it was primarily a decision that my mother made that I left up to her.
 What did your mother say to you about the idea of selling your stock?

1 A. You know, I'm not sure because I worked a year -- about
 2 a year after I got married, but I can't remember if --
 3 if I was still working then or not to tell you the
 4 truth.
 5 Q. One thing I wanted to ask you more about was your
 6 employment history after graduating from high school.
 7 Would you describe what your employment history has
 8 been since that time?
 9 A. Well, I can't remember the exact dates, but I worked --
 10 I worked as a cashier and hostess at a restaurant in
 11 Woolwich -- wait a second. I can't remember. It was
 12 in the '70s. I would say -- I'm guessing '73 and '74.
 13 Q. Yes.
 14 A. I worked for about a year for my dad -- I would say it
 15 was probably the next couple years -- at his office in
 16 Bath.
 17 Q. Would that have been the latter '70s?
 18 A. Probably the mid '70s because that's -- the mid to late
 19 '70s is when I moved to New York. I moved here like
 20 '77 or something.
 21 Q. And did you work after that time?
 22 A. Yes. I worked for five years here at a nursing home as
 23 a secretary and receptionist.
 24 Q. And did you work subsequently to that?
 25 A. No, not for pay.

Page 31

1 I believe she did ask him.
 2 Q. And do you know what his response was?
 3 A. I think that he said no, but I'm not sure that that was
 4 a conclusive no. Do you know what I mean? I remember
 5 him being against it, but I don't remember what -- that
 6 that was the definitive answer.
 7 Q. I'm sorry, I didn't hear that. Would you repeat it?
 8 I said I remember him being against it, but I don't
 9 remember that he definitively said no.
 10 All right. I'm now going to ask you about various
 11 allegations that have been made on your behalf in the
 12 amended complaint in this case. And I'm going to ask
 13 you what facts, if any, you're aware of that support
 14 those allegations.
 15 First I'm going to ask you if you believe that
 16 any false representations were ever made to you by
 17 Calvin Stinson, Jr. or Trug concerning the Stinson
 18 Canning Company?
 19 Do I believe that any false misrepresentations were
 20 made to me personally?
 21 Q. Yes.
 22 No, I don't.
 23 Do you believe that any false misrepresentations were
 24 made to you personally by your uncle Charlie Stinson
 25 concerning the Stinson Canning Company?

Page 32

1 I -- I don't know. I do not know that.
 2 Q. Could you clarify as to whether your answer is no or I
 3 don't know?
 4 I said I don't know.
 5 Can you specify any false misrepresentation that was,
 6 in fact, made to you by Charlie Stinson?
 7 A. No.
 8 Q. Do you believe that any false representations were made
 9 by either Calvin, Jr. or Charlie to any member of your
 10 family?
 11 A. I believe that it's highly possible.
 12 Are you aware of any specific misrepresentation which
 13 you believe was made by either of those two individuals
 14 to any member of your family?
 15 How specific?
 16 Q. I'll rephrase the question.
 17 A. Okay.
 18 If you believe that you're aware of any
 19 misrepresentation made by either Calvin Stinson, Jr. or
 20 Charlie Stinson to any member of your family, please
 21 tell me what you believe that misrepresentation was?
 22 A. I believe -- you know, I don't know. I don't have the
 23 proof, but I believe that it's possible that -- I think
 24 it's possible that their -- their equal portion of
 25 their father's inheritance was misrepresented.

Page 33

1 What is the basis for that belief?
 2 I -- I don't -- it's on information that I've heard,
 3 but I don't have.
 4 Q. When did you first learn that the Stinson Canning
 5 Company had been sold?
 6 You mean like a year or -- I don't -- I don't remember
 7 exactly.
 8 Q. Do you recall whether you -- well, let me ask you first
 9 if you recall how you learned that the company had been
 10 sold?
 11 I'm not sure how I -- I think I heard it from my mom,
 12 but I don't remember exactly.
 13 Q. Did you see any newspaper articles about the sale of
 14 the company?
 15 Not that I recall.
 16 Q. At some point did you become aware of how much the
 17 company had been sold for?
 18 A. I'm sure I did, but I can't really remember the
 19 figures.
 20 Do you recall when you became aware of that?
 21 No, I don't remember.
 22 Q. Do you recall how you became aware of it?
 23 Not really.
 24 MS. DEBEVOISE: All right. I have no further
 25 questions at this time. As I stated previously, this

Page 34

1 deposition will remain open to the extent that I
 2 determine I want to follow up on earlier questions
 3 which were not answered.
 4 Do you have any questions Ms. Collier or Mr.
 5 Silsby?
 6 MS. COLLIER: Yeah, I -- not really a question.
 7 But based upon the opportunity we had to discuss with
 8 the deponent her concerns about -- earlier that led to
 9 her not answering some questions about her financial
 10 situation as far as what she did with the money she
 11 received from her sale of stock -- and as I recall,
 12 that was the only area in which we encountered that
 13 issue -- I believe that the deponent is prepared to
 14 answer those questions at this time, and then we can
 15 conclude the deposition finally.
 16 Is that correct, Jean?
 17 THE DEPONENT: Mm-hm.
 18 MS. DEBEVOISE: Thank you. That's helpful. The
 19 only other reason I would hold the deposition open is
 20 for the identification of the stock purchase agreement.
 21 MS. COLLIER: Mm-hm.
 22 MS. DEBEVOISE: So premised on that
 23 understanding, I will go back to --
 24 MR. SILSBY: Hasn't she already identified it,
 25 Kate? She said she signed it, if I remember right.

Page 35

1 MS. DEBEVOISE: Well, unfortunately we have --
 2 she does not have a document in front of her to
 3 identify, and it's impossible for her to identify her
 4 signature under those circumstances. I -- I'm not sure
 5 that it will be necessary, but --
 6 MS. COLLIER: I'm sure that we can stipulate to a
 7 copy of her agreement with her signature if you want to
 8 incorporate that as an exhibit to the deposition. I
 9 think it would be highly preferable to conclude and
 10 terminate the deposition for the sake of the witness if
 11 it's possible. And if that's the -- if that's your
 12 concern, we can stipulate to an exhibit.
 13 MR. SILSBY: She has identified she signed it in
 14 front of the witness. I can't think of her name.
 15 MS. COLLIER: Claudia Andrioli.
 16 MR. SILSBY: Yes.
 17 MS. DEBEVOISE: I'm happy to agree to conclude
 18 the deposition on the understanding that we will enter
 19 into a stipulation of the type that you've outlined.
 20 MS. COLLIER: Okay. That's --
 21 MR. SILSBY: Yes, that's fine.
 22 MS. COLLIER: That would be good.
 23 MR. SILSBY: Do you want to attach the exhibit,
 24 Kate, to the deposition?
 25 MS. DEBEVOISE: Let's go off the record for a

Page 36

1 minute.
 2 (Discussion off the record.)
 3 BY MS. DEBEVOISE:
 4 Q. Mrs. Rakoske, I'm going to follow up on the question I
 5 asked you earlier and ask you if you still have any of
 6 the money that was paid to you in the form of the down
 7 payment and pursuant to the promissory note associated
 8 with your stock purchase agreement?
 9 A. Yes.
 10 Q. Approximately how much money of that do you still have?
 11 A. Are you talking, like, cash, or are you talking --
 12 because I -- I've used a lot of it for paying for this
 13 house, and I bought land with it.
 14 Q. I didn't hear that latter statement.
 15 A. I said I -- I used a lot of it for paying for my house
 16 and in buying land, and I have some -- you know, I have
 17 some in the bank and I have some in investments.
 18 Q. All right. Would you state approximately how much
 19 money you have left in the form of money in the bank
 20 and in investments?
 21 A. Okay. You mean investments not including the house?
 22 Q. Yes.
 23 A. Okay. I would say -- I'm not sure, but I would say
 24 \$85,000 or more.
 25 MS. DEBEVOISE: All right. Thank you. I have no

Page 37

1 further questions at this time. And --

2 MR. SILSBY: You're going to get back to Sandy
3 Kate on the -- on Monday?

4 MS. DEBEVOISE: All right. We'll go off the
5 record again for a minute to clear up these logistics.

6 (Discussion off the record.)

7 MS. DEBEVOISE: All right. I'll state for the
8 record that at the present time I am going to fax a
9 document titled Stock Purchase Agreement dated February
10 10, 1983 which appears to be executed by Jean Wight
11 Rakoske to the office of Sandy Collier with the
12 intention of all counsel that counsel for Ms. Rakoske
13 will then stipulate to this document being a true and
14 accurate copy of the stock purchase agreement and
15 attached promissory note executed by Ms. Rakoske.

16 Off the record.

17 (Discussion off the record.)

18 MS. DEBEVOISE: Okay. We're back on the record,
19 and I understand that counsel for Ms. Rakoske is going
20 to make a stipulation for the record.

21 Go ahead, please.

22 MS. COLLIER: We -- we would stipulate that the
23 document that we have just received by facsimile can be
24 marked -- which is a four-page document as received,
25 the first three pages headed by the phrase Stock

Page 38

1 Purchase Agreement and the last of those three pages
2 contains signatures, including the signature of Jean
3 Wight Rakoske, and the fourth page of the document as
4 faxed is an unsigned promissory note -- can be marked
5 as Exhibit A for this deposition and that the stock
6 purchase agreement, three page document, is a true and
7 accurate copy of the agreement that was signed by Ms.
8 Rakoske and the third page of that agreement is a copy
9 of the third page of the original and contains Jean
10 Wight Rakoske's signature.

11 MS. DEBEVOISE: Thank you. The deposition is now
12 concluded.

13 (Deposition Exhibit No. 1 was marked.)

14 (The deposition was concluded at 11:32 a.m.)

15 - - - - -
16
17 _____
18 JEAN WIGHT RAKOSKE

18 Subscribed and sworn to before me

19 this ____ day of _____, 1996.

20
21 _____
22 Notary Public

23 Deposition Date: November 14, 1996

24 Case Name: Francis, et al. v. Stinson, et al.

Page 39

1 CERTIFICATE

2 I, Kimberly B. Arsenault, a Notary Public in and
3 for the State of Maine, hereby certify that the
4 within-named deponent was sworn to testify the truth,
5 the whole truth and nothing but the truth, in the
6 aforementioned cause of action.

7 I further certify that this deposition was
8 stenographically reported by me and later reduced to
9 print through Computer-Aided Transcription, and the
10 foregoing is a full and true record of the testimony
11 given by the deponent.

12 I further certify that I am a disinterested
13 person in the event or outcome of the above-named
14 cause of action.

15 IN WITNESS WHEREOF I subscribe my hand and affix
16 my seal this ____ day of _____, 1996. Dated at
17 Falmouth, Maine.

18
19
20
21 _____
22 Notary Public

22 My Commission Expires

23 March 17, 2001.

STATE OF MAINE

HANCOCK, ss.

SUPERIOR COURT

Civil Action

Docket No. CV-95-127

LOU ANN STINSON FRANCIS, et al.,)

Plaintiffs)

V.)

CHARLES B. STINSON, et al.,)

Defendants)

DEPOSITION OF CARLA E. WIGHT INTZA, taken
pursuant to notice dated October 7, 1996, at the law
offices of Bernstein, Shur, Sawyer and Nelson, at 100
Middle Street, Portland, Maine, on November 4, 1996,
commencing at 2:04 P.M., before Kimberly B. Arsenault, a
Notary Public in and for the State of Maine.

APPEARANCES:

For the Plaintiffs:

WILLIAM S. SILSBY, JR., ESQ.

For the Defendants:

KATE S. DEBEVOISE, ESQ.

Also Present:

Mr. Charles B. Stinson
Mr. Calvin Stinson, Jr.

1 Q. All right. At some point you signed a stock purchase
2 agreement; is that correct?

3 A. Yes, I believe so; yes. It's with the papers that --

4 Q. All right. I'm going to show you what has been marked
5 Deposition Exhibit 1, a copy of which is in front of
6 you --

7 A. Mm-hm.

8 Q. -- and ask you to identify that document if you would?

9 A. This one here?

10 Q. Yes.

11 A. Okay.

12 Q. Take your time to look at it.

13 A. So could you tell me where my originals are that -- is
14 this all my stock here?

15 Q. No.

16 A. Just this. Okay. So I have this. Yes, okay.

17 And what is it you want me to note specifically?

18 Q. Would you identify this document that is before you
19 that has been marked Deposition Exhibit 1?

20 A. Identify it as?

21 Q. Tell us what it is.

22 A. Stock purchase agreement.

23 Q. Is this a stock purchase agreement between you and
24 Stinson Canning Company that was -- that is dated
25 February 10, 1983?

1 A. Yes.

2 Q. All right. Can you identify your signature on Page 3
3 of this document above your typed name?

4 A. Yes, I can.

5 Q. And the date February 14, 1983 appears below your
6 signature; is that correct?

7 A. It should be. It's cut off.

8 Yes, it is. That's correct.

9 Q. Is that your handwriting?

10 A. Yes, it is.

11 Q. All right. Do you recall when you first saw this
12 document?

13 A. No.

14 Q. Do you recall seeing the document before, before we --
15 before today as we sit here and look at it?

16 A. Well, only because I took it out of my safety box
17 yesterday and looked at it. I don't specifically
18 remember anything connected with that.

19 Q. So as we sit here today, the first time you recall
20 having seen it was --

21 A. No, I didn't --

22 Q. -- was --

23 A. I'm just saying to you if you had just thrown this at
24 me without my signature, I wouldn't necessarily
25 recognize how it's set out specifically or any --

1 A. RR 1, Box 2020 in Woolwich.

2 Q. And what was your date of birth?

3 A. December 28, 1951.

4 Q. And are you presently married?

5 A. Yes, I am.

6 Q. What is your husband's name?

7 A. Victor.

8 Q. And where does he reside?

9 A. With me in Woolwich.

10 Q. And how long have you been married?

11 A. Since 1976. 20 years.

12 Q. Were you married prior to the time you were married to
13 Victor?

14 A. No.

15 Q. And do you and Mr. Intza have any children?

16 A. Yes.

17 Q. Would you give me their names and dates of birth?

18 A. Yes. Elizabeth, born December 25, 1978; and Peter,
19 born March 3, 1982.

20 Q. Would you describe your educational background
21 beginning with high school?

22 A. I graduated from Morse High School in Bath in 1970. I
23 graduated 5th in my class out of 180. I went to the
24 University of Maine where I got a Bachelor's degree in
25 theater. That was in 1974. Then I went to England for

1 Q. And have you given us your best recollection of any
2 type of general discussion you had with your mother
3 about selling the stock?

4 A. I don't remember any -- any specific conversations. We
5 must have said something, but I don't remember
6 anything.

7 Q. All right. My understanding at this point is that you
8 have testified just that you believe that you recall it
9 was her idea to sell the stock --

10 A. Yes.

11 Q. -- and that you don't recall anything further in the
12 way of discussion with her about selling the stock?

13 A. I don't remember any specifics about it, no.

14 Q. Do you recall anything she said about selling her
15 stock?

16 A. What do you -- what do you mean? Whether she should or
17 not, or what kind of question?

18 Q. Whether she should or whether she was going to.
19 Anything.

20 A. I don't remember any specific conversations about it.

21 Q. How often, by the way, would you speak to your mother
22 ordinarily during this period around 1983?

23 A. Once or twice a week.

24 Q. Did you have any discussions at all with your father
25 about selling your stock?

1 A. Not that I recall.

2 Q. Did you have any such discussions with your sister
3 Jean?

4 A. Not that I recall.

5 Q. Did you have any such discussions with your grandfather
6 Calvin Stinson, Sr.?

7 A. No, I know I did not.

8 Q. Did you have any such discussions with your uncle
9 Calvin Stinson, Jr., otherwise know as Trug?

10 A. No.

11 Q. Did you have any such discussions with your uncle
12 Charlie Stinson?

13 A. No.

14 Q. Did you have any such discussions with any attorney?

15 A. No.

16 Q. Did you have any such discussions with any accountant?

17 A. No.

18 Q. Did you have any such discussions with anyone else?

19 A. No, not that I remember.

20 Q. Did you discuss it with your husband at all?

21 A. Probably. But I don't remember any specific
22 conversations.

23 Q. Do you recall whether you personally thought it was a
24 good idea to sell your stock at this time?

25 A. I don't think I had any strong feelings about it one

1 upset about it.

2 Can you remember, dear?

3 A. Well, I -- I -- it is my understanding that he feels
4 that there is some justification for this.

5 Q. Did he say anything more on that subject that you
6 recall?

7 A. Not that I can -- no.

8 Q. All right. I'm now going to ask you about some --
9 about the allegations that have been made in this
10 complaint on your behalf and what knowledge you might
11 have as the basis for these allegations.

12 A. Mm-hm.

13 Q. First I'll ask you if you believe that Calvin Stinson,
14 Jr., or Trug, ever made a false representation to you?

15 A. I have no idea.

16 Q. Can you think of any instance as we sit here today in
17 which you believe that Calvin Stinson, Jr. made a false
18 representation to you?

19 A. Not on -- not on our personal dealings, no. But I have
20 no idea about anything else.

21 Q. So you cannot give me any instance of a situation in
22 which you believe he gave -- made you a false
23 representation?

24 A. Nothing on a personal basis.

25 Q. Well --

- 1 A. Family basis.
- 2 Q. -- nothing on a family basis implies that there is some
3 other basis. Is there some other basis?
- 4 A. Yeah, of course there is another basis. But I don't --
5 I can't -- I can't say that. I don't know.
- 6 Q. Well, you have no firsthand information which leads you
7 to believe that Calvin Stinson, Jr. ever made a false
8 representation to you personally?
- 9 A. I've had -- as you can tell, I've had almost no contact
10 in terms of business with this company.
- 11 Q. Isn't the answer no then?
- 12 A. The answer is I don't -- I don't know.
- 13 Q. All right. Do you have any basis to believe that
14 Charlie Stinson, your uncle, ever made a false
15 representation of fact to you?
- 16 A. As I've said, I -- I just have had no direct -- with
17 the exception of the notes that Uncle Trug used to
18 write to me, I've had no direct communication with them
19 at all in business dealings. Zero.
- 20 Q. Then you have no instance --
- 21 A. I have no way --
- 22 Q. -- you can site of a false representation of fact?
- 23 A. I have no instance of any contact, so that I can't -- I
24 can't -- I can't with any kind of authority answer your
25 question.

1 Q. Well, if you didn't have any contact, isn't it fair to
2 say then that there couldn't have been a false
3 representation?

4 A. Do you -- when you say to you, do you mean you and your
5 family or just mean to me personally?

6 Q. I mean you personally.

7 MR. SILSBY: I object to that. That's
8 argumentative.

9 Q. You can answer.

10 A. I -- I just stand on what I said. I don't have
11 anything more to add.

12 Q. All right. In Paragraph 48 of the amended complaint,
13 under Count 7, fraud --

14 A. I don't have that.

15 Q. -- it is alleged that all of defendants' said actions
16 as alleged above in light of the attendant
17 circumstances were part of an intentional plan or
18 course of conduct to defraud plaintiffs of their fair
19 shares in the family company.

20 I'm going to ask you if you can provide any
21 factual basis for the belief that the defendants in
22 this action who are Charles B. Stinson --

23 MR. CALVIN STINSON: Calvin L.

24 Q. -- Calvin L. Stinson and Camp Hills, Inc., were part of
25 an intentional plan or course of conduct to defraud you

1 of your fair share in the family company?

2 A. Again, I had no personal contact with dealing with the
3 business, and it's my mother -- my mother who has been
4 handling this and the attorneys; and I can't answer
5 anything beyond that.

6 Q. Is it fair to say that neither Calvin Stinson, Jr. or
7 Charlie Stinson has ever made any misrepresentations of
8 fact to you as to the financial condition of the
9 Stinson Canning Company?

10 A. I would have no way of knowing that.

11 Q. Well, you can't site one for me as we sit here, can
12 you?

13 A. I have no -- I have no way of measuring that. I
14 don't -- I'm not familiar with this in terms of the
15 corporation and the soundness, if that's what you're
16 saying, that kind of thing. I just -- I'm --

17 Q. Do you have any --

18 A. I'm a second party here. You know, this is --

19 Q. Well, you're a plaintiff.

20 A. I understand.

21 Q. That's a first party.

22 A. I understand. But -- but in terms of having contact,
23 I'm a second party. I'm a second generation party.

24 Q. I'm asking you -- I'm asking you only about direct
25 communications between your uncles and you.

1 A. I haven't had any business with -- except for the ones
2 that we've outlined earlier on with the checks, et
3 cetera.

4 Q. Can you site any misrepresentations --
5 misrepresentation of fact concerning supposed owners'
6 estate tax consequences to you or your family in the
7 event of the death of your grandfather that were made
8 to you by either Calvin Stinson, Jr. or Charlie
9 Stinson?

10 A. I'm not familiar with that item.

11 Q. Has your mother informed you of any representations
12 she believes that Calvin Stinson, Jr. or Charlie
13 Stinson made to her that were false representations of
14 fact?

15 A. I'm not sure.

16 Q. You can't site any as we sit here today?

17 A. I can't think of anything specific that she has said to
18 me.

19 Q. When did you first learn that the Stinson Canning
20 Company had been sold?

21 A. I don't remember when.

22 Q. Do you recall how you learned?

23 A. No.

24 Q. Do you recall whether you learned it first in the
25 newspaper or whether you were informed by somebody

STATE OF MAINE
HANCOCK, ss.
LOU ANN STINSON FRANCIS, et al.,)
Plaintiffs)
v.)
CHARLES B. STINSON, et al.,)
Defendants)
DEPOSITION OF MARION LEONA FRANCIS ALLEY, taken pursuant to notice dated October 7, 1996, at the law offices of Silsby & Silsby, at 49 Church Street, Ellsworth, Maine, on November 7, 1996, commencing at 2:10
in and for the State of Maine.
APPEARANCES:
For the Plaintiffs: SANDRA HYLANDER COLLIER, ESQ.
WILLIAM S. SILSBY, JR., ESQ.
For the Defendants: KATE S. DEBEVOISE, ESQ.
Also Present: Mr. Charles B. Stinson
Mr. Calvin Stinson, Jr.
Ms. Lou Ann Francis

Page 4
1 before I start another question. And I'll also ask you
2 to make sure you give an audible answer to every
3 question I ask instead of just nodding or shrugging or
4 saying mm-hm or something.
5 Are you married?
6 A. Yes.
7 Q. What is your husband's name?
8 A. Lawrence Erwin Alley, Jr..
9 Q. And what was your date of marriage?
10 MR. CALVIN STINSON: Oh, come on. You know that.
11 A. June 20, '75.
12 Q. Do you have any children?
13 A. Three.
14 Q. Would you tell me their names and dates of birth?
15 A. Liza Ann Alley, August 24 -- no -- 24, '77; Benjamin
16 Joshua Alley, January 12, '80; and Morgan Augusta
17 Alley, 7/11/85.
18 Q. Would you describe what education you have had
19 beginning with high school? Did you -- did you --
20 A. I have graduated from high school --
21 Q. Excuse me?
22 A. -- and I went a half a year of college.
23 Q. What high school did you graduate from?
24 A. Narraguagus.
25 Q. What year was that?

Page 2
1 INDEX
2 Deponent: MARION LEONA FRANCIS ALLEY
3 Examination by: Page
4 Ms. Debevoise 3
5
6
7 EXHIBITS
8 (Deposition Exhibit No. 1 was retained by Ms.
9 Debevoise.)

Number	Description	Page
1	Package of Documents Received at Closing	3
2	Unsigned Letter, 11/27/79 with Attachments	3
3	Signed Letter, 11/27/79	3

Page 5
1 A. I got out a year early. My diploma says '75, but I got
2 out in '74, I believe.
3 Q. And you said you attended college for how long?
4 A. Just a half a year.
5 Q. What college was that?
6 A. Machias.
7 Q. University of Maine at Machias?
8 A. Yes.
9 Q. And why did you stop attending the University of Maine
10 at Machias?
11 A. Just didn't want to go anymore. I was married and
12 staying at home.
13 Q. Where did you live at that time?
14 A. I lived in Steuben.
15 Q. Would you -- have you been employed since you left the
16 University of Maine at Machias?
17 A. No, not for say.
18 Q. Not what?
19 A. Not for say, really. I mean, my husband -- we formed a
20 company later on, and I'm -- what am I? I'm like a
21 secretary and vice president or whatever.
22 Q. What company -- what type of company did you and your
23 husband form?
24 A. It's L.E. Alley, Inc..
25 Q. And what is Alley Alley, Inc.?

Page 3
1 STIPULATION
2 It is hereby agreed by and between the parties
3 that signature is not waived.
4
5 (Deposition Exhibit Nos. 1 - 3 were marked.)
6 MARION LEONA FRANCIS ALLEY, having been duly sworn by
7 the Notary Public, was examined and deposed
8 as follows:

9 EXAMINATION
10 BY MS. DEBEVOISE:
11 Q. Would you please state your full name?
12 A. Marion Leona Francis Alley.
13 Q. And how would you like to be addressed this afternoon?
14 As Ms. Alley?
15 A. Mimi.
16 Q. Mimi. Okay.
17 What is your address, Mimi?
18 A. RR 1, Box 6, Ellsworth 04605.
19 Q. What is your date of birth?
20 A. 5/27/58.
21 Q. I neglected to go over a few basic ground rules with
22 you when we started. And they are just that I'd ask
23 you to be sure and wait until I've finished my whole
24 question before you attempt to answer, and in the same
25 vein I will attempt not to interrupt you in your answer

Page 6
1 A. It's a lobstering company.
2 Q. And where is that located?
3 A. In Steuben.
4 Q. When was that company formed?
5 A. I'm not sure.
6 Q. Was it shortly after you left the University of Maine
7 at Machias?
8 A. No. It was awhile after that. I'm not sure.
9 Q. What does Alley Alley stand for?
10 A. L.E. Alley? Lawrence --
11 Q. Oh, I thought you meant --
12 MR. CALVIN STINSON: L.E. Alley.
13 A. L -- L.E. Alley & Company.
14 Q. Excuse me.
15 MR. SILSBY: Yeah, okay.
16 Q. I thought you had said Alley Alley. Okay. Now I
17 understand.
18 MR. SILSBY: I did too.
19 (Discussion off the record.)
20 Q. Is anybody else -- does anybody else have an ownership
21 in this business besides your husband?
22 A. No. No.
23 Q. Do you play any role in the business besides being the
24 secretary?
25 A. No. I am vice president and secretary.

Page 7

- 1 Q. Do you play an active role in the business?
 2 A. Not really.
 3 Q. What do you do in the business?
 4 A. Sometimes I will make out the bills or go over the
 5 books and things like that, make some business phone
 6 calls if he needs anything.
 7 Q. How many hours a week would you say that you work?
 8 A. It's a small business. He usually takes care of it
 9 himself, so I just -- I don't work many. I can't
 10 really say.
 11 Q. Do you recall that for a period of years you owned some
 12 stock in the Stinson Canning Company?
 13 A. Yes.
 14 Q. Do you recall how much you had?
 15 A. No.
 16 Q. Do you recall when you obtained it?
 17 A. No.
 18 Q. Do you recall how you obtained it?
 19 A. From my grandfather.
 20 Q. Was it given to you as a gift from your grandfather?
 21 A. I really don't know.
 22 Q. At some point you sold all of your stock in the
 23 company; is that correct?
 24 A. Yes.
 25 Q. Do you recall when that was?

Page 8

- 1 A. February 4, '80.
 2 Q. Do you recall how it came about that you decided to
 3 sell your stock?
 4 A. My mother and father approached us and said that she
 5 was approached or called to -- they wanted to buy our
 6 stock.
 7 Q. Who is they that you're referring to?
 8 A. My two uncles.
 9 Q. What did she tell you about being approached with
 10 regard to the sale of your stock?
 11 A. That they wanted our stock. And I don't -- we really
 12 didn't get into too much of it at the time.
 13 Q. Who in particular did your mother tell you had called
 14 her?
 15 A. I don't recall.
 16 Q. And when was it that she told you that she had been
 17 called about this?
 18 A. I don't remember any dates or any months or -- I was
 19 kind of occupied with having my second child and just
 20 sort of left it all up into my parents.
 21 Q. Do you recall whether it was close to the time that you
 22 actually did sell your stock that she said she had been
 23 called?
 24 A. I really don't remember.
 25 Q. What specifically did she tell you she had been told or

Page 9

- 1 asked?
 2 A. That she -- she was approached to -- that they wanted
 3 to buy our stock.
 4 Q. Did she say that she had been told anything else about
 5 the sale of the stock?
 6 A. I don't recall.
 7 Q. Did your mother suggest to you that it would be a good
 8 idea to sell your stock?
 9 A. She was -- they were very concerned. It seemed to them
 10 that when they were approached, that if we did not sell
 11 our stock, that -- and if the company, meaning
 12 Stinson's, went under, that it would -- it would
 13 destroy their company financially.
 14 Q. I'm going to ask you from now on if you're referring to
 15 people not to say they, but refer to them specifically
 16 by name so that we're all sure who you're talking
 17 about.
 18 Most recently you said it seemed to them, and I
 19 understand that you're probably referring to your
 20 mother and your father?
 21 A. Yes.
 22 Q. All right. You stated that it seemed to your mother
 23 and your father that if they didn't sell their stock
 24 and the company went under, it would destroy their
 25 company financially. By their did you mean your

Page 10

- 1 parents' company?
 2 A. My parents' company or whoever, you know, owned stock
 3 in Stinson's.
 4 Q. When you -- when you refer to their company, you're
 5 talking about the Stinson Canning Company?
 6 A. Yes.
 7 Q. Did she tell you anything else about the idea of
 8 selling the stock?
 9 A. I don't recall.
 10 Q. Do you recall your father discussing it?
 11 A. Not really, no.
 12 Q. Did your mother ask you if you wanted to sell your
 13 stock?
 14 A. She -- she asked us about that, yes. And I told her
 15 to -- it was up to my mother and father. I felt they
 16 had the most invested in it and had more knowledge of
 17 it, and I left it up to my mom and dad to handle it.
 18 Q. Did you have any discussions with your brother Gus
 19 about the idea of selling your stock?
 20 A. No, I don't recall.
 21 Q. Did you discuss it with your grandfather Calvin
 22 Stinson, Sr.?
 23 A. No.
 24 Q. Did you discuss it with your uncle Calvin Stinson, Jr.
 25 or Trug?

Page 11

- 1 A. No.
 2 Q. Did you discuss it with your uncle Charlie Stinson?
 3 A. No.
 4 Q. Did you discuss it with any attorney or accountant?
 5 A. At that time? No.
 6 Q. Prior to the sale.
 7 A. No.
 8 Q. Did you discuss it with anyone else at all?
 9 A. No.
 10 Q. How old were you in February of 1980?
 11 A. Gee, what was I? 22. Let's see. '80. I'm 38 now,
 12 so --
 13 MR. SILSBY: 22.
 14 MS. COLLIER: 22.
 15 A. 22.
 16 Q. Where were you living in February of 1980?
 17 A. In Steuben.
 18 Q. And was your husband in the L.E. Alley business at that
 19 time?
 20 A. I'm not sure. I'm not sure what time we formed the
 21 company.
 22 Q. What did he do before the company was formed?
 23 A. He -- he kept a pound, a lobster dealer. And before
 24 that he lobster fished.
 25 Q. Do you recall how the sale price for the stock which

Page 12

- 1 you sold was decided?
 2 A. No.
 3 Q. Did you know what it was going to be prior to the time
 4 you actually signed the purchase and sale agreement?
 5 A. I don't recall.
 6 Q. Excuse me. The stock purchase agreement I guess it's
 7 called.
 8 Did you ever attend any meetings of the
 9 shareholders or directors of the Stinson Canning
 10 Company prior to the time you sold your stock in the
 11 company?
 12 A. No.
 13 Q. Would you describe what interaction you had with your
 14 grandfather Calvin Stinson, Sr. in the 10-year period
 15 between 1970 and 1980?
 16 A. Once in a while -- well, my mom and I would go down
 17 probably -- maybe -- oh, a couple times a month and see
 18 him.
 19 Q. How would you describe his physical and mental health
 20 during the last 10 years of his life?
 21 A. I think when he -- you know, when he turned around --
 22 oh, it seems like around 95 and -- he seemed to really
 23 decline after that.
 24 Q. In what way would you say he declined?
 25 A. Well, his memory. I mean, sometimes he would know us,

Page 13

Page 16

1 sometimes he wouldn't. You know, there was times, you
 2 know, you would -- you know, he would know who you were
 3 after a while if you got talking to him and -- he would
 4 realize who you were, and then -- you know, that was
 5 at the beginning. And then later on he, you know,
 6 didn't -- in his past couple years he really didn't
 7 know who was who, really.
 8 Q. Would you describe the interaction you had with your
 9 uncle Calvin Stinson, Jr. or Trug during the 10-year
 10 period prior to the time of your sale of stock?
 11 A. Oh, never really saw them that much. We might run into
 12 someone down at my grandfather's, one of them would be
 13 there when we came; or if we were leaving, they might
 14 be coming in.
 15 Q. Is that true with respect to both Trug and your Uncle
 16 Charlie?
 17 A. Yeah.
 18 MS. DEBEVOISE: Go off the record for a minute.
 19 (Discussion off the record.)
 20 Q. All right. Mimi, I'm going to ask you some questions
 21 about what has been marked Deposition Exhibit 1, which
 22 is the February 4, 1980 stock purchase agreement and
 23 accompanying exhibits which were provided to us by your
 24 counsel as Exhibit C in response to the defendants'
 25 first request for production of documents. And first

1 4 which is little (b) little Roman numeral iii which
 2 reads, the other shareholders of the company may at
 3 some future date agree to sell the outstanding stock or
 4 substantially all of the assets of the company and its
 5 subsidiaries at a per price share in excess of that
 6 realized by her?
 7 A. Do I recall reading that?
 8 Q. Yes.
 9 A. No.
 10 Q. Do you recall reading the paragraph below that that
 11 states the purchase price of 136,000 -- \$136,426.70 is
 12 accepted as full payment in consideration for her
 13 Common stock and Preferred stock?
 14 A. I don't remember reading that.
 15 Q. Is it your testimony at this point that you read some
 16 but not all of the stock purchase agreement prior to
 17 the time you signed it?
 18 A. Yes.
 19 Q. Do you recall any statements made by either of your
 20 uncles concerning the sale of your stock at the time of
 21 the closing?
 22 A. No.
 23 Q. Do you recall any discussion by anybody who was present
 24 at the closing concerning the sale of the stock?
 25 A. No.

Page 14

Page 17

1 I'll ask you if you recall having seen that document
 2 before?
 3 A. Have I seen it before?
 4 Q. And I'm referring specifically to the stock purchase
 5 agreement at the moment.
 6 A. I never saw this until we went and signed the papers at
 7 the Stinson Canning Company.
 8 Q. Okay. Was that the first time you ever saw the stock
 9 purchase agreement?
 10 A. Yes.
 11 Q. And was the date that you signed the papers the same
 12 date that appears on the first page of the document,
 13 which is February 4, 1980?
 14 A. Yes.
 15 Q. Can you identify the signature on the sixth page of the
 16 agreement above your typewritten name as your own?
 17 A. Yes.
 18 Q. Do you recall being provided with the agreement at the
 19 closing? Do you recall who gave it to you?
 20 A. No. I don't recall who gave it to me.
 21 Q. Do you recall who was present?
 22 A. My family was there, Gus, my mother and father, me.
 23 Uncle Trug and Charlie and -- that's who I remember.
 24 Q. Do you remember who invited you to come to the closing?
 25 A. I believe my mother told me when we were going, and we

1 Q. Do you recall any discussion at all which took place at
 2 the time of the closing?
 3 A. I don't remember anything, really.
 4 Q. Would you describe everything you do remember about
 5 that occasion?
 6 A. We went in -- we went into the factory, and I can
 7 remember walking up to see Uncle Trug. And then we
 8 walked to the -- I believe it was the conference room
 9 and went in, and I believe they discussed the purchase
 10 and sales agreement. I really can't say. And we
 11 signed the papers and then we left.
 12 Q. All right. Would you look at Paragraph 2 on the first
 13 page of the agreement? Paragraph 2 refers to the
 14 aggregate purchase price of \$136,426.70 being paid on
 15 the closing date in two ways. A down payment of
 16 \$13,642.67 and a promissory note for \$122,784.03. Do
 17 you recall being provided with the down payment that is
 18 referred to here --
 19 A. I don't recall that.
 20 Q. Let me finish -- at the time of the closing?
 21 A. I don't recall that.
 22 Q. Do you recall receiving a check at the time of the
 23 closing?
 24 A. I don't remember.
 25 Q. Do you recall that at some point you were provided with

Page 15

Page 18

1 went.
 2 Q. Do you recall that all the documents attached as
 3 exhibits to the stock purchase agreement were provided
 4 to you at the time the stock purchase agreement was
 5 provided?
 6 A. I never saw these until after we signed the agreement.
 7 Q. When did you first see all the exhibits?
 8 A. After -- when we went to sign the -- well, I don't
 9 really know. I know I signed the paper and -- and then
 10 we received these papers.
 11 Q. How did you receive them?
 12 A. I don't really recall. I mean, we were there, I signed
 13 the papers, and we left with them.
 14 Q. So they were provided to you at the closing?
 15 A. I really can't remember.
 16 Q. Well, you've testified that you had the documents with
 17 you when you left the closing, correct?
 18 A. Yes. I don't know who gave them to us. They were -- I
 19 really don't recall.
 20 Q. Did you read the stock purchase agreement before you
 21 signed it?
 22 A. I skimmed over it. I didn't really understand, you
 23 know, too much of it. We just -- really just signed
 24 the papers.
 25 Q. Do you recall reading at the time the paragraph on Page

1 the down payment that is referred to in here?
 2 A. Yes.
 3 Q. And what did you do with that down payment?
 4 A. Put it in the bank.
 5 Q. Were you at some point provided -- strike that.
 6 Were you paid the payments which are outlined in
 7 the promissory note which is attached as Exhibit A to
 8 the agreement?
 9 A. Could you repeat that?
 10 Q. Were you paid the payments which are outlined in the
 11 promissory note which is Exhibit A to the agreement?
 12 A. Yes.
 13 Q. And what did you do with those payments?
 14 A. Put them in the bank.
 15 Q. How were you provided with those payments under the
 16 promissory note?
 17 A. I believe with a check.
 18 Q. And did the check come to you in the mail?
 19 A. Yes.
 20 Q. Do you recall who sent you the checks?
 21 A. Stinson Canning Company.
 22 Q. Do you recall whether they were sent by any particular
 23 individual?
 24 A. Nope.
 25 Q. Do you still have any of the money that was paid to you

Page 19

- 1 in the form of the down payment and pursuant to the
2 promissory note?
3 A. I invested it and I -- later on years down I -- we
4 used some to redo our house along with some of our own,
5 so --
6 Q. Do you have any of that money left?
7 A. I don't really know.
8 Q. Did you keep it in a separate account?
9 A. No.
10 Q. Were you provided with any documents concerning the
11 Stinson Canning Company prior to the time you signed
12 the stock purchase agreement?
13 A. I don't believe so.
14 Q. Did you ask to see any?
15 A. No.
16 Q. Did anyone else on your behalf look at any information
17 concerning the company prior to the time that you
18 signed your stock purchase agreement? And that would
19 include your mother, your father, any attorney or any
20 accountant.
21 A. I don't know.
22 Q. Who first told you about the idea of your family and
23 the Wight family filing a lawsuit against your uncles?
24 A. My mother asked us about it, how we -- if we would
25 stand by it or what we felt about it.

Page 20

- 1 Q. Did she tell you why she was proposing a lawsuit
2 against your uncles?
3 A. I don't really remember the specific reason.
4 Q. Do you have a general idea?
5 A. Well, I -- my idea is, I guess, that -- I -- you know,
6 I really don't know. I guess it was really just unfair
7 or -- the way things were handled.
8 Q. What are you referring to?
9 A. I don't really know. I don't really know.
10 Q. Well, when you say the way things were handled, what
11 things are you referring to?
12 A. I guess the way they approached us to give us the idea
13 of the reason why we had -- they wanted our stock.
14 Q. You say they.
15 A. Stinson Canning Company wanted our stock, to buy our
16 stock.
17 Q. What was the reason that you understand was given?
18 A. I was under the impression that Stinson's was in
19 trouble and they needed the stock.
20 Q. And you received that information -- that impression
21 from your mother?
22 A. Yes.
23 Q. You received the impression that your uncles had told
24 her that?
25 A. Yes.

Page 21

- 1 Q. Did she tell you that any particular uncle had told her
2 this?
3 A. I don't remember.
4 Q. Did she tell you when she had been told this?
5 A. I don't remember dates.
6 Q. How did you respond when your mother asked you if you
7 would stand by the lawsuit?
8 A. I told her I would stand behind her and -- and -- and
9 be supportive.
10 Q. Did you ask her any more questions of why she thought
11 your uncles should be sued?
12 A. No, I didn't ask her any questions, not really.
13 Q. Did you personally have any basis to believe that you
14 should be suing your uncles?
15 A. Could you repeat that again?
16 Q. Did you personally have any basis that you should be
17 suing your uncles?
18 MS. COLLIER: I'm going to object to the form of
19 the question, but you can answer it if you can.
20 A. Is it how I feel? If I feel that they should be sued?
21 Q. Were you --
22 A. Is this what you're asking?
23 Q. Let me rephrase it.
24 Were you personally aware of any facts which made
25 you believe that you should have been suing your

Page 22

- 1 uncles?
2 MS. COLLIER: Again, I'm going to object to the
3 form of the question.
4 A. I don't really understand, you know, the question.
5 Q. Prior to the time that the lawsuit was filed, were you
6 aware of any facts which led you to believe that you
7 should file a lawsuit against your uncles?
8 MS. COLLIER: Object to the form of the question.
9 You can answer if you can.
10 A. I was going to say something. Now I can't remember.
11 The one fact I believe that I was told that -- when we
12 sold our stock, that we would -- if the -- if Stinson
13 Canning Company was ever sold, that we would be
14 reimbursed the difference. That was under -- my
15 understanding.
16 Q. Where did you receive that understanding?
17 A. From my mother.
18 Q. When did she tell you that?
19 A. I don't really remember.
20 Q. Was it prior to the time that you sold your stock or
21 after?
22 A. I don't remember.
23 Q. Are you sure she told you that prior to the time the
24 complaint was filed?
25 A. You mean this complaint?

Page 23

- 1 Q. Yes, this lawsuit.
2 A. It was told to me back when we sold our stock.
3 Q. Do I understand correctly that it's your testimony now
4 that this discussion occurred around the time you sold
5 your stock, but you still don't recall whether it was
6 before or after?
7 A. No, I don't recall.
8 Q. And who did she say had told her this?
9 A. I don't recall.
10 Q. Did she give you any idea of who had told her this?
11 A. She might have, but I don't remember.
12 Q. Did anyone ever tell you directly that if the company
13 were later sold for more money, the difference would be
14 made up to you?
15 A. Yes. My mother and father.
16 Q. Did any representative of the company ever tell you
17 that?
18 A. No.
19 Q. And I take it from that answer that neither your Uncle
20 Calvin nor your Uncle Charlie ever told you that?
21 A. That's right.
22 Q. When your mother told you this representation had been
23 made to her concerning the value being made up later if
24 the company were sold for more money, did she tell you
25 when she had been informed of this?

Page 24

- 1 A. No. I don't recall.
2 Q. Did she tell you whether she had been informed in a
3 telephone conversation or in person?
4 A. About purchasing the stock --
5 Q. About --
6 A. -- or about this --
7 Q. About the value being made up later.
8 A. No, I don't recall anything.
9 Q. What was your understanding of exactly where the money
10 would come from to make up the difference in value?
11 A. I guess from selling Stinson Canning Company, if it was
12 ever sold.
13 Q. So it was your understanding that the money would have
14 come from the company?
15 A. Yes.
16 Q. Did you believe that?
17 A. Yes.
18 MS. DEBEVOISE: Off the record for a minute.
19 (Discussion off the record.)
20 Q. All right. Mimi, I'm going to ask you a few questions
21 about particular allegations that are made in the
22 amended complaint in this lawsuit. And I'm going to
23 ask you what personal knowledge, if any, you have of
24 facts which support those allegations.
25 A. Yes, okay.

Page 25

Page 28

1 Q. And if it helps you to read along with your counsel, I
2 think she has a copy.
3 And I'm going to direct your attention first to
4 Paragraph 48 of the complaint, and I'm going to ask you
5 if you have any personal knowledge of facts which
6 support the allegation that the defendants were part of
7 an intentional plan or course of conduct to defraud
8 plaintiffs of their fair shares in the family company?
9 A. Could you put that in a more simpler term?
10 Q. Well, the first part of Paragraph 48 reads, all of
11 defendants' said actions as alleged above in light of
12 the attendant circumstances were part of an intentional
13 plan or course of conduct to defraud plaintiffs of
14 their fair shares in the family company. And my
15 question to you is, what, if any, facts you're aware of
16 which form a basis for that allegation?
17 A. I don't -- I guess I -- you know, I don't have any
18 facts, I guess.
19 Q. Okay. In the next sentence of Paragraph 48 there is a
20 reference to misrepresentations made concerning the
21 financial condition of the company. And my question to
22 you is are you aware of any misrepresentations made by
23 either of your uncles concerning the financial
24 condition of the company?
25 A. I really don't know.

1 to have you rephrase your question.
2 MS. DEBEVOISE: Well, I'm -- as I'm sure you're
3 aware --
4 MS. COLLIER: And if you can't -- excuse me. I'm
5 not finished. And if you can't answer the question as
6 framed, then you can indicate that to the attorney.
7 MS. DEBEVOISE: As I'm sure you're aware, these
8 words are used in a legal context where the particular
9 words are important; and I feel that I need to use
10 those particular words in my question.
11 THE DEPONENT: Could we have a break? Could I
12 speak with you?
13 MS. COLLIER: Sure.
14 (A short recess was taken.)
15 MS. COLLIER: I'm just wondering if we can have
16 the reporter read back the pending question?
17 (The reporter read back the requested
18 question.)
19 A. And could you translate what ill-willed means to you?
20 What you mean by ill-willed?
21 Q. I'll ask you another question instead because I think
22 ill will has a common meaning.
23 Do I take it you can't answer that question?
24 A. No, I can't answer that question.
25 Q. Do you believe that either of your uncles acted in

Page 26

Page 29

1 Q. Are you -- with regard to the further portion of that
2 sentence are you aware of any misrepresentations made
3 by your uncles with respect to, quote, the supposed
4 owners estate tax consequences to the families in the
5 event of their father's death, close quote?
6 A. I really don't understand this.
7 Q. Let me ask you if you're -- if you believe you're aware
8 of any facts which support an allegation that
9 misrepresentations were made concerning estate tax
10 consequences to the Francis or Wight families in the
11 event of your grandfather's death?
12 A. I don't have any facts. I've left it all up to my
13 mother and father to handle this.
14 Q. When did you first learn that the Stinson Canning
15 Company had been sold?
16 A. I think I heard it through gossip.
17 Q. Is that family gossip or other gossip?
18 A. Other gossip.
19 Q. Do you recall who mentioned it?
20 A. No, not really.
21 Q. Did you become aware of how much the company had been
22 sold for at some point?
23 A. In the newspaper.
24 Q. Were you surprised?
25 A. No.

1 actual malice towards you with relation to the purchase
2 of your stock by the company?
3 A. Yes, I believe they did.
4 Q. And what is the basis for that belief?
5 A. I believe we were misled in order to purchase our
6 stock.
7 Q. In what way do you believe you were misled?
8 A. We were told that -- I -- I don't -- I don't know. I
9 was under the assumption that if we didn't sell our
10 stock -- I believe that it was myth to think that the
11 Stinson Canning Company was in trouble and that they
12 needed our stock.
13 Q. And you -- and you obtained that impression from
14 discussions with your mother?
15 A. Yes.
16 Q. Okay. I'm going to ask you about a couple of
17 documents, the first of which is actually a group of
18 three pages stapled together and marked Exhibit 2 which
19 are documents which were produced --
20 MR. SILSBY: Is this Gus Exhibit 2?
21 MS. DEBEVOISE: It's the same thing.
22 MR. SILSBY: You're offering the same thing in
23 this one too?
24 Q. -- which were documents which were produced by your
25 counsel in response to the defendants' first request

Page 27

Page 30

1 Q. Did your mother have any discussions with you at that
2 point about getting your value made up at that time?
3 A. I don't recall any.
4 Q. Do you believe that either of your uncles acted in
5 actual ill will towards you with relation to the
6 transaction of purchase of your stock by the company?
7 A. We put their trust in them to handle things and -- you
8 know, we just put their trust, you know, in them to
9 handle the business and to handle it fairly.
10 Q. Do you believe that they did?
11 A. No.
12 Q. Why not?
13 A. Well, I was led to believe that, you know, after we had
14 sold our stock that we would be reimbursed, and -- and
15 it has never happened.
16 Q. Okay. Let me ask you again the question of whether you
17 believe either of your uncles acted in actual ill will
18 towards you with relation to the transaction of your
19 purchase -- of the purchase of your stock by the
20 company?
21 A. Ill-willed? What do you mean by ill-willed?
22 Q. I just ask you to use your best understanding of the
23 words ill will.
24 MS. COLLIER: I'm going to object. I think she's
25 entitled if she is requesting a definition of the term

1 for production of documents, and I will ask you if you
2 recall having seen these documents before?
3 A. No, I don't recall.
4 Q. And I'm now going to ask you to look at what has been
5 marked Deposition Exhibit 3 and ask you if you recall
6 having seen that document before?
7 A. I don't remember.
8 Q. Can you identify the signature appearing above your
9 typewritten name on line four as your signature?
10 A. Yes, it is.
11 Q. Do you recall signing the document?
12 A. I don't recall.
13 Q. Do you recall any discussion with your family about
14 informing the Stinson Canning Company that you would be
15 selling your family stock to somebody else other than
16 the company?
17 A. No.
18 Q. Do you recall any discussion in your family about the
19 possibility of selling your family's stock to somebody
20 other than the Stinson Canning Company?
21 A. No.
22 Q. All right. I'm going to go over a few areas that we
23 touched on before and ask you a few follow-up questions
24 to make sure I've covered everything.
25 Were you aware of the price that you were to be

1 paid for your stock prior to the date of the closing
 2 when you signed the stock purchase agreement?
 3 A. Yes, I believe so.
 4 Q. When did you learn what the price was going to be?
 5 A. I don't really recall.
 6 Q. Who told you what the price was going to be?
 7 A. My mother and father.
 8 Q. What did they tell you about how the price had been
 9 established?
 10 A. I don't really recall.
 11 Q. Did they tell you who it was that proposed the price?
 12 A. I don't recall.
 13 Q. Have you ever seen any financial statements -- let me
 14 rephrase that.
 15 Prior to the time you sold your stock, had you
 16 ever seen any financial statements of the Stinson
 17 Canning Company?
 18 A. Not that I know of or remember.
 19 Q. Did you have any personal knowledge of the financial
 20 condition of the company at the time you sold your
 21 stock?
 22 A. No.
 23 Q. Had any representative of the company ever made a
 24 statement to you that the company was in poor financial
 25 condition?

Page 32

1 A. No.
 2 MS. DEBEVOISE: Okay. Why don't we take a
 3 minute, and we'll step outside.
 4 (A short recess was taken.)
 5 MS. DEBEVOISE: I have no further questions.
 6 Thank you.
 7 (The deposition was concluded at 3:16 p.m.)
 8 - - - - -

MARION LEONA FRANCIS ALLEY

11 Subscribed and sworn to before me
 12 this ____ day of _____, 1996.

Notary Public

17 Deposition Date: November 7, 1996
 Case Name: Francis, et al. v. Stinson, et al.

Page 33

CERTIFICATE

2 I, Kimberly B. Arsenault, a Notary Public in and
 3 for the State of Maine, hereby certify that the
 4 within-named deponent was sworn to testify the truth,
 5 the whole truth and nothing but the truth, in the
 6 aforementioned cause of action.

7 I further certify that this deposition was
 8 stenographically reported by me and later reduced to
 9 print through Computer-Aided Transcription, and the
 10 foregoing is a full and true record of the testimony
 11 given by the deponent.

12 I further certify that I am a disinterested
 13 person in the event or outcome of the above-named
 14 cause of action.

15 IN WITNESS WHEREOF I subscribe my hand and affix
 16 my seal this ____ day of _____, 1996. Dated at
 17 Falmouth, Maine.

Notary Public

My Commission Expires
 March 17, 2001.

STATE OF MAINE

HANCOCK, ss.

SUPERIOR COURT

Civil Action

Docket No. CV-95-127.

LOU ANN STINSON FRANCIS, et al.)

Plaintiffs)

V.)

CHARLES B. STINSON, et al.)

Defendants)

COPY

DEPOSITION OF DENNIS E. NORTON, CPA, taken
pursuant to agreement, at the offices of the Camden
Operations Center, Route 1, Rockport, Maine, on
June 5, 1998 & June 10, 1998, commencing at 10:13
A.M., before Kimberly B. Arsenault, RPR, a Notary Public
in and for the State of Maine.

APPEARANCES:

For the Plaintiffs:

SANDRA HYLANDER COLLIER, ESQ.
WILLIAM S. SILSBY, JR., ESQ.

For the Defendants:

KATE S. DEBEVOISE, ESQ.

1 earlier, oftentimes when you're dealing with an outside
2 party, you're going to have discounts applied and the
3 value would be decreased because the outside party is
4 not as willing to pay as much for the stock because of
5 the lack of control.

6 Q. The designation next states that in your opinion the
7 fair value of the Francis family stock on February 4,
8 1980 and the Wight family stock on February 10, 1982
9 was from 2.5 million to 3.333 million.

10 Is that still your opinion?

11 A. Yes. The actual number for the Francis family is a
12 little bit lower than that, but it's -- it's very close
13 to that number.

14 Q. All right. I'm next going to refer you to Exhibit 108
15 with regard to some of my questioning.

16 Okay. Would you identify Exhibit 108 for the
17 record?

18 A. Exhibit --

19 Q. Or have you already?

20 A. -- 108?

21 Q. Yes.

22 A. It's a compilation of work that I've done regarding the
23 valuation of the Francis and the Wight family stock and
24 the calculation of damages related to that stock.

25 Q. And on what date did you prepare these calculations?

1 Q. And why was that significant in your mind in
2 pinpointing that date as the date from which to
3 calculate interest?

4 A. That's the -- that is the -- the initial date from
5 which time the Francis family had agreed or had -- had
6 accepted \$700,000 for their share of the stock. And
7 from that point forward the difference that they
8 weren't paid on that stock would be -- they would
9 have -- that's when the interest would start to begin
10 to accrue in my opinion.

11 Q. Can you explain to the best of your ability the reason
12 for that?

13 A. The -- at the time that the Francis family entered into
14 their stock redemption agreement and was paid or agreed
15 to be paid the sum of \$700,000, at that time I
16 considered the fair market value in my opinion of that
17 stock to be 2,254,591. When you subtract what they
18 were actually paid, you come up to what is -- what is
19 due them. 1,554,591.

20 At that point I believe the Francis family is
21 entitled to interest at 8 percent annually compounded
22 daily from the date they entered into the stock
23 agreement until -- I used the June 4th date because
24 that was the -- at the time the most current date that
25 was available. I mean, I didn't want to go into the

COPY

STATE OF MAINE

HANCOCK, ss.

SUPERIOR COURT

Civil Action

Docket No. CV-95-127

LOU ANN STINSON FRANCIS, et al.,)

Plaintiffs)

V.)

CHARLES B. STINSON, et al.,)

Defendants)

DEPOSITION OF MAURICE J. BOUCHER, CPA, taken
pursuant to subpoena, at the offices of the deponent, at
163 Park Row, Brunswick, Maine, on January 21, 1996,
commencing at 10:04 A.M., before Kimberly B. Arsenault,
RPR, a Notary Public in and for the State of Maine.

APPEARANCES:

For the Plaintiffs:

WILLIAM S. SILSBY, ESQ.
SANDRA HYLANDER COLLIER, ESQ.

For the Defendants:

KATE S. DEBEVOISE, ESQ.

Also Present:

Ms. Lou Ann Francis
Ms. Eva Wight

1 about which I'm going to ask you a few questions. Many
2 of them I just want you to identify.

3 Would you please identify what has been marked
4 Deposition Exhibit 12? Tell us what it is.

5 A. It shows the tax joint return on two different
6 assumptions.

7 Q. And do these figures differ from the prior sheet of
8 such figures that we were looking at, do you recall?

9 A. I don't know.

10 (Discussion off the record.)

11 Q. I'm going to show you Deposition Exhibit 8 and ask you
12 if you can tell me whether there are any differences
13 between these two sets of figures?

14 A. No, there isn't. This number and this number is this
15 number and this number.

16 Q. Okay.

17 MR. SILSBY: I didn't get what he called that
18 exhibit.

19 MS. DEBEVOISE: 12.

20 MR. SILSBY: Yeah, but what he -- how did he
21 identify it? As what? I didn't get that.

22 THE DEPONENT: It's a summary of the taxes on the
23 basis of two different assumptions.

24 MR. SILSBY: Okay.

25 Q. All right. Would you identify what has been marked

1 Deposition Exhibit 13, which is titled Stinson Canning
2 Company Responses to Questions Propounded on Behalf of
3 the Wight Family Stockholders?

4 A. I believe this is a document that I probably took out
5 of Duane Fitzgerald's files.

6 Q. Did you go to Mr. Fitzgerald's office and look at his
7 file, or how did that work?

8 A. I believe I went to his office and looked at the file
9 at some point, yes.

10 Q. And what was your purpose in doing that?

11 A. I think I was trying to determine the basis of the
12 stock for tax purposes.

13 Q. Okay.

14 A. I don't know that this has anything to do with that,
15 but I would assume that it does.

16 Q. Would you tell us what Exhibit 14 is, which, for the
17 record, appear to be handwritten notes on stationery
18 from the desk of Calvin L. Stinson, Jr.?

19 MS. COLLIER: Can I just, after you've identified
20 them, look at them?

21 A. I believe this was information given to value Ellen's
22 stock for her estate.

23 Q. Do you know whose handwriting that is?

24 A. No, I don't.

25 Q. Okay. I'm next going to show you Deposition Exhibit

1 15, which appears to be a March 24, 1980 letter from
2 Robert Kruger of Peat Marwick Mitchell & Company to
3 Duane Fitzgerald, and ask you if you recall having seen
4 this document before?

5 A. Yes.

6 Q. And how does that document happen to be in your file?

7 A. Again, I picked that out of Mr. Fitzgerald's office
8 when I was working on the basis of the stock for the
9 Wights because they inherited Ellen's stock, and this
10 was the appraised value of the stock in Ellen's estate.

11 Q. Okay. And this letter provides the advice that one of
12 the families turned their stock into the company for
13 redemption?

14 A. No. This represents the price at which the stock in
15 Stinson Canning was valued in Ellen Wight's estate when
16 she died for death tax purposes.

17 Q. I'm not sure I understand you correctly because the
18 letter states, very recently one of the families turned
19 their stock into a company -- into a company for
20 redemption. The Class B Common stock was redeemed for
21 a price of \$2,991.95 per share, the Preferred stock was
22 redeemed for a price of \$50 per share. And it refers
23 to the price having been arrived at in an arm's length
24 transaction.

25 Doesn't this appear to refer to another family's

1 sale of stock to the company?

2 A. It does seem to refer to that, yes.

3 Q. All right. And is it your testimony that you were
4 using this information to arrive at the basis for Ellen
5 Wight's stock?

6 A. Not me. They used this to arrive at the basis of Ellen
7 Wight's stock. This had been done way before I was
8 involved, okay. Ellen Wight's stock -- she had died,
9 the stock went into her estate. She -- as a result of
10 her death, her stock went to her parents. Their basis
11 in that inheritance stock was the date of death value.
12 This is what was used for it.

13 Q. Okay. I'm next going to show you Exhibit 16 and ask
14 you to tell us what that document is.

15 A. It is a summary of stockholders in Stinson Canning and
16 when they acquired their stock, various family members.
17 I think they're all family members.

18 Q. And do you recall how you came into possession of that
19 document?

20 A. The same place these others came from. Mr.
21 Fitzgerald's file.

22 Q. And was there any particular use to which you
23 envisioned putting this information?

24 A. Just to come up with the numbers of shares of stock
25 owned by the Wight family would be the only reason I

1 would have that.

2 Q. Okay. Please take a look at Deposition Exhibit 17
3 titled Stinson Canning Company and Subsidiaries
4 Consolidated Financial Statements and Supplementary
5 Data Years Ended December 29, 1979 and December 30,
6 1978 and tell me how that document happens to be in
7 your file?

8 A. I'd say I probably took that out of Mr. Fitzgerald's
9 files at the same time I took the other stuff.

10 Q. And would you have had a particular purpose for taking
11 this information?

12 A. It could have been only curiosity. I don't know.

13 Q. Do you recall whether you reviewed these statements?

14 A. I'm sure I looked at them.

15 Q. Do you recall whether anything struck you as
16 inaccurate, false or misleading in these statements?

17 A. No, I didn't; no.

18 Q. Would you tell us what Deposition Exhibit 18 is, which
19 appears to be some handwritten notes labeled Ellen's at
20 the top?

21 A. I'm not sure.

22 Q. Is that your handwriting?

23 A. No.

24 Q. I'm next going to ask you to look at Deposition Exhibit
25 19 labeled Transmittal Sheet at the top with the name

1 of Eva Wight on the top, also, which appears to have --
2 well, let me ask you what it is.

3 A. That's our internal transmittal form.

4 Q. And what does it show?

5 A. It shows that we had a job to do for Eva Wight and
6 the job was tax advice and it came in on February 12,
7 1981 --

8 Q. Okay. So that --

9 A. -- and then it died.

10 Q. -- indicates that you had been contacted at least to
11 provide advice to the Wight family somewhat prior to
12 August of 1982, which I believe you earlier testified
13 was what you thought was the first date of contact?

14 A. Okay. And what I thought was -- done up the
15 amortization schedules is when I had done some other
16 work, that's all. Obviously I started in 1981.

17 Q. Okay. Do you think this was the first time you had
18 been contacted by the Wights?

19 A. More than likely. Otherwise we would have never had a
20 file without this form. That's how we get a file.

21 Q. Okay. I have had marked as Deposition Exhibit 20 a
22 number of yellow legal sized pages with handwritten
23 notes and figures on them, and I'm going to ask you if
24 you can sort of generically identify that group of
25 documents.

1 A. Work sheets and computations of projected taxes.

2 Q. With relation to what?

3 A. The sale of Stinson stock.

4 Q. And would you tell us what Exhibit 21 is?

5 A. Isn't that what we just started with?

6 Q. Well, I'll -- I think you're probably referring to --
7 are you referring to --

8 A. No. The very first one we -- after we started this.

9 Q. -- Deposition Exhibit 8 or --

10 A. No. The first one we looked at this session.

11 Q. Okay. Why don't we get that back.

12 MS. DEBEVOISE: And for the record, that is
13 Deposition Exhibit 12 that Mr. Boucher is referring to.

14 A. Okay. It's just an additional tax projection. This
15 uses a 13, this is a 10 percent.

16 Q. All right.

17 A. 10 compared to 13.

18 Q. Would you refer to the particular deposition exhibit
19 number and the particular figures with relation to the
20 exhibit?

21 A. Okay. Exhibit No. 21 is a comparison of the income tax
22 for Carl and Eva Wight on a sale -- comparing a sale of
23 2,000,000 at 10 percent with a sale of 7 -- 1,771,043
24 at 13 percent.

25 Q. Okay. Would you identify Exhibit 22?

1 A. Again, it's a work sheet of tax projections for --

2 Q. With respect to the Wights' sale of stock?

3 A. Yes, including the daughters.

4 Q. There seem to be a number of sets of different tax
5 projections among your materials. Was there any
6 particular reason that you did them on so many
7 different occasions?

8 A. I guess as different alternatives showed up we computed
9 the taxes on those assumptions. When those came about,
10 they were different.

11 Q. Would you please identify the group of yellow pages
12 with handwritten notes and figures which have been
13 marked Deposition Exhibit 23 as a group, if you can?

14 A. The first bunch is computing the gain on transactions.
15 Primarily computation of gain.

16 Q. And what is Deposition Exhibit 24?

17 A. This is the summary of the stock holdings by Eva's
18 family, Preferred and Common shares. Carl, Eva --
19 Ellen is deceased which became Carl and Eva's -- Carla
20 and Jean.

21 Q. At the top of the document it says E. Wight and there
22 is the phone number 442-7777. Do you know whose phone
23 number that is?

24 A. No, I don't.

25 Q. By the way, is this whole document prepared in your

1 handwriting?

2 A. Yes. It probably was the Wight Travel Service number.

3 Q. All right. Then there is the notation six children
4 received father's stock. Is that in your handwriting?

5 A. Yes.

6 Q. Do you know what that is a reference to?

7 A. I would say that was Mr. Stinson's six children
8 received his stock.

9 Q. And were you making that note as a result of something
10 Eva Wight was telling you in a telephone conversation?

11 A. Yes.

12 Q. All right. Then there is the comment sister sold
13 \$700,000 at 10 years 7 percent, 1980. Is that in your
14 handwriting?

15 A. Yes.

16 Q. Is that also a note you made as a result of advice from
17 Eva Wight?

18 A. I don't know if it's advice, but I'm sure that's where
19 it came from.

20 Q. Well, let me rephrase the question then.

21 Was that a note you made as a result of what you
22 were told on the telephone by Mrs. Wight?

23 A. Yes.

24 Q. Do you recall what she said about it?

25 A. No. She was just giving me this information.

1 Q. Would you identify the handwritten notes and figures on
2 the yellow sheets that have been marked Exhibit 25?

3 A. I'm not going to be able to do much with this by
4 itself.

5 Q. Can you describe what the documents are generally?

6 A. This is a formula for an amortization schedule with a
7 calculator, Texas instruments calculator. This is a
8 four-month payment. Number of payments, the amount of
9 the payment and the interest rate to come up with
10 present value. That's what this is.

11 Q. Well, let me ask you this question. Are these
12 documents --

13 A. I don't know what this is.

14 Q. -- that you prepared in connection with the work you
15 performed for the Wight family?

16 A. I would say yes.

17 Q. Okay.

18 A. And --

19 Q. We'll leave it at that.

20 A. -- out of context I don't know what they are.

21 Q. Okay. Would you tell us what Deposition Exhibit 26 is?

22 A. It seems to be a summary of that earlier typewritten
23 list of Stinson stockholders.

24 Q. Okay. And are you referring to Deposition Exhibit 16?

25 A. Yes.

1 Q. Is that your handwriting --

2 A. Yes.

3 Q. -- in Deposition Exhibit 26?

4 A. Yes.

5 Q. Do you know --

6 A. There is 50. The total of these is 50. So there is
7 the 50 and there is 50 and there is the 50. So this is
8 summarized here.

9 Q. Do you know why you would have made that summary?

10 A. I don't know why I made that summary. I do not know
11 why I made that summary.

12 Q. I'm next going to show you Deposition Exhibit 27 titled
13 1977 Annual Report, Stinson Canning Company, which has
14 in it a document titled Stinson Canning Company and
15 Subsidiary Stockholders Meeting, Friday June 9, 1978,
16 and ask you if you recall where you obtained these
17 documents?

18 A. I'm sure these came out of Mr. Fitzgerald's files.

19 Q. And, again, do you recall having any particular purpose
20 in retaining copies of those documents?

21 A. It could have been that I was gathering what
22 information I could in case I was asked to -- to come
23 up with a valuation of the stock, but I'm not saying
24 that I did or did not. But I might have been thinking
25 that this could come -- this question could come up,

1 and I -- and since I had access to this information I
2 grabbed it.

3 Q. Do you recall reviewing that information?

4 A. I remember looking at it.

5 Q. Do you recall forming the opinion that there is
6 anything inaccurate, false or misleading about that
7 annual report and the information contained in that
8 file?

9 A. No.

10 Q. In the back of that annual report was a yellow sheet
11 with handwritten notes which has been marked Deposition
12 Exhibit 28.

13 Can you tell me what that document is?

14 A. I have no idea.

15 Q. Is that your handwriting?

16 A. No, it is not.

17 Q. Okay. Could you identify Deposition Exhibit 29?

18 A. A note from Eva Wight to me in September of 1982.

19 Q. In this note Mrs. Wight asks, can you give me a
20 reasonably close estimate of how much money Stinson
21 Canning Company will be saving themselves in taxes by
22 paying us 17 percent interest rather than 13 percent?

23 Do you recall responding to that inquiry?

24 A. I only assume that I had to respond something.

25 Q. Do you recall whether any of the documents that you

1 testified about before had the answer to that question
2 in them?

3 A. No, I don't.

4 Q. Okay. Let me show you Deposition Exhibit 30 and ask
5 you if you can identify that document?

6 A. It's a letter that I received from Eva Wight.

7 Q. And it's date is October 20, 1982; is that correct?

8 A. Yes.

9 Q. And in this letter Mrs. Wight requests certain
10 information from you; is that correct?

11 A. Yes.

12 Q. And in the third -- fourth paragraph it states, I am
13 going to Prospect Harbor on Friday for a family wedding
14 and would like to have this information so to stay over
15 into the first of the week and present it to them then.
16 This needs to be wound up.

17 Do you recall providing Mrs. Wight with
18 particular information after receiving that letter?

19 A. I think this could have generated one of those
20 schedules we looked at earlier.

21 Q. One of the amortization schedules?

22 A. Yes.

23 Q. All right. I'm now going to show you Deposition
24 Exhibit 31, which is handwritten notes on two sides of
25 a page, the back page of which is on the stationery of

1 Wight Real Estate, and ask you first if you recall
2 having seen this document before?

3 A. Yes.

4 Q. Whose handwriting is this document in?

5 A. I do not know.

6 Q. Do you recall from whom you received the document?

7 A. Either Carl or Eva Wight.

8 Q. There is a lot of information about family members here
9 and their characteristics and stock ownership. Do you
10 recall the purpose that you were provided with this
11 information?

12 A. No.

13 I know why I was provided this information, to
14 compute who was going to get what.

15 Q. Now you're referring to the back --

16 A. The back page.

17 Q. I'm sorry, what has been -- what has been -- well, the
18 page on which the deposition sticker is attached?

19 A. Right.

20 Q. And there is a notation there about the Francis family
21 having just settled and sold entire family stock -- and
22 it sites the amounts of shares and types -- for
23 \$700,000 on delayed payment basis.

24 Do you recall having any discussion with either
25 Eva or -- or Carl Wight about that?

1 A. Nope.

2 Q. All right. There is also a note that says real and
3 realistic value of Preferred \$100, Common B \$10,000 per
4 C.L. --

5 A. Stinson.

6 Q. -- Stinson -- can you read that next word?

7 A. It looks like Sr..

8 Q. It looks like Sr..

9 Do you recall any discussion --

10 A. Nope.

11 Q. -- of that subject?

12 There is a notation at the bottom of the page
13 with the deposition sticker that says, present offer of
14 15,000,000 plus 3,000,000 interest made by Connors
15 Brothers, Limited of Canada being considered.

16 Do you recall being aware of that subject?

17 A. I don't recall being aware of that specifically.

18 Q. Do you recall any discussion of it by anybody?

19 A. No, I don't.

20 THE DEPONENT: I don't mean to speak soft.

21 Q. Do you recall -- do you have any recollection of when
22 you received this document?

23 A. No idea.

24 Q. Would you identify Deposition Exhibit 32?

25 A. It's -- this is a summary of the basis in the Stinson

Page 9

1 Q. Did you -- did you have any voting stock after the 1979
2 activities?
3 A. Not after they had redone the stock, no.
4 Q. I'd like to direct your attention to your sister Lou Ann
5 Francis -- I guess, before that, I'd like to ask you, was
6 there any point in time when it was made known to you that
7 the company allegedly was in financial distress?
8 A. Yes.
9 Q. When was that told to you?
10 A. I don't remember dates, but it had to be prior to Lou Ann
11 selling her stock because we had a -- word had come -- come
12 to me through my husband that there was trouble and that, you
13 know, that we should sell our stock or that was a thing that
14 we should sell our stock because if the company went under
15 then our children would be liable for all the inheritance and
16 spend the rest of their life paying it off. So that's when I
17 knew.
18 Q. Your husband told you that --
19 A. Yes.
20 Q. -- this was being said?
21 A. Mm-hmm.
22 Q. What did -- who did you understand was the source of that
23 information that your husband brought home?
24 A. Well, it has to be from Charlie and Trug because they're
25 president of the company and treasurer, I guess.

Page 10

1 Q. Incidentally, what was your husband's job at the company at
2 that time?
3 A. He was a salesman.
4 Q. Just for the sake of the record, is -- Trug is a nickname
5 for your brother Calvin?
6 A. Yes.
7 Q. So if you refer to Trug, you're referring to Calvin?
8 A. Yes.
9 Q. Okay. Thank you.
10 (Off the record comments.)
11 BY MS. COLLIER:
12 Q. Okay. Did you make a decision at that time, or shortly
13 thereafter, as to whether or not you wanted to sell your
14 stock?
15 A. Yes.
16 Q. What was your decision?
17 A. Well, we had discussed it and decided that we would stay
18 with the company.
19 Q. You and your husband?
20 A. Mm-hmm.
21 Q. What did your sister Lou Ann do?
22 A. She sold her stock.
23 Q. Did you ever have a discussion with Trug about Lou Ann's
24 sale of her stock?
25 A. It came up in a discussion, a phone call with him.

Page 11

1 Q. Do you know if that phone call occurred before or after
2 the subsequent sale of stock to the company by your sister
3 Eva?
4 A. It was before Eva sold her stock.
5 Q. And after Lou Ann had sold her's?
6 A. After or during. A price, I think, had been named.
7 Q. Would you tell us, please, what you recall at this time
8 about that conversation with your brother?
9 A. I had called to ask if we had wanted to sell our stock,
10 if we could sell it now, and I was told, no, that the company
11 could not pay any more than the two that already were going
12 to be paid. One was going to be, and my other sister was in
13 the process. And that, I believe, the words were said that
14 after they paid them then we could. And my statement was I
15 guess then we don't really have a choice, that we stay with
16 the company regardless.
17 And -- and somewhere in the conversation was -- let me
18 see, my sister Lou Ann -- there had to have been -- a price
19 had to have been asked of -- my older sister had asked a
20 price that had to be known because there was such a
21 difference between, and the conversation come up and they
22 said that if the company was sold, and for a lot more, and we
23 all got a lot more, then they would make the difference up to
24 my sister Lou Ann. And I said, oh, that's great. And that
25 was the conversation.

Page 12

1 Q. Who said that to you?
2 A. Trug -- Calvin, Junior.
3 Q. At any other time than what you have just told us about
4 did your brother Calvin make a similar statement to you?
5 A. There was one other time, and I don't recall the
6 circumstances. But there was one other time that it was
7 brought up.
8 Q. What, to the best of your recollection, was stated on the
9 subject at that time?
10 A. I don't recall -- I do recall the fact that I said I
11 think that's great and that's a wonderful thing to do, but I
12 don't recall anything else about it right now. I don't.
13 Q. Did your sister Lou Ann ever discuss this statement, or a
14 statement like it, with you herself?
15 A. A while afterwards -- I don't -- you know, a few years, I
16 think, afterwards or something, I don't recall. But there
17 was one time she had said that, and it had to be after my
18 conversation. I don't know when. But she had said that Trug
19 had said that to her, and I said, yes, I know that, he told
20 me that. But I don't know when. It had to be after the
21 fact, but I don't know what the circumstances were.
22 Q. Did either of your brothers ever discuss with you whether
23 or not Lou Ann could have held out for more money for her
24 family's stock?
25 A. There was conversation that she wanted to sell real bad

Page 13

1 And thought she had a good deal, and that line of thought
 2 that she had had a good -- that she was very anxious to get
 3 done and thought she had a good deal.
 4 Who told you that?
 5 A. I -- Calvin.
 6 Q. I'd like to ask you a few questions about your father in
 7 his later years. Were you close with your father up until
 8 the time of his death?
 9 A. I took care of him, mainly, for ten years -- excuse me --
 10 for about ten years. And then I was -- had the people come
 11 in and I filled in and did work with them. I was thought of
 12 as the administrator of his care.
 13 Q. In that -- from that position do you believe that you
 14 were familiar with his competency and what he was capable of
 15 doing and not doing --
 16 A. Yes.
 17 Q. -- during that time?
 18 A. Yes.
 19 Q. I'd like to direct your attention to 1989 and 1990.
 20 A. Mm-hmm.
 21 Q. Do you know whether or not your father was being asked to
 22 sign documents from time to time during those years?
 23 A. Yes, he was.
 24 Q. Do you know who was asking him to sign papers?
 25 My brother brought them -- Trug brought them in.

Page 14

1 And what, from your vantage point, was your father's
 2 medical and mental condition during 1989 and 1990?
 3 A. What do you want in that? Do you want a reaction to --
 4 I'll just ask --
 5 A. -- signing the papers, or his general health, or both?
 6 What do you --
 7 Q. Let me withdraw that --
 8 A. Okay.
 9 Q. -- and ask you a better question. Just in general terms,
 10 what was your father's condition during those years? Let's
 11 start with that.
 12 A. Surprisingly, very good. He had days that he wasn't
 13 rational, but he had a lot of days that he was very
 14 rational. He's inclined to have little MIAs I guess you'd
 15 call them, little spells where he'd kind of black out, you
 16 know -- not black out, he'd just -- loss of where he was, you
 17 know. But usually it came from, you know, when he was
 18 filling up with fluid or when he had been under stress.
 19 Other than that, you could make -- we read the paper to him
 20 everyday, and you could carry on a conversation with him.
 21 Q. In regards to these documents signing that you've told us
 22 about, what was your father's reaction to being asked to sign
 23 these documents, what have you, were being presented to him
 24 by his son, Trug?
 25 A. Upset him greatly. He would usually -- would have one

Page 15

1 of his little spells where he blanked out, and then he'd
 2 sleep a lot. And then he'd have loose bowels and it upset
 3 him physically as well as emotionally and mentally. And he
 4 used to -- sometimes he'd cry and said, what do they want? I
 5 have given everything. What do they want? He said, I got no
 6 more to give.
 7 Q. Did he ever indicate to you by anything he said that he
 8 did not know what he was signing?
 9 A. Yes.
 10 Q. What did he say?
 11 A. He just said, what do they want? I've got no more to
 12 give. I know he was -- nothing.
 13 Q. Had your -- did you ever see your father try to avoid
 14 meeting with either of your brothers during his last years?
 15 A. He never said so, but knowing him and watching him and
 16 being with him, yes, because I tested him to see if that was
 17 going on, to see what -- if what I was observing was the
 18 truth, what I thought it was. And so, in later years he got
 19 so that if he saw them coming, he would want to sit on the
 20 pot, and that's what he'd do.
 21 Q. Had your father ever made statements to you or in your
 22 presence over the years as to what his desire was in regards
 23 to ownership of the company? And in particular whether he
 24 wished ownership of the company to remain among his children,
 25 personally?

Page 16

1 A. Yes.
 2 Q. What had he said to that effect?
 3 A. That the running of it, the controlling part of it would
 4 be kept in the family of his children, and it would not go --
 5 that his sons-in-laws or his daughter-in-law would not have
 6 any power.
 7 Q. Over what period of years or in what year did you, to the
 8 best of your memory, hear him say that?
 9 A. He said it on occasion over the years, you know, since we
 10 were married, anyway.
 11 Q. After the reorganization of the company in 1979, did you
 12 at some point learn that control of the company had, in part,
 13 gone to individuals other than among just the children?
 14 A. I didn't know about it until after daddy passed on.
 15 died.
 16 Q. What did you learn then?
 17 A. That the voting stock that we didn't have went to our --
 18 my sister-in-laws.
 19 Q. Would be the wives of your two brothers?
 20 A. Mm-hmm.
 21 Q. Who did you rely on after your father more or less
 22 retired from active management of the company to protect your
 23 interests as a shareholder in the company?
 24 A. My brothers. You know, what other choice -- my
 25 brothers.

DONALD W. PHILBRICK
EDWARD F. DANA
COUNSEL

VERRILL & DANA

TWO CANAL PLAZA
P. O. BOX 586
PORTLAND, MAINE 04112
207/774-4000

DONALD L. PHILBRICK
ROGER A. PUTNAM
ROBERT B. WILLIAMSON, JR.
JOHN A. MITCHELL
LOUIS A. WOOD
JOHN W. PHILBRICK
JOHN L. SULLIVAN
PETER B. WEBSTER
HOWARD H. DANA, JR.
CHARLES R. OESTREICHER
MICHAEL T. HEALY
CHRISTOPHER J. W. COGGESHALL
CHARLES L. CRAGIN
THOMAS J. VAN MEER
ROBERT B. PATTERSON, JR.
BRUCE W. BERGEN
ROBERT A. MOORE
P. BENJAMIN ZUCKERMAN

January 25, 1980

YORK COUNTY OFFICE
207 324 7700
DEPOT ROAD
ALFRED, MAINE 04001

TELESCOPIER
207 774 4400

JOHN R. McKEARNAN, JR.
LEWIS D. EPSTEIN
JUDITH M. COBURN
CHRISTOPHER S. NEAGLE
DAVID C. HILLMAN
JOHN O. GUNCAN
ANDREW M. HORTON
WILLIAM S. HARWOOD
THOMAS A. PURINGTON
JAMES G. GOGGIN

Mr. Charles B. Stinson
President
Stinson Canning Company
Prospect Harbor, Maine 04669

Dear Charlie:

I am enclosing duplicate Stock Purchase Agreements for Lou Ann and Arnold, as well as their son, Arnold and daughter, Marion. In addition, I am enclosing original promissory notes to be delivered to each of them as part of the purchase.

I would suggest that you review the Agreements and if you are satisfied that we have made full discharge of the inquiries and offers received that you deliver one copy of each Agreement to Lou Ann. Lou Ann should be instructed to deliver to Arnold and her son, Arnold, and daughter, Marion, a copy of the Agreement covering their respective shares.

The Company warrants that the purchase of its stock does not violate any contract, such as a loan agreement. I reviewed the Federal Land Bank Association/Production Credit Association loan documents and they do not restrict the corporation's power to purchase its shares. I assume that there are no other loan or other agreements which might restrict its power. Should you have any reservation, we ought to review any other documents before you deliver the Agreements to Lou Ann.

Lastly, I have enclosed an amortization schedule illustrating the interest and principal installments which will be paid to

D 5603

000182

Mr. Charles B. Stinson
President

-2-

January 25, 1930

Lou Ann, Arnold, Arnold and Marion.

Very truly yours,

Thomas J. Van Meer

TJVM:ljb
Enclosures

D 5604

000183

000184

D 5605

Lou Ann		Arnold S.		Arnold G.		Marion L.	
<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
0	\$31,906.91	0	\$10,807.67	0	\$13,642.67	0	\$13,642.67
\$18,426.23	31,906.90	\$6,241.43	10,807.67	\$7,878.64	13,642.67	\$7,878.64	13,642.67
17,867.86	31,906.90	6,052.30	10,807.67	7,639.90	13,642.67	7,639.90	13,642.67
15,634.38	31,906.90	5,295.76	10,807.67	6,684.90	13,642.67	6,684.90	13,642.67
13,400.90	31,906.90	4,539.22	10,807.67	5,729.92	13,642.67	5,729.92	13,642.67
11,167.42	31,906.90	3,782.68	10,807.67	4,774.93	13,642.67	4,774.93	13,642.67
8,933.93	31,906.90	3,026.15	10,807.67	3,819.95	13,642.67	3,819.95	13,642.67
6,700.45	31,906.90	2,269.61	10,807.67	2,864.96	13,642.67	2,864.96	13,642.67
4,466.97	31,906.90	1,513.07	10,807.67	1,909.97	13,642.67	1,909.97	13,642.67
2,233.48	31,906.90	756.54	10,807.67	954.99	13,642.67	954.99	13,642.67

PROMISSORY NOTE

\$122,784.03

Prospect Harbor, Maine
, 1980

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Marion Francis the principal sum of One Hundred Twenty-Two Thousand Seven Hundred Eighty-Four Dollars and Three Cents (\$122,784.03) which sum shall be paid in nine (9) annual installments of Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67), together with interest on the unpaid principal balance at the rate of seven percent (7%) per annum; such payments to commence on January 2, 1981, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company reserves for itself and any party liable herefor, the right to pay at any time the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____
Its President

and _____
Its Treasurer

D 5606

000185

PROMISSORY NOTE

\$122,784.03

Prospect Harbor, Maine
, 1980

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Arnold G. Francis the principal sum of One Hundred Twenty-Two Thousand Seven Hundred Eighty-Four Dollars and Three Cents (\$122,784.03) which sum shall be paid in nine (9) annual installments of Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67), together with interest on the unpaid principal balance at the rate of seven percent (7%) per annum; such payments to commence on January 2, 1981, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company reserves for itself and any party liable herefor, the right to pay at any time the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____
Its President

and _____
Its Treasurer

D 5607

000186

PROMISSORY NOTE

\$287,162.10

Prospect Harbor, Maine
1980

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Lou Ann Francis the principal sum of Two Hundred Eighty-Seven Thousand One Hundred Sixty-Two Dollars and Ten Cents (\$287,162.10) which sum shall be paid in nine (9) annual installments of Thirty-One Thousand Nine Hundred Six Dollars and Ninety Cents (\$31,906.90), together with interest on the unpaid principal balance at the rate of seven percent (7%) per annum; such payments to commence on January 2, 1981, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company reserves for itself and any party liable herefor, the right to pay at any time the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____

Its President

and _____

Its Treasurer

D 5608

000187

PROMISSORY NOTE

\$ 97,269.03

Prospect Harbor, Maine
, 1980

revised

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Arnold S. Francis the principal sum of Ninety-Seven Thousand Two Hundred Sixty-Nine Dollars and Three Cents (\$97,269.03) which sum shall be paid in nine (9) annual installments of ~~Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67)~~, together with interest on the unpaid principal balance at the rate of seven percent (7%) per annum; such payments to commence on January 2, 1981, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company reserves for itself and any party liable herefor, the right to pay at any time the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____
Its President

and _____
Its Treasurer

\$ 10,807.67

D 5609

000188

STOCK PURCHASE AGREEMENT

THIS AGREEMENT made this day of , 1980, by and between ARNOLD S. FRANCIS of Milbridge, Maine (the "Seller") and STINSON CANNING COMPANY, a Maine Corporation with its principal place of business in Prospect Harbor, Maine (the "Company").

W I T N E S S E T H:

WHEREAS, the Seller owns 33.081 shares of Class B Common Stock, \$100.00 par value, and 182 shares of the Nonvoting Noncumulative Preferred Stock, \$100.00 par value of the Company; and

WHEREAS, the Seller has requested that the Company purchase all of its stock owned by him; and

WHEREAS, the Company is willing to purchase all of its stock owned by Seller on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Sale of Stock in the Company by Seller. On the Closing Date specified in Section 3 hereof, Seller will tender for sale, and the Company will purchase from Seller, 33.081 shares of Class B Common Stock, \$100.00 par value ("Common Stock") and 182 shares of the Nonvoting, Noncumulative Preferred Stock, \$100.00 par value ("Preferred Stock") of the Company for the consideration specified in Section 2 hereof.

2. Purchase Price and Payment.

(a) Purchase Price. The purchase price shall be Two Thousand Nine Hundred Ninety-One Dollars and Ninety-Five Cents (\$2,991.95) for each share of Common Stock and Fifty Dollars (\$50.00) for each share of Preferred Stock, for an aggregate purchase price of One Hundred Eight Thousand Seventy-Six Dollars and Seventy Cents (\$108,076.70).

(b) Payment. The aggregate purchase price for the Common Stock and the Preferred Stock shall be paid by the Company to the Seller on the Closing Date as follows:

(i) Down Payment. The Company shall pay the Seller, as the down payment on account of the aggregate purchase

D 5610

price, by certified or cashier's check payable to the order of the Seller, the sum of Ten Thousand Eight Hundred Seven Dollars and Sixty-Seven Cents (\$10,807.67).

(ii) Promissory Note. The Company shall deliver to the Seller its promissory note in the form and containing the terms and conditions set forth in Exhibit A hereto ("Note") in the face amount of Ninety-Seven Thousand Two Hundred Sixty-Nine Dollars and Three Cents (\$97,269.03).

3. Closing Date. The Closing Date for the purchase and sale as described in Section 1 shall take place at the principal office of the Company, Prospect Harbor, Maine, at 10:00 a.m. on February 1, 1980, or at such other date, time and place as may be agreed to in writing by the parties. The closing will be effected by the delivery of the following:

(a) By Seller to the Company, certificates for the Common Stock and Preferred Stock, duly endorsed in blank or with all required stock powers duly executed.

(b) By Company to Seller, a certified or bank cashier's check payable to the order of Seller in the amount of Ten Thousand Eight Hundred Seven Dollars and Sixty-Seven Cents (\$10,807.67).

(c) By Company to Seller, the Note in the amount of Ninety-Seven Thousand Two Hundred Sixty-Nine Dollars and Three Cents (\$97,269.03).

4. Disclosure.

(a) Inquiries and Offers. The Seller has been advised that the officers and directors of the Company have, from time to time, received inquiries with regard to the possible acquisition of the outstanding stock or assets of the Company and its subsidiaries. The written inquiries received since July 1, 1978, include those received from:

(i) International Multifoods Corporation, by letter dated July 18, 1978, see Exhibit B attached;

(ii) Curtice-Burns, Inc., by letter dated October 24, 1978, see Exhibit C attached;

D 5611

(iii) Gibbons, Green & Rice, Ltd., by letter dated March 7, 1979, see Exhibit D attached, to which C. L. Stinson, Jr., replied by letter dated March 8, 1979, see Exhibit E attached;

(iv) Clorox Company, by letter dated April 23, 1979, see Exhibit F attached, to which Charles B. Stinson replied by letter dated May 3, 1979, see Exhibit G attached.

(v) Koenig Associates, Inc., by letters dated May 16, 1979, and October 26, 1979, see Exhibits H and I attached;

(vi) Consolidated Foods Corporation, by letter dated May 16, 1979, see Exhibit J attached;

(vii) Booth Fisheries, by letter dated July 24, 1979, see Exhibit K attached;

(viii) A. Donald Grosset, Jr., by letters dated July 20, 1979, and August 6, 1979, see Exhibits L and M attached;

(ix) Hanson Industries, by letters dated May 22, 1979, July 6, 1979, and August 14, 1979, see Exhibits N, O and P attached;

(x) Niederhoffer, Cross & Zeckhauser, Inc., by letter dated August 28, 1979, see Exhibit Q attached;

(xi) ConAgra, Inc., by letter dated September 7, 1979, see Exhibit R attached;

(xii) Kidder, Peabody & Co., by letter dated October 4, 1979, see Exhibit S attached.

(xiii) Western Companies, Inc., by letter dated October 8, 1979, see Exhibit T attached, to which Charles B. Stinson replied by letter dated October 17, 1979, see Exhibit U attached;

(xiv) Star Kist Foods, Inc., by letter dated November 14, 1979, see Exhibit V attached.

In addition, the Seller is aware that the officers and directors of the Company have recently received two (2) offers to purchase the outstanding stock of the Company and its subsidiaries and one (1) offer to acquire the assets of the Company. These offers were received from:

D 5612

(i) Katy Industries, Inc., proposed \$15,000,000.00 purchase price by letter dated August 15, 1979, see Exhibit W attached;

(ii) Connors Bros. Limited, proposed \$16,100,000.00 purchase price by letter dated October 26, 1979, see Exhibit X attached;

(iii) Rosenkranz & Company, two proposals between \$11,000,000.00 and \$16,000,000.00 by letter dated November 28, 1979, see Exhibit Y attached.

(b) Seller's Representations. Seller hereby acknowledges and represents that:

(i) The Company, through its President and Treasurer, has made available to him the opportunity to ask questions of, and receive answers from, the Company concerning inquiries and/or offers from third parties with regard to the purchase of the outstanding stock or assets of the Company and its subsidiaries and to obtain any additional information, to the extent the Company possesses such information or can acquire it with reasonable effort or expense, necessary to verify the accuracy of the information given to him;

(ii) The purchase and sale contemplated by Section 1 was initiated by him and the price for his Common Stock and Preferred Stock, as well as the other terms of this Agreement, were determined as a result of good faith negotiation between the Board of Directors of the Company and him;

(iii) The other shareholders of the Company may, at some future date, agree to sell the outstanding stock or substantially all of the assets of the Company and its subsidiaries at a per share price in excess of that realized by him; and

(iv) The purchase price of \$108,076.70 is accepted as full payment in consideration for his Common Stock and Preferred Stock.

5. The Company's Warranties. The Company warrants and represents to the Seller as follows:

(a) The execution, delivery and performance of this Agreement by the Company have been duly authorized by all necessary corporate action on the part of the Company.

D 5613

(b) The consolidated statements attached hereto as Exhibit Z have been prepared in accordance with generally accepted accounting principles. Exhibit Z-1, "Unaudited Financial Statement for the period ending December 29, 1979" is an unaudited approximation of the result of operations during the fiscal year ended December 29, 1979, neither the truth or accuracy of which is warranted or represented in any manner, or to any extent by the Company.

6. Seller's Warranties. The Seller represents and warrants to the Company as follows:

(a) He is the owner of the number of shares of Common Stock and Preferred Stock set forth in Section 1 of this Agreement, free, clear and discharged of, and from, any and all claims, liens, security interests and encumbrances whatsoever.

(b) He has full power, right and authority to enter into and perform this Agreement and the absolute and unrestricted right to sell, transfer and convey her Common Stock and Preferred Stock to the Company pursuant to this Agreement.

7. Survival of Warranties and Representations. All representations and warranties made herein shall survive the Closing Date and thereafter continue in full force and effect.

8. Applicable Law. The terms of this Agreement shall be construed and determined in accordance with the laws of the State of Maine.

9. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Seller and his executors, administrators, personal representatives, heirs, successors and assigns, and shall bind and inure to the benefit of the Company and its successors and assigns.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, and the Seller has hereunto set his hand and seal, all the day and year first above written.

D 5614

Signed, Sealed and Delivered
in the Presence of:

STINSON CANNING COMPANY

By _____
Its President

And _____
Its Treasurer

Arnold S. Francis

D 5615

-5-

000194

PROMISSORY NOTE

\$ 97,269.03

Prospect Harbor, Maine
, 1980

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Arnold S. Francis the principal sum of Ninety-Seven Thousand Two Hundred Sixty-Nine Dollars and Three Cents (\$97,269.03) which sum shall be paid in nine (9) annual installments of Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67), together with interest on the unpaid principal balance at the rate of seven percent (7%) per annum; such payments to commence on January 2, 1981, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company reserves for itself and any party liable herefor, the right to pay at any time the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____
Its Presidentand _____
Its Treasurer

D 5616

000195

STOCK PURCHASE AGREEMENT

THIS AGREEMENT made this day of , 1980, by and between MARION L. FRANCIS of Milbridge, Maine (the "Seller") and STINSON CANNING COMPANY, a Maine Corporation with its principal place of business in Prospect Harbor, Maine (the "Company").

W I T N E S S E T H:

WHEREAS, the Seller owns 33.081 shares of Class B Common Stock, \$100.00 par value, and 749 shares of the Nonvoting Noncumulative Preferred Stock, \$100.00 par value of the Company; and

WHEREAS, the Seller has requested that the Company purchase all of its stock owned by her; and

WHEREAS, the Company is willing to purchase all of its stock owned by Seller on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Sale of Stock in the Company by Seller. On the Closing Date specified in Section 3 hereof, Seller will tender for sale, and the Company will purchase from Seller, 33.081 shares of Class B Common Stock, \$100.00 par value ("Common Stock") and 749 shares of the Nonvoting, Noncumulative Preferred Stock, \$100.00 par value ("Preferred Stock") of the Company for the consideration specified in Section 2 hereof.

2. Purchase Price and Payment.

(a) Purchase Price. The purchase price shall be Two Thousand Nine Hundred Ninety-One Dollars and Ninety-Five Cents (\$2,991.95) for each share of Common Stock and Fifty Dollars (\$50.00) for each share of Preferred Stock, for an aggregate purchase price of One Hundred Thirty-Six Thousand Four Hundred Twenty-Six Dollars and Seventy Cents (\$136,426.70).

(b) Payment. The aggregate purchase price for the Common Stock and the Preferred Stock shall be paid by the Company to the Seller on the Closing Date as follows:

(i) Down Payment. The Company shall pay the Seller, as the down payment on account of the aggregate purchase

D 5617

price, by certified or cashier's check payable to the order of the Seller, the sum of Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67).

(ii) Promissory Note. The Company shall deliver to the Seller its promissory note in the form and containing the terms and conditions set forth in Exhibit A hereto ("Note") in the face amount of One Hundred Twenty-Two Thousand Seven Hundred Eighty-Four Dollars and Three Cents (\$122,784.03).

3. Closing Date. The Closing Date for the purchase and sale as described in Section 1 shall take place at the principal office of the Company, Prospect Harbor, Maine, at 10:00 a.m. on February 1, 1980, or at such other date, time and place as may be agreed to in writing by the parties. The closing will be effected by the delivery of the following:

(a) By Seller to the Company, certificates for the Common Stock and Preferred Stock, duly endorsed in blank or with all required stock powers duly executed.

(b) By Company to Seller, a certified or bank cashier's check payable to the order of Seller in the amount of Thirteen Thousand Six Hundred Forty-Two dollars and Sixty-Seven Cents (\$13,642.67).

(c) By Company to Seller, the Note in the amount of One Hundred Twenty-Two Thousand Seven Hundred Eighty-Four Dollars and Three Cents (\$122,784.03).

4. Disclosure.

(a) Inquiries and Offers. The Seller has been advised that the officers and directors of the Company have, from time to time, received inquiries with regard to the possible acquisition of the outstanding stock or assets of the Company and its subsidiaries. The written inquiries received since July 1, 1978, include those received from:

(i) International Multifoods Corporation, by letter dated July 18, 1978, see Exhibit B attached;

(ii) Curtice-Burns, Inc., by letter dated October 24, 1978, see Exhibit C attached;

D 5618

(iii) Gibbons, Green & Rice, Ltd., by letter dated March 7, 1979, see Exhibit D attached, to which C. L. Stinson, Jr., replied by letter dated March 3, 1979, see Exhibit E attached;

(iv) Clorox Company, by letter dated April 23, 1979, see Exhibit F attached, to which Charles B. Stinson replied by letter dated May 3, 1979, see Exhibit G attached.

(v) Koenig Associates, Inc., by letters dated May 16, 1979, and October 26, 1979, see Exhibits H and I attached;

(vi) Consolidated Foods Corporation, by letter dated May 16, 1979, see Exhibit J attached;

(vii) Booth Fisheries, by letter dated July 24, 1979, see Exhibit K attached;

(viii) A. Donald Grosset, Jr., by letters dated July 20, 1979, and August 6, 1979, see Exhibits L and M attached;

(ix) Hanson Industries, by letters dated May 22, 1979, July 6, 1979, and August 14, 1979, see Exhibits N, O and P attached;

(x) Niederhoffer, Cross & Zackhauser, Inc., by letter dated August 28, 1979, see Exhibit Q attached;

(xi) ConAgra, Inc., by letter dated September 7, 1979, see Exhibit R attached;

(xii) Kidder, Peabody & Co., by letter dated October 4, 1979, see Exhibit S attached.

(xiii) Western Companies, Inc., by letter dated October 8, 1979, see Exhibit T attached, to which Charles B. Stinson replied by letter dated October 17, 1979, see Exhibit U attached;

(xiv) Star Kist Foods, Inc., by letter dated November 14, 1979, see Exhibit V attached.

In addition, the Seller is aware that the officers and directors of the Company have recently received two (2) offers to purchase the outstanding stock of the Company and its

D 5619

subsidiaries and one (1) offer to acquire the assets of the Company. These offers were received from:

(i) Katy Industries, Inc., proposed \$15,000,000.00 purchase price by letter dated August 15, 1979, see Exhibit W attached;

(ii) Connors Bros. Limited, proposed \$16,100,000.00 purchase price by letter dated October 26, 1979, see Exhibit X attached;

(iii) Rosenkranz & Company, two proposals between \$11,000,000.00 and \$16,000,000.00 by letter dated November 23, 1979, see Exhibit Y attached.

(b) Seller's Representations. Seller hereby acknowledges and represents that:

(i) The Company, through its President and Treasurer, has made available to her the opportunity to ask questions of, and receive answers from, the Company concerning inquiries and/or offers from third parties with regard to the purchase of the outstanding stock or assets of the Company and its subsidiaries and to obtain any additional information, to the extent the Company possesses such information or can acquire it with reasonable effort or expense, necessary to verify the accuracy of the information given to her;

(ii) The purchase and sale contemplated by Section 1 was initiated by her and the price for her Common Stock and Preferred Stock, as well as the other terms of this Agreement, were determined as a result of good faith negotiation between the Board of Directors of the Company and her;

(iii) The other shareholders of the Company may, at some future date, agree to sell the outstanding stock or substantially all of the assets of the Company and its subsidiaries at a per share price in excess of that realized by her; and

(iv) The purchase price of \$136,426.70 is accepted as full payment in consideration for her Common Stock and Preferred Stock.

5. The Company's Warranties. The Company warrants and represents to the Seller as follows:

(a) The execution, delivery and performance of this Agreement by the Company have been duly authorized by all

D 5620

necessary corporate action on the part of the Company.

(b) The consolidated statements attached hereto as Exhibit Z have been prepared in accordance with generally accepted accounting principles. Exhibit Z-1, "Unaudited Financial Statement for the period ending December 29, 1979" is an unaudited approximation of the result of operations during the fiscal year ended December 29, 1979, neither the truth or accuracy of which is warranted or represented in any manner, or to any extent by the Company.

6. Seller's Warranties. The Seller represents and warrants to the Company as follows:

(a) She is the owner of the number of shares of Common Stock and Preferred Stock set forth in Section 1 of this Agreement, free, clear and discharged of, and from, any and all claims, liens, security interests and encumbrances whatsoever.

(b) She has full power, right and authority to enter into and perform this Agreement and the absolute and unrestricted right to sell, transfer and convey her Common Stock and Preferred Stock to the Company pursuant to this Agreement.

7. Survival of Warranties and Representations. All representations and warranties made herein shall survive the Closing Date and thereafter continue in full force and effect.

8. Applicable Law. The terms of this Agreement shall be construed and determined in accordance with the laws of the State of Maine.

9. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Seller and her executors, administrators, personal representatives, heirs, successors and assigns, and shall bind and inure to the benefit of the Company and its successors and assigns.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, and the Seller has hereunto set her hand and seal, all the day and year first above written.

D 5621

Signed, Sealed and Delivered
in the Presence of:

STINSON CANNING COMPANY

By _____
Its President

And _____
Its Treasurer

Marion L. Francis

D 5622

-3-

000201

PROMISSORY NOTE

\$122,784.03

Prospect Harbor, Maine
1980

FOR VALUE RECEIVED, the undersigned Stinson Canning Company, promises to pay to the order of Marion Francis the principal sum of One Hundred Twenty-Two Thousand Seven Hundred Eighty-Four Dollars and Three Cents (\$122,784.03) which sum shall be paid in nine (9) annual installments of Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67), together with interest on the unpaid principal balance at the rate of seven percent (7%) per annum; such payments to commence on January 2, 1981, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company reserves for itself and any party liable herefor, the right to pay at any time the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____
Its Presidentand _____
Its Treasurer

D 5623

000202

STOCK PURCHASE AGREEMENT

THIS AGREEMENT made this day of , 1980, by and between LOU ANN FRANCIS of Milbridge, Maine (the "Seller") and STINSON CANNING COMPANY, a Maine Corporation with its principal place of business in Prospect Harbor, Maine (the "Company").

W I T N E S S E T H:

WHEREAS, the Seller owns 103.601 shares of Class B Common Stock, \$100.00 par value, and 182 shares of the Nonvoting Noncumulative Preferred Stock, \$100.00 par value of the Company; and

WHEREAS, the Seller has requested that the Company purchase all of its stock owned by her; and

WHEREAS, the Company is willing to purchase all of its stock owned by Seller on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Sale of Stock in the Company by Seller. On the Closing Date specified in Section 3 hereof, Seller will tender for sale, and the Company will purchase from Seller, 103.601 shares of Class B Common Stock, \$100.00 par value ("Common Stock") and 182 shares of the Nonvoting, Noncumulative Preferred Stock, \$100.00 par value ("Preferred Stock") of the Company for the consideration specified in Section 2 hereof.

2. Purchase Price and Payment.

(a) Purchase Price. The purchase price shall be Two Thousand Nine Hundred Ninety-One Dollars and Ninety-Five Cents (\$2,991.95) for each share of Common Stock and Fifty Dollars (\$50.00) for each share of Preferred Stock, for an aggregate purchase price of Three Hundred Nineteen Thousand Sixty-Nine Dollars and One Cent (\$319,069.01).

(b) Payment. The aggregate purchase price for the Common Stock and the Preferred Stock shall be paid by the Company to the Seller on the Closing Date as follows:

(i) Down Payment. The Company shall pay the Seller, as the down payment on account of the aggregate purchase price, by certified or cashier's check payable to the order of the Seller, the sum of Thirty-One Thousand Nine Hundred Six Dollars and Ninety-One Cents (\$31,906.91).

(ii) Promissory Note. The Company shall deliver to the Seller its promissory note in the form and containing the terms and conditions set forth in Exhibit A hereto ("Note") in the face amount of Two Hundred Eighty-Seven Thousand One Hundred Sixty-Two Dollars and Ten Cents (\$287,162.10).

3. Closing Date. The Closing Date for the purchase and sale as described in Section 1 shall take place at the principal office of the Company, Prospect Harbor, Maine, at 10:00 a.m. on February 1, 1980, or at such other date, time and place as may be agreed to in writing by the parties. The closing will be effected by the delivery of the following:

(a) By Seller to the Company, certificates for the Common Stock and Preferred Stock, duly endorsed in blank or with all required stock powers duly executed.

(b) By Company to Seller, a certified or bank cashier's check payable to the order of Seller in the amount of Thirty-One Thousand Nine Hundred Six Dollars and Ninety-one Cents (\$31,906.91).

(c) By Company to Seller, the Note in the amount of Two Hundred Eighty-Seven Thousand One Hundred Sixty-two Dollars and Ten Cents (\$287,162.10).

4. Disclosure.

(a) Inquiries and Offers. The Seller has been advised that the officers and directors of the Company have, from time to time, received inquiries with regard to the possible acquisition of the outstanding stock or assets of the Company and its subsidiaries. The written inquiries received since July 1, 1978, include those received from:

(i) International Multifoods Corporation, by letter dated July 18, 1978, see Exhibit B attached;

(ii) Curtice-Burns, Inc., by letter dated October 24, 1978, see Exhibit C attached;

(iii) Gibbons, Green & Rice, Ltd., by letter dated March 7, 1979, see Exhibit D attached, to which C. L. Stinson, Jr., replied by letter dated March 8, 1979, see Exhibit E attached;

(iv) Clorox Company, by letter dated April 23, 1979, see Exhibit F attached, to which Charles B. Stinson replied by letter dated May 3, 1979, see Exhibit G attached.

(v) Koenig Associates, Inc., by letters dated May 16, 1979, and October 26, 1979, see Exhibits H and I attached;

(vi) Consolidated Foods Corporation, by letter dated May 16, 1979, see Exhibit J attached;

(vii) Booth Fisheries, by letter dated July 24, 1979, see Exhibit K attached;

(viii) A. Donald Grosset, Jr., by letters dated July 20, 1979, and August 6, 1979, see Exhibits L and M attached;

(ix) Hanson Industries, by letters dated May 22, 1979, July 6, 1979, and August 14, 1979, see Exhibits N, O and P attached;

(x) Niederhoffer, Cross & Zeckhauser, Inc., by letter dated August 28, 1979, see Exhibit Q attached;

(xi) ConAgra, Inc., by letter dated September 7, 1979, see Exhibit R attached;

(xii) Kidder, Peabody & Co., by letter dated October 4, 1979, see Exhibit S attached.

(xiii) Western Companies, Inc., by letter dated October 8, 1979, see Exhibit T attached, to which Charles B. Stinson replied by letter dated October 17, 1979, see Exhibit U attached;

(xiv) Star Kist Foods, Inc., by letter dated November 14, 1979, see Exhibit V attached.

In addition, the Seller is aware that the officers and directors of the Company have recently received two (2) offers to purchase the outstanding stock of the Company and its

subsidiaries and one (1) offer to acquire the assets of the Company. These offers were received from:

(i) Katy Industries, Inc., proposed \$15,000,000.00 purchase price by letter dated August 15, 1979, see Exhibit W attached;

(ii) Connors Bros. Limited, proposed \$16,100,000.00 purchase price by letter dated October 26, 1979, see Exhibit X attached;

(iii) Rosenkranz & Company, two proposals between \$11,000,000.00 and \$16,000,000.00 by letter dated November 28, 1979, see Exhibit Y attached.

(b) Seller's Representations. Seller hereby acknowledges and represents that:

(i) The Company, through its President and Treasurer, has made available to her the opportunity to ask questions of, and receive answers from, the Company concerning inquiries and/or offers from third parties with regard to the purchase of the outstanding stock or assets of the Company and its subsidiaries and to obtain any additional information, to the extent the Company possesses such information or can acquire it with reasonable effort or expense, necessary to verify the accuracy of the information given to her;

(ii) The purchase and sale contemplated by Section 1 was initiated by her and the price for her Common Stock and Preferred Stock, as well as the other terms of this Agreement, were determined as a result of good faith negotiation between the Board of Directors of the Company and her;

(iii) The other shareholders of the Company may, at some future date, agree to sell the outstanding stock or substantially all of the assets of the Company and its subsidiaries at a per share price in excess of that realized by her; and

(iv) The purchase price of \$319,069.01 is accepted as full payment in consideration for her Common Stock and Preferred Stock.

5. The Company's Warranties. The Company warrants and represents to the Seller as follows:

(a) The execution, delivery and performance of this Agreement by the Company have been duly authorized by all

D 5627

necessary corporate action on the part of the Company.

(o) The consolidated statements attached hereto as Exhibit Z have been prepared in accordance with generally accepted accounting principles. Exhibit Z-1, "Unaudited Financial Statement for the period ending December 29, 1979" is an unaudited approximation of the result of operations during the fiscal year ended December 29, 1979, neither the truth or accuracy of which is warranted or represented in any manner, or to any extent by the Company.

6. Seller's Warranties. The Seller represents and warrants to the Company as follows:

(a) She is the owner of the number of shares of Common Stock and Preferred Stock set forth in Section 1 of this Agreement, free, clear and discharged of, and from, any and all claims, liens, security interests and encumbrances whatsoever.

(b) She has full power, right and authority to enter into and perform this Agreement and the absolute and unrestricted right to sell, transfer and convey her Common Stock and Preferred Stock to the Company pursuant to this Agreement.

7. Survival of Warranties and Representations. All representations and warranties made herein shall survive the Closing Date and thereafter continue in full force and effect.

8. Applicable Law. The terms of this Agreement shall be construed and determined in accordance with the laws of the State of Maine.

9. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Seller and her executors, administrators, personal representatives, heirs, successors and assigns, and shall bind and inure to the benefit of the Company and its successors and assigns.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, and the Seller has hereunto set her hand and seal, all the day and year first above written.

D 5628

Signed, Sealed and Delivered
in the Presence of:

STINSON CANNING COMPANY

By _____
Its President

And _____
Its Treasurer

Lou Ann Francis

D 5629

-3-

000208

PROMISSORY NOTE

\$287,162.10

Prospect Harbor, Maine
, 1980

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Lou Ann Francis the principal sum of Two Hundred Eighty-Seven Thousand One Hundred Sixty-Two Dollars and Ten Cents (\$287,162.10) which sum shall be paid in nine (9) annual installments of Thirty-One Thousand Nine Hundred Six Dollars and Ninety Cents (\$31,906.90), together with interest on the unpaid principal balance at the rate of seven percent (7%) per annum; such payments to commence on January 2, 1981, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company reserves for itself and any party liable herefor, the right to pay at any time the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____
Its Presidentand _____
Its Treasurer

STOCK PURCHASE AGREEMENT

THIS AGREEMENT made this day of , 1980, by and between ARNOLD G. FRANCIS of Milbridge, Maine (the "Seller") and STINSON CANNING COMPANY, a Maine Corporation with its principal place of business in Prospect Harbor, Maine (the "Company").

W I T N E S S E T H:

WHEREAS, the Seller owns 33.018 shares of Class B Common Stock, \$100.00 par value, and 749 shares of the Nonvoting Noncumulative Preferred Stock, \$100.00 par value of the Company; and

WHEREAS, the Seller has requested that the Company purchase all of its stock owned by him; and

WHEREAS, the Company is willing to purchase all of its stock owned by Seller on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Sale of Stock in the Company by Seller. On the Closing Date specified in Section 3 hereof, Seller will tender for sale, and the Company will purchase from Seller, 33.018 shares of Class B Common Stock, \$100.00 par value ("Common Stock") and 749 shares of the Nonvoting, Noncumulative Preferred Stock, \$100.00 par value ("Preferred Stock") of the Company for the consideration specified in Section 2 hereof.

2. Purchase Price and Payment.

(a) Purchase Price. The purchase price shall be Two Thousand Nine Hundred Ninety-One Dollars and Ninety-Five Cents (\$2,991.95) for each share of Common Stock and Fifty Dollars (\$50.00) for each share of Preferred Stock, for an aggregate purchase price of One Hundred Thirty Six Thousand Four Hundred Twenty-Six Dollars and Seventy Cents (\$136,426.70).

(b) Payment. The aggregate purchase price for the Common Stock and the Preferred Stock shall be paid by the Company to the Seller on the Closing Date as follows:

(i) Down Payment. The Company shall pay the Seller, as the down payment on account of the aggregate purchase

D 5631

price, by certified or cashier's check payable to the order of the Seller, the sum of Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67).

(ii) Promissory Note. The Company shall deliver to the Seller its promissory note in the form and containing the terms and conditions set forth in Exhibit A hereto ("Note") in the face amount of One Hundred Twenty-Two Thousand Seven Hundred Eighty-Four Dollars and Three Cents (\$122,784.03).

3. Closing Date. The Closing Date for the purchase and sale as described in Section 1 shall take place at the principal office of the Company, Prospect Harbor, Maine, at 10:00 a.m. on February 1, 1980, or at such other date, time and place as may be agreed to in writing by the parties. The closing will be effected by the delivery of the following:

(a) By Seller to the Company, certificates for the Common Stock and Preferred Stock, duly endorsed in blank or with all required stock powers duly executed.

(b) By Company to Seller, a certified or bank cashier's check payable to the order of Seller in the amount of Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67).

(c) By Company to Seller, the Note in the amount of One Hundred Twenty-Two Thousand Seven Hundred Eighty-Four Dollars and Three Cents (\$122,784.03).

4. Disclosure.

(a) Inquiries and Offers. The Seller has been advised that the officers and directors of the Company have, from time to time, received inquiries with regard to the possible acquisition of the outstanding stock or assets of the Company and its subsidiaries. The written inquiries received since July 1, 1978, include those received from:

(i) International Multifoods Corporation, by letter dated July 18, 1978, see Exhibit B attached;

(ii) Curtice-Burns, Inc., by letter dated October 24, 1978, see Exhibit C attached;

(iii) Gibbons, Green & Rice, Ltd., by letter dated March 7, 1979, see Exhibit D attached, to which C. L. Stinson, Jr., replied by letter dated March 8, 1979, see Exhibit E attached;

(iv) Clorox Company, by letter dated April 23, 1979, see Exhibit F attached, to which Charles B. Stinson replied by letter dated May 3, 1979, see Exhibit G attached.

(v) Koenig Associates, Inc., by letters dated May 16, 1979, and October 26, 1979, see Exhibits H and I attached;

(vi) Consolidated Foods Corporation, by letter dated May 16, 1979, see Exhibit J attached;

(vii) Booth Fisheries, by letter dated July 24, 1979, see Exhibit K attached;

(viii) A. Donald Grosset, Jr., by letters dated July 20, 1979, and August 6, 1979, see Exhibits L and M attached;

(ix) Hanson Industries, by letters dated May 22, 1979, July 6, 1979, and August 14, 1979, see Exhibits N, O and P attached;

(x) Niederhoffer, Cross & Zackhauser, Inc., by letter dated August 28, 1979, see Exhibit Q attached;

(xi) ConAgra, Inc., by letter dated September 7, 1979, see Exhibit R attached;

(xii) Kidder, Peabody & Co., by letter dated October 4, 1979, see Exhibit S attached.

(xiii) Western Companies, Inc., by letter dated October 8, 1979, see Exhibit T attached, to which Charles B. Stinson replied by letter dated October 17, 1979, see Exhibit U attached;

(xiv) Star Kist Foods, Inc., by letter dated November 14, 1979, see Exhibit V attached.

In addition, the Seller is aware that the officers and directors of the Company have recently received two (2) offers to purchase the outstanding stock of the Company and its

subsidiaries and one (1) offer to acquire the assets of the Company. These offers were received from:

(i) Katy Industries, Inc., proposed \$15,000,000.00 purchase price by letter dated August 15, 1979, see Exhibit W attached;

(ii) Connors Bros. Limited, proposed \$16,100,000.00 purchase price by letter dated October 26, 1979, see Exhibit X attached;

(iii) Rosenkranz & Company, two proposals between \$11,000,000.00 and \$16,000,000.00 by letter dated November 28, 1979, see Exhibit Y attached.

(b) Seller's Representations. Seller hereby acknowledges and represents that:

(i) The Company, through its President and Treasurer, has made available to him the opportunity to ask questions of, and receive answers from, the Company concerning inquiries and/or offers from third parties with regard to the purchase of the outstanding stock or assets of the Company and its subsidiaries and to obtain any additional information, to the extent the Company possesses such information or can acquire it with reasonable effort or expense, necessary to verify the accuracy of the information given to him;

(ii) The purchase and sale contemplated by Section 1 was initiated by him and the price for his Common Stock and Preferred Stock, as well as the other terms of this Agreement, were determined as a result of good faith negotiation between the Board of Directors of the Company and him;

(iii) The other shareholders of the Company may, at some future date, agree to sell the outstanding stock or substantially all of the assets of the Company and its subsidiaries at a per share price in excess of that realized by him; and

(iv) The purchase price of \$136,426.70 is accepted as full payment in consideration for his Common Stock and Preferred Stock.

5. The Company's Warranties. The Company warrants and represents to the Seller as follows:

(a) The execution, delivery and performance of this Agreement by the Company have been duly authorized by all

necessary corporate action on the part of the Company.

(b) The consolidated statements attached hereto as Exhibit Z have been prepared in accordance with generally accepted accounting principles. Exhibit Z-1, "Unaudited Financial Statement for the period ending December 29, 1979" is an unaudited approximation of the result of operations during the fiscal year ended December 29, 1979, neither the truth or accuracy of which is warranted or represented in any manner, or to any extent by the Company.

6. Seller's Warranties. The Seller represents and warrants to the Company as follows:

(a) He is the owner of the number of shares of Common Stock and Preferred Stock set forth in Section 1 of this Agreement, free, clear and discharged of, and from, any and all claims, liens, security interests and encumbrances whatsoever.

(b) He has full power, right and authority to enter into and perform this Agreement and the absolute and unrestricted right to sell, transfer and convey her Common Stock and Preferred Stock to the Company pursuant to this Agreement.

7. Survival of Warranties and Representations. All representations and warranties made herein shall survive the Closing Date and thereafter continue in full force and effect.

8. Applicable Law. The terms of this Agreement shall be construed and determined in accordance with the laws of the State of Maine.

9. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Seller and his executors, administrators, personal representatives, heirs, successors and assigns, and shall bind and inure to the benefit of the Company and its successors and assigns.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, and the Seller has hereunto set her hand and seal, all the day and year first above written.

D 5635

-5-

000214

Signed, Sealed and Delivered
in the Presence of:

STINSON CANNING COMPANY

By _____
Its President

And _____
Its Treasurer

Arnold G. Francis

D 5636

-6-

000215

PROMISSORY NOTE

\$122,784.03

Prospect Harbor, Maine
, 1980

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Arnold G. Francis the principal sum of One Hundred Twenty-Two Thousand Seven Hundred Eighty-Four Dollars and Three Cents (\$122,784.03) which sum shall be paid in nine (9) annual installments of Thirteen Thousand Six Hundred Forty-Two Dollars and Sixty-Seven Cents (\$13,642.67), together with interest on the unpaid principal balance at the rate of seven percent (7%) per annum; such payments to commence on January 2, 1981, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company reserves for itself and any party liable herefor, the right to pay at any time the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

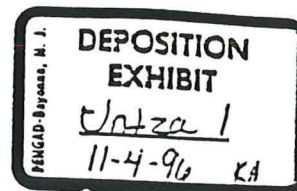
STINSON CANNING COMPANY

By _____
Its Presidentand _____
Its Treasurer

D 5637

000216

STOCK PURCHASE AGREEMENT



THIS AGREEMENT made this 10th day of February, 1983, by and between CARLA WIGHT INTZA (the "Seller") and STINSON CANNING COMPANY, a Maine corporation with its principal place of business in Prospect Harbor, Maine (the "Company").

W I T N E S S E T H :

WHEREAS, the Seller owns 28.081 shares of Class B Common Stock, \$100.00 par value, and 549 shares of Nonvoting, Noncumulative Preferred Stock, \$100.00 par value of the Company; and

WHEREAS, the Seller has requested that the Company purchase all of its stock owned by her; and

WHEREAS, the Company is willing to purchase all of its stock owned by Seller on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Sale of Stock in the Company by Seller. On the Closing Date specified in Section 3 hereof, Seller will tender for sale, and the Company will purchase from Seller, 28.081 shares of Class B Common Stock, \$100.00 par value ("Common Stock") and 549 shares of Nonvoting, Noncumulative Preferred Stock, \$100.00 par value ("Preferred Stock") of the Company for the consideration specified in Section 2 hereof.

2. Purchase Price and Payment.

(a) Purchase Price. The purchase price shall be Eight Thousand Eight Hundred Eighty-Three Dollars and Eighteen Cents (\$8,883.18) for each share of Common Stock and Fifty Dollars (\$50.00) for each share of Preferred Stock, for an aggregate purchase price of Two Hundred Seventy-Six Thousand Eight Hundred and Ninety-Nine Dollars (\$276,899.00).

(b) Payment. The aggregate purchase price for the Common Stock and the Preferred Stock shall be paid by the Company to the Seller on the Closing Date as follows:

(i) Down Payment. The Company shall pay the Seller, as the down payment on account of the aggregate purchase price, by certified or cashier's check payable to the order of the Seller, the sum of Twenty-Seven Thousand Six Hundred Eighty-Nine Dollars and Ninety Cents (\$27,689.90).

(ii) Promissory Note. The Company shall deliver to the Seller its promissory note in the form and containing the terms and conditions set forth in Exhibit A hereto ("Note") in the face amount of Two Hundred Forty-Nine Thousand Two Hundred Nine Dollars and Ten Cents (\$249,209.10)

3. Closing Date. The Closing Date for the purchase and sale as described in Section 1 shall take place at the principal office of the Company, Prospect Harbor, Maine, at 10:00 a.m. on February 25, 1983, or at such other date, time and place as may be agreed to by the parties. The closing will be effected by the delivery of the following:

(a) By Seller to the Company, certificates for the Common Stock and Preferred Stock, duly endorsed in blank or with all required stock powers duly executed.

(b) By Company to Seller, a certified or bank cashier's check payable to the order of Seller in the amount of Twenty-Seven Thousand Six Hundred Eighty-Nine Dollars and Ninety Cents (\$27,689.90).

(c) By Company to Seller, the Note in the amount of Two Hundred Forty-Nine Thousand Two Hundred Nine Dollars and Ten Cents (\$249,209.10).

4. Seller's Warranties. The Seller represents and warrants to the Company as follows:

(a) She is the owner of the number of shares of Common Stock and Preferred Stock set forth in Section 1 of this Agreement, free, clear and discharged of, and from, any and all claims, liens, security interests and encumbrances whatsoever

(b) She has full power, right and authority to enter into and perform this Agreement and the absolute and unrestricted right to sell, transfer and convey her Common Stock and Preferred Stock to the Company pursuant to this Agreement.

(c) She does not own, directly or indirectly, or hold any beneficial interest in any stock issued by the Company other than the shares of Common Stock and Preferred Stock identified in Section 1.

The above representations and warranties shall survive the Closing Date and shall thereafter continue in full force and effect.

5. Applicable Law. The terms of this Agreement shall be construed and determined in accordance with the laws of the State of Maine.

6. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Seller and her executors, administrators, personal representatives, heirs, successors and assigns, and shall bind and inure to the benefit of the Company and its successors and assigns.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, and the Seller has hereunto set her hand and seal, all the day and year first above written.

Witness:

STINSON CANNING COMPANY

Edna F. Litch

By Charles P. Stinson
Its President

Edna F. Litch

And John P. Stinson Jr.
Its Treasurer

Flora E. Litch

Carla Wight Intza
Carla Wight Intza Feb 14, 1961

000219

PROMISSORY NOTE

\$249,209.10

Prospect Harbor, Maine

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Carla Wight Intza the principal sum of Two Hundred Forty-Nine Thousand Two Hundred Nine Dollars and Ten Cents (\$249,209.10), which sum shall be paid in nine (9) annual installments of Twenty-Seven Thousand Six Hundred Eighty-Nine Dollars and Ninety Cents (\$27,689.90), together with interest on the unpaid principal balance at the rate of thirteen percent (13%) per annum; such payments to commence on January 2, 1984, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company shall have the right to pay at anytime the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

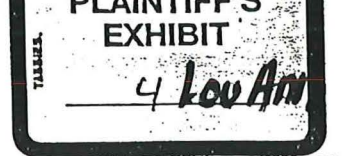
By _____
Its PresidentAnd _____
Its Treasurer

000220

David N. Fisher, Jr.
Forace W. Horton
in B. Emory
thur A. Cerullo
James B. Barnes

Elaine L. Clark
thleen S. Campbell

DRUMMOND & DRUMMOND
COUNSELORS AT LAW
ONE MONUMENT WAY
P. O. BOX 15216
PORTLAND, MAINE 04101
207-774-0317



William B. Drummond (1885-1979)

Josiah H. Drummond
Peter W. Greenleaf
of Counsel

July 12, 1990

Mr. Charles B. Stinson
HCR 60, Box 62
Prospect Harbor, Maine 04669

Re: Calvin L. Stinson
Quitclaim Release Deeds

Dear Charlie:

Enclosed are two original deeds for your father's signature,
"538/99" being the parcel originally containing 37 acres, and the
second being the "Reservoir" parcel.

Both deeds need to be notarized, dated, and signed. The green
Declarations of Value need to be dated in Sections 7 and 11 (the
signature box) and signed.

Please return both to me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Elaine".

Elaine L. Clark
Attorney at Law

ELC/fl
Enclosures
E712.1

000221

D 586

CALVIN L. STINSON of Prospect Harbor, Gouldsboro, Hancock County, Maine, for consideration paid, releases to SST & S, INC., successor to STINSON CANNING COMPANY, a Maine corporation having a place of business in Prospect Harbor, Gouldsboro, Hancock County, Maine, a certain lot or parcel of land, situated in that part of the Town of Gouldsboro, Hancock County, known as the Village of Prospect Harbor and bounded and described as follows:

Beginning on the Western Shore of Prospect Harbor in said Gouldsboro at the Southeast Corner of or bounds of a lot of land deeded to Captain Daniel Noonan now deceased, and running West by said Noonan's land to the Southwest corner bounds of the same; thence South forty rods to the Northwest corner bound of a lot of land deeded to Joseph C. Ward; thence East by said Ward's land to the shore; thence Northerly by the shore to the bound first mentioned; containing thirty-seven and three-fourths (37 3/4) acres, more or less, together with all buildings thereon.

EXCEPTING 3.87 acres as conveyed by Stinson Canning Company to Stinson Seafood Company, L.P., by deed recorded in the Hancock County Registry of Deeds; and all other out-conveyances of record.

Reference is made to a deed from Raymond D. Bickford to J.W. Stinson & Son dated October 23, 1917, and recorded in said Registry of Deeds in Book 538, Page 99.

Witness my hand and seal this _____ day of _____, 1990.

Witness:

Calvin L. Stinson

STATE OF MAINE
Hancock County

_____, 1990

Personally appeared the above named Calvin L. Stinson and acknowledged before me the foregoing instrument to be his free act and deed.

Notary Public

Print or type name as signed:

Date Commission Expires:

Seal:

STINSON CANNING COMPANY

RESPONSES TO QUESTIONS PROPOUNDED
ON BEHALF OF THE WIGHT FAMILY STOCKHOLDERS

1. Salary and Bonuses

1976

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Charles B. Stinson	\$42,000	\$25,000
Calvin L. Stinson, Jr.	\$42,000	\$25,000
K. Richard Trenholm	\$34,000	\$18,750
Dana R. Stratton	\$34,000	\$18,750

1977

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Charles B. Stinson	\$67,000	\$25,000
Calvin L. Stinson, Jr.	\$67,000	\$25,000
K. Richard Trenholm	\$52,750	\$18,750
Dana R. Stratton	\$52,750	\$18,750

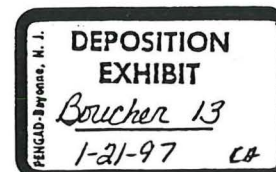
1978

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Charles B. Stinson	\$67,000	\$25,000
Calvin L. Stinson, Jr.	\$67,000	\$25,000
K. Richard Trenholm	\$52,750	\$18,750
Dana R. Stratton	\$52,750	\$18,750

1979

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Charles B. Stinson	\$96,750	\$25,000
Calvin L. Stinson, Jr.	\$83,750	\$25,000
K. Richard Trenholm	\$65,938	\$18,750
Dana R. Stratton	\$65,938	\$18,750

000223



WELFARE BENEFIT PLANS

A. Group Health Insurance

<u>Employee</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Charles B. Stinson	\$218.52	\$250.65	\$301.50	\$549.30
Calvin L. Stinson, Jr.	\$218.52	\$250.65	\$301.50	\$549.30
K. Richard Trenholm	\$218.52	\$250.65	\$301.50	\$605.22
Dana R. Stratton	\$218.52	\$250.65	\$301.50	\$549.30

B. Group Life Insurance

<u>Employee</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Charles B. Stinson	\$5,580.00	\$5,580.00	\$5,580.00	\$5,580.00
Calvin L. Stinson, Jr.	\$6,402.00	\$6,402.00	\$6,402.00	\$6,402.00
K. Richard Trenholm	\$3,698.00	\$3,698.00	\$5,068.00	\$4,735.00
Dana R. Stratton	\$2,654.00	\$2,654.00	\$3,465.00	\$3,166.00

C. Disability Insurance

<u>Employee</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Charles B. Stinson	\$1,720.00	\$1,720.00	\$1,720.00	\$1,720.00
Calvin L. Stinson, Jr.	\$1,963.00	\$1,963.00	\$1,963.00	\$1,963.00
K. Richard Trenholm	\$2,162.00	\$2,162.00	\$2,162.00	\$2,162.00
Dana R. Stratton	\$931.00	\$931.00	\$931.00	\$931.00

D. Split-Dollar Life Insurance

<u>Employee</u>	<u>1979</u>
Charles B. Stinson	\$3,280.00
Calvin L. Stinson, Jr.	\$4,245.00

2. Profit-Sharing Plan Contributions

<u>Participant</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Charles B. Stinson	\$14,799.82	\$14,868.30	\$14,787.15	\$19,609.00
Calvin L. Stinson, Jr.	\$12,799.82	\$14,995.64	\$14,958.90	\$17,963.00
K. Richard Trenholm	\$9,987.64	\$11,344.02	\$11,601.71	\$13,436.00
Dana R. Stratton	\$9,987.64	\$11,132.19	\$11,167.75	\$13,187.00

Pension Plan Contributions

The Company adopted an integrated defined benefit pension plan in December, 1977. Separate accounts are not maintained for participants, rather the contributions and earnings are held in an unallocated account.

<u>Year</u>	<u>Company Contribution on Behalf of All Participants</u>
1977	\$47,183.07
1978	\$53,143.56
1979	\$47,334.63

3. Company-Owned Life Insurance

Information regarding the life insurance policies owned by the Company is set forth in Exhibit 1 attached hereto. In addition to the policies identified in Exhibit 1, the Company owns a Northwestern Policy (No. 5292240) insuring the life of Carlton Wight in the face amount of \$50,000.00.

4. Accounting and Audit Fees

<u>Firm</u>	<u>Year</u>	<u>Amount</u>
Peat, Marwick, Mitchell & Co.	1976	\$28,787.00
Peat, Marwick, Mitchell & Co.	1977	\$36,299.00
Peat, Marwick, Mitchell & Co.	1978	\$41,275.00
Peat, Marwick, Mitchell & Co.	1979	\$62,432.00*

*Interim audit work was performed for the first time. Of the total fee, \$18,600.00 is properly attributable to 1980.

5. Legal Fees (Reflected on a Cash Basis)

A. 1976

<u>Firm</u>	<u>Amount</u>
Verrill & Dana	\$16,090.64
Hyzer, Knight & Lund	\$362.18
Philips & Lineburg	\$130.00
James L. Neal, Esq.	\$211.18

B. 1977

<u>Firm</u>	<u>Amount</u>
Verrill & Dana	\$15,700.09
Hyzer, Knight & Lund	\$135.00
Strout, Payson, Pellicani & Cloutier	\$1,422.50

C. 1978

<u>Firm</u>	<u>Amount</u>
Verrill & Dana	\$17,498.09
James L. Neal, Esq.	\$26.15

D. 1979

<u>Firm</u>	<u>Amount</u>
Verrill & Dana	\$15,993.45
Bingham, Dana & Gould	\$362.61
Hyzer, Knight & Lund	\$152.33

6. Travel Expenses

Separate travel expense accounts were not maintained during the period 1976 - 1978. The total travel expenses paid by the Company during 1976 - 1978 is set forth below. Separate accounts were maintained in 1979 and are summarized below:

A. 1976

<u>Travel Expenses Incurred by</u>	<u>Total Amount</u>
Charles B. Stinson, Calvin L. Stinson, Jr., K. Richard Trenholm, Willard Colson, Dieter W. Schnauack, Roger Haymon, Robert White, Arthur Haskell	\$30,948.63

B. 1977

<u>Travel Expenses Incurred by</u>	<u>Total Amount</u>
Charles B. Stinson, Calvin L. Stinson, Jr., K. Richard Trenholm, Dana R. Stratton, Dieter W. Schnuack, Roger Haymon, and Arthur Haskell	\$37,576.83

C. 1978

<u>Travel Expenses Incurred by</u>	<u>Total Amount</u>
Charles B. Stinson, Calvin L. Stinson, Jr., K. Richard Trenholm, Dana R. Stratton, Dieter W. Schnauack, Roger Haymon, and Larry Founder	\$37,631.12

D. 1979

<u>Employee</u>	<u>Travel</u>	<u>Meals</u>	<u>Lodging</u>	<u>Other</u>
Charles B. Stinson	\$3,146.11	\$782.21	\$1,552.15	\$191.33
Calvin L. Stinson, Jr.	\$2,886.40	\$350.00	\$1,293.91	81.00
K. Richard Trenholm	\$5,902.68	\$3,344.22	\$2,955.82	\$456.58
Dana R. Stratton	\$468.90	\$334.20	\$214.79	0

7. Related Party Transactions

None

8. Related Employees

<u>Employee</u>	<u>Compensation</u>			
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Anthony D. Stratton	\$3,328.51	\$6,465.24	\$7,396.94	\$8,077.23
Dana R. Stratton, Jr.	0	\$110.11	\$53.00	\$8,213.77
Jane M. Stratton	0	\$1,062.03	0	0
Robert Stratton	0	0	0	\$1,079.89
Jay T. Trenholm	0	\$249.84	\$6,259.51	\$3,482.07
Kenneth R. Trenholm, Jr.	\$2,571.85	\$11,290.85	\$12,702.77	\$14,112.83

9. Self-Insurance

None

10. Production Credit Association

A copy of the July 9, 1980, letter of Richard D. Robertson, Credit Supervisor, Federal Land Bank Association and Farmers Production Credit Association of Southern Maine is attached hereto as Exhibit 2.

11. Accounts Payable - Officers

Each officer's compensation (salary and bonus) is credited to a drawing account which is adjusted to reflect withdrawals and disbursements. The entry "Accounts Payable - Officers" reflects the credit balances in the drawing accounts.



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

P.O. Box 507
Two Canal Plaza
Portland, Maine 04112

March 24, 1980

RECEIVED

MAR 26 1980

FITZGERALD, DONOVAN,
CONLEY & DAY

Duane D. Fitzgerald, Esq.
Fitzgerald, Donovan, Conley & Day
746 High Street
Bath, Maine 04530

Dear Mr. Fitzgerald:

You need information concerning the value of the stock of Stinson Canning Company.

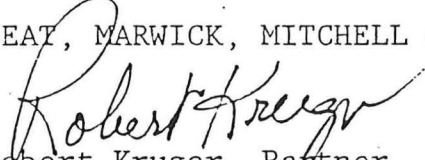
Very recently one of the families turned their stock into a company for redemption. The Class B common stock was redeemed for a price of \$2,991.95 per share. The preferred stock was redeemed for a price of \$50 per share.

There have been no other recent transactions in this stock and the price was arrived at in an arm's-length transaction. Therefore, that price should represent the value of the stock.

Should you have any questions concerning this, please do not hesitate to call.

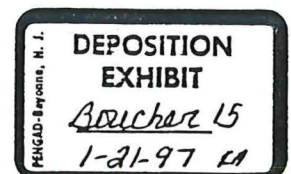
Very truly yours,

PEAT, MARWICK, MITCHELL & CO.


Robert Kruger, Partner

RK:TF

000229

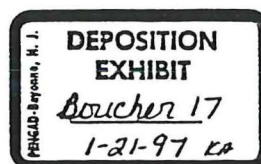


STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Financial Statements
and Supplementary Data

Years ended December 29, 1979
and December 30, 1978

(With Accountants' Report Thereon)



000230

P.O. Box 507
Two Canal Plaza
Portland, Maine 04112

 Peat, Marwick, Mitchell & Co.

The Board of Directors and Stockholders
Stinson Canning Company:

We have examined the consolidated balance sheets of Stinson Canning Company and subsidiaries as of December 29, 1979 and December 30, 1978, and the related consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the consolidated financial position of Stinson Canning Company and subsidiaries at December 29, 1979 and December 30, 1978 and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

The examinations referred to above were directed primarily toward formulating an opinion on the consolidated financial statements of Stinson Canning Company and subsidiaries taken as a whole. The supplementary data included in schedules 1 through 3 are presented for supplementary analysis purposes and are not necessary for a fair presentation of the consolidated financial position and results of operations and changes in financial position of Stinson Canning Company and subsidiaries. The supplementary data have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are stated fairly in all material respects only when considered in conjunction with the financial statements taken as a whole.

Peat, Marwick, Mitchell & Co.

February 26, 1980

STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Balance Sheets

December 29, 1979 and December 30, 1978

<u>Assets</u>	<u>1979</u>	<u>1978</u>
Current assets:		
Cash and cash equivalents	\$ 151,849	267,448
Short-term investments	617,548	-
Current portion of mortgage note receivable (note 3)	-	22,667
Accounts receivable:		
Trade	1,708,275	1,511,728
Other	62,229	72,188
Total accounts receivable	<u>1,770,504</u>	<u>1,583,916</u>
Inventories (note 2):		
Canned sardines	6,227,125	4,898,807
Other inventories	2,912,297	2,320,434
Total inventories	<u>9,139,422</u>	<u>7,219,241</u>
Prepaid expenses and other current assets	235,540	195,727
Total current assets	<u>11,914,863</u>	<u>9,288,999</u>
Concurrent mortgage note receivable (note 3)	-	226,666
Net property, plant and equipment (note 4)	<u>7,708,337</u>	<u>5,498,303</u>
Other assets:		
Cash surrender value of life insurance, net of policy loans of \$250,601 in 1979 and \$169,990 in 1978	7,176	56,510
Covenant not-to-compete, net of amortization	-	25,835
Miscellaneous	164,579	6,652
Total other assets	<u>171,755</u>	<u>88,997</u>
	<u>\$ 19,794,955</u>	<u>15,102,965</u>

See accompanying notes to consolidated financial statements.

000232

<u>Liabilities and Stockholders' Equity</u>	<u>1979</u>	<u>1978</u>
Current liabilities:		
Current portion of long-term debt	\$ 207,324	13,427
Accounts payable:		
Trade	756,543	387,932
Officers	186,300	66,372
Accrued expenses	665,485	596,509
Income taxes	786,212	629,524
Total current liabilities	<u>2,601,864</u>	<u>1,693,764</u>
Deferred income taxes (note 5)	<u>300,024</u>	<u>289,024</u>
Long-term debt (note 6)	<u>1,910,159</u>	<u>187,171</u>
Stockholders' equity (note 8):		
\$9 noncumulative preferred stock, \$100 par value, liquidation value at par. Authorized 12,500 shares; issued 11,971 shares	1,197,100	1,197,100
Common stock, Class A voting. Authorized 500 shares; issued 200 shares	20,000	20,000
Common stock, Class B nonvoting. Authorized 1,200 shares; issued 1,153.63 shares	115,363	115,363
Additional paid-in capital	33,968	33,968
	<u>1,366,431</u>	<u>1,366,431</u>
Retained earnings:		
Appropriated for self-insurance	4,000,000	4,000,000
Unappropriated	9,616,477	7,566,575
Total retained earnings	<u>13,616,477</u>	<u>11,566,575</u>
Total stockholders' equity	<u>14,982,908</u>	<u>12,933,006</u>
Commitments (notes 6, 8, 10 and 11)		
	\$ <u>19,794,955</u>	<u>15,102,965</u>

000233

STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Earnings and Retained Earnings

Years ended December 29, 1979 and December 30, 1978

	<u>1979</u>	<u>1978</u>
Net sales	\$ 22,415,307	19,651,649
Cost of sales (note 2)	<u>14,621,070</u>	<u>12,418,233</u>
Gross profit	<u>7,794,237</u>	<u>7,233,416</u>
Selling, general and administrative expenses:		
Selling	2,370,798	2,031,005
General and administrative	<u>1,408,071</u>	<u>1,227,764</u>
	<u>3,778,869</u>	<u>3,258,769</u>
Operating income	<u>4,015,368</u>	<u>3,974,647</u>
Other income (expenses):		
Interest	44,140	129,344
Gain on sale of equipment	2,445	1,875
Interest expense	(103,311)	(34,671)
Other	<u>(43,798)</u>	<u>21,812</u>
	<u>(100,524)</u>	<u>118,360</u>
Earnings before income taxes	3,914,844	4,093,007
Income taxes (note 5)	<u>1,841,000</u>	<u>1,993,039</u>
Net earnings	2,073,844	2,099,968
Retained earnings, beginning of year	11,566,575	9,490,549
Less preferred stock dividends; \$2.00 per share	<u>23,942</u>	<u>23,942</u>
Retained earnings, end of year	\$ <u>13,616,477</u>	<u>11,566,575</u>
Net earnings per share (note 7)	\$ <u>1.514.38</u>	<u>1.533.67</u>

See accompanying notes to consolidated financial statements.

STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

Years ended December 29, 1979 and December 30, 1978

	<u>1979</u>	<u>1978</u>
Funds provided:		
Net earnings	\$ 2,073,844	2,099,968
Add charges (credits) against income not using (providing) funds:		
Depreciation and amortization	865,256	868,084
Deferred income tax expense	11,000	83,039
Gain on sale of equipment	(2,445)	(1,875)
Funds provided from operations	<u>2,947,655</u>	<u>3,049,216</u>
Other funds provided:		
Decrease in mortgage notes receivable	226,666	22,667
Proceeds from sale of equipment	6,650	2,225
Loans on cash value of life insurance	80,611	(1,007)
Addition of long-term debt	<u>1,737,186</u>	-
Total funds provided	<u>4,998,768</u>	<u>3,073,101</u>
Funds used:		
Additions to property, plant and equipment	3,053,660	1,542,776
Increase in other assets	157,927	-
Reduction of long-term debt	14,198	13,418
Dividends paid on preferred stock	23,942	23,942
Increase in cash value of life insurance	<u>31,277</u>	<u>30,192</u>
Total funds used	<u>3,281,004</u>	<u>1,610,328</u>
Increase in working capital	\$ <u>1,717,764</u>	<u>1,462,773</u>
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash and cash equivalents	(115,599)	(480,358)
Short-term investments	617,548	-
Current portion of mortgage note receivable	(22,667)	-
Accounts receivable	186,588	255,132
Inventories	1,920,181	1,888,081
Prepaid expenses and other current assets	39,813	10,972
Decrease (increase) in current liabilities:		
Current portion of long-term debt	(193,897)	(1,007)
Accounts payable	(488,539)	134,853
Accrued expenses	(68,976)	(133,791)
Income taxes	<u>(156,688)</u>	<u>(211,109)</u>
Increase in working capital	\$ <u>1,717,764</u>	<u>1,462,773</u>

See accompanying notes to consolidated financial statements.

STINSON CANNING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 29, 1979 and December 30, 1978

1. Summary of Significant Accounting Policies

Statement Presentation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Seiners and Trawl Company, Deep Sea Trawlers Company and Offshore Trawler Company. All material intercompany accounts and transactions have been eliminated in consolidation.

Line of Business

The Company is in the fish canning and processing business, principally sardines, fish steaks and fillets, and sells to nationally known grocery retailers. The Company's three wholly owned subsidiaries own and operate fishing vessels used in supplementing the Company's sources of fish.

Inventories

Inventories of canned sardines, cans and covers and other raw materials and supplies are valued at the lower of cost using principally the last-in, first-out method or market.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed on assets using lives ranging from 3 to 33 years. The Company computes depreciation using a combination of straight-line and accelerated depreciation methods for financial reporting purposes.

It is Company policy not to carry fire insurance coverage on plants and equipment used in production, but to appropriate part of retained earnings for such loss contingencies. Generally accepted accounting principles do not allow losses of this nature to be charged directly against appropriated retained earnings. Consequently, should any fire losses occur in the future, such losses will be charged against earnings in the year the loss occurs.

(Continued)

STINSON CANNING COMPANY
AND SUBSIDIARIES

Income Taxes

The Company and its subsidiaries file consolidated income tax returns. Certain income and expense items are recognized in one time period for income tax purposes and in another period for financial statement purposes. Provisions for deferred income taxes are made in recognition of these timing differences. The flow-through method of accounting for investment tax credits has been adopted by the Company. Under this method, investment tax credits from capital assets are recognized as a benefit in the year such assets are placed in service.

Fiscal Year

The Company and its subsidiaries are on a 52-53 week fiscal year, ending on the Saturday closest to the end of December.

2. Inventory Pricing

The Company values substantial portions of its inventory using the last-in, first-out method of costing. If the first-in, first-out method of costing had been used, inventories would have been increased by \$3,540,000 and \$2,900,000 in 1979 and 1978, respectively. Additionally, net income after taxes would have been increased by \$315,000 and \$560,000 and earnings per share by \$232.71 and \$413.71 in 1979 and 1978, respectively.

3. Mortgage Note Receivable

In 1979, the building securing the mortgage note receivable was demolished. In accordance with the provisions of the note, the entire balance became due and payable upon demolition. Payment, including interest, was received in full during 1979.

(Continued)

3
STINSON CANNING COMPANY
AND SUBSIDIARIES

4. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	<u>1979</u>	<u>1978</u>
Land and land improvements	\$ 250,207	228,020
Buildings and building improvements	3,301,509	3,164,712
Machinery and equipment	4,811,715	4,191,957
Office furniture and other equipment	359,427	356,782
Boats and related fishing equipment	1,318,915	1,198,370
Autos and trucks	586,176	574,971
Boats and related equipment under construction	2,521,795	399,435
	<u>13,149,744</u>	<u>10,114,247</u>
Less accumulated depreciation and amortization	<u>5,441,407</u>	<u>4,615,944</u>
Net property, plant and equipment	\$ <u>7,708,337</u>	<u>5,498,303</u>

5. Income Taxes

The components of income tax expense for 1979 and 1978 are as follows:

	<u>1979</u>			<u>1978</u>		
	<u>Current</u>	<u>Deferred</u>	<u>Total</u>	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal	\$ 1,607,000	13,000	1,620,000	1,680,000	71,751	1,751,751
State	<u>223,000</u>	<u>(2,000)</u>	<u>221,000</u>	<u>230,000</u>	<u>11,288</u>	<u>241,288</u>
	<u>\$ 1,830,000</u>	<u>11,000</u>	<u>1,841,000</u>	<u>1,910,000</u>	<u>83,039</u>	<u>1,993,039</u>

The components of deferred tax expense are as follows:

	<u>1979</u>	<u>1978</u>
Deferred tax expense on tax depreciation in excess of book depreciation	\$ 64,000	87,839
Gain recognized currently for tax on mortgage note receivable	<u>(53,000)</u>	<u>(4,800)</u>
	<u>\$ 11,000</u>	<u>83,039</u>

(Continued)

STINSON CANNING COMPANY
AND SUBSIDIARIES

6. Long-term Debt

Long-term debt consists of the following:

	<u>1979</u>	<u>1978</u>
Loan, payable in 10 equal annual installments including interest at a variable rate (currently at 10½%) through 1989	\$ 1,930,207	-
SBA mortgage, payable in monthly installments of \$1,030 including interest at 5½% through 1992	109,975	116,103
SBA mortgage, payable in monthly installments of \$1,175 including interest of 8½% through 1987	77,301 <u>2,117,483</u>	84,495 <u>200,598</u>
Less current portion	<u>207,324</u>	<u>13,427</u>
	\$ <u>1,910,159</u>	<u>187,171</u>

During 1979, the Company incurred into a loan agreement for the construction of a new fishing vessel. The vessel has carrying value of approximately \$2,430,000 and \$330,000 at December 31, 1979 and 1978, respectively. The loan will be secured by a first preferred ship mortgage upon completion of the vessel.

Under terms of the loan, the Company is required to invest 10% of the loan proceeds in the lending institution. Retirement of this investment will be automatic and proportionate with loan payments. Investments totaling \$17,548 and \$157,927 are included in short-term investments and miscellaneous assets, respectively, in 1979.

SBA mortgages are secured by land, building and machinery and equipment in Rockland, Maine, having a carrying value of approximately \$271,000.

7. Net Earnings Per Share

Net earnings per share was computed using the weighted average number of Class A and B common shares outstanding during the year since both classes participate equally in earnings, after considering preferred stock dividends.

For the years ended December 29, 1979 and December 30, 1978, the average number of shares outstanding amounted to 1,353.63.

(Continued)

5

STINSON CANNING COMPANY
AND SUBSIDIARIES

8. Stock Redemption Agreement

On December 17, 1975, the Company entered into a stock redemption agreement with the stockholders of Class A common stock. Under the terms of the agreement, and upon the death of a stockholder, the Company is to buy the stock from the deceased's estate at a defined value to be determined as often as desired but not less often than every eighteen months. Under the most recent valuation date, the value of all Class A stock as defined in the agreement was \$1,000,000. The Company is beneficiary under life insurance policies on the life of each stockholder with total face values of \$2,000,000, proceeds of which are to cover the liability under the redemption agreement.

9. Pension Plan

The Company has a pension plan covering eligible employees. The plan is noncontributory and funded via individual insurance policies and group annuity contracts. Pension costs are funded as accrued. Total pension expense amounted to approximately \$47,000 and \$56,000 in 1979 and 1978, respectively. Fund assets exceed vested benefits.

10. Subsequent Event

In 1980, the Company entered into an agreement to repurchase 1,862 shares of \$9 noncumulative preferred stock and 202.844 shares of Class B nonvoting common stock for a total purchase price of \$700,000. The Company shall pay the sellers 10% at the closing and shall provide a promissory note for the balance. The Company will make nine equal annual payments plus interest at 7% commencing January 2, 1981 and continuing until 1989.

11. Commitments

The Company's subsidiary, Offshore Trawler Company, has entered into a contract for construction and delivery of a fishing vessel. The total cost of the vessel should approximate \$3,300,000 and total costs incurred at December 29, 1979 approximate \$2,430,000.

STINSON CANNING COMPANY
AND SUBSIDIARIES

Cost of Sales

	Year ended December 29, 1979				Year ended December 30, 1978			
	Sardines	Groundfish and squid	Frozen fillets and zoo food	Total	Sardines	Groundfish and squid	Frozen fillets and zoo food	Total
Beginning inventories	\$ 4,898,807	434,692	27,426	5,360,925	3,469,827	-	-	3,469,827
Purchases--finished products	70,832	-	-	70,832	49,995	-	-	49,995
Production costs:								
Materials:								
Fish	1,768,564	1,502,054	637,050	3,907,668	2,072,068	658,925	826,320	3,557,313
Delivery cost, dockage	842,817	26,120	233,595	1,102,532	551,955	73,988	216,951	842,894
Waste sales	(323,650)	(22,415)	(30,736)	(376,801)	(316,477)	(14,226)	(38,564)	(369,267)
Oils and sauces	986,744	-	-	986,744	827,233	-	-	827,233
Cans and covers	3,770,577	-	-	3,770,577	3,328,497	-	-	3,328,497
Cartons, wraps and bags	41,679	76,477	80,445	198,601	53,977	60,211	81,738	195,926
Fibre	263,499	-	-	263,499	264,910	-	-	264,910
Salt	79,891	-	-	79,891	58,815	-	-	58,815
Total materials	<u>7,430,121</u>	<u>1,582,236</u>	<u>920,354</u>	<u>9,932,711</u>	<u>6,840,978</u>	<u>778,898</u>	<u>1,086,445</u>	<u>8,706,321</u>
Labor:								
Direct payroll, profit sharing and taxes	2,372,737	320,625	223,521	2,916,883	2,141,243	262,582	235,228	2,639,053
Indirect payroll and taxes	564,289	104,136	88,780	757,205	753,920	66,170	142,114	962,204
Total labor	<u>2,937,026</u>	<u>424,761</u>	<u>312,301</u>	<u>3,674,088</u>	<u>2,895,163</u>	<u>328,752</u>	<u>377,342</u>	<u>3,601,257</u>
Overhead:								
Fuel, power and water	431,001	60,321	67,988	559,310	365,462	-	72,698	438,160
Automotive expense	49,357	5,318	4,239	58,914	52,336	-	5,128	57,464
Maintenance and repairs	342,263	68,932	75,348	486,543	371,954	33,798	159,411	565,163
Supplies	109,477	72,560	7,247	189,284	152,635	16,205	42,337	211,177
Depreciation	282,150	85,983	152,494	520,627	294,278	14,642	158,062	466,982
Taxes	56,072	12,489	9,012	77,573	59,572	-	13,561	73,133
Sardine tax and inspection fees	153,170	-	-	153,170	139,679	-	-	139,679
Total overhead	<u>1,423,490</u>	<u>305,603</u>	<u>316,328</u>	<u>2,045,421</u>	<u>1,435,916</u>	<u>64,645</u>	<u>451,197</u>	<u>1,951,758</u>
Total cost of goods available for sale	16,760,276	2,747,292	1,576,409	21,083,977	14,691,879	1,172,295	1,914,984	17,779,158
Less ending inventories	<u>6,227,125</u>	<u>153,482</u>	<u>82,300</u>	<u>6,462,907</u>	<u>4,898,807</u>	<u>434,692</u>	<u>27,426</u>	<u>5,360,925</u>
	\$ 10,533,151	2,593,810	1,494,109	14,621,070	9,793,072	737,603	1,887,558	12,418,233

000241

STINSON CANNING COMPANY
AND SUBSIDIARIES

Schedule 2

Selling Expenses

Years ended December 29, 1979 and December 30, 1978

	<u>1979</u>	<u>1978</u>
Freight	\$ 1,032,649	907,642
Storage, taxes, and insurance	430,321	355,401
Brokerage commissions	752,493	678,792
Advertising and promotion	27,402	15,574
Salaries and related expenses	102,543	48,891
Pallets	9,241	6,812
Bad debt expense	16,149	17,893
	<u>\$ 2,370,798</u>	<u>2,031,005</u>

Schedule 3

General and Administrative Expenses

Years ended December 29, 1979 and December 30, 1978

	<u>1979</u>	<u>1978</u>
Salaries:		
Officers	\$ 313,902	146,750
Office	184,584	160,433
Executive bonus	87,500	87,500
Contributions to profit sharing trust and pension plan	248,790	228,878
Payroll taxes and employee insurance	39,536	54,652
Executive insurance	56,325	55,029
Medical expense	10,069	8,565
Office supplies and expense	132,008	127,623
Professional fees	96,085	70,356
State sales and use taxes	17,207	20,602
Corporate franchise fees and miscellaneous licenses	4,511	739
Association dues and assessments	14,151	9,544
Contributions	3,498	3,997
Radio equipment expense	10,962	6,223
Liability insurance	23,031	22,689
Travel expense	39,253	49,923
Training program	889	1,159
Other administrative expense	21	7,166
Property taxes	1,512	53
Depreciation	80,466	52,170
Miscellaneous	17,936	10,375
Amortization of covenant not-to-compete	25,835	103,338
	<u>\$ 1,408,071</u>	<u>1,227,764</u>

1977

ANNUAL REPORT

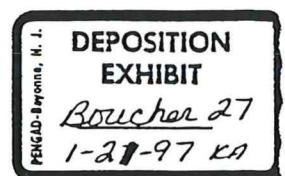


SEA PRODUCTS FROM MAINE

STINSON CANNING COMPANY

PROSPECT HARBOR, MAINE 04669

000243



PEAT, MARWICK, MITCHELL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 307

TWO CANAL PLAZA

PORTLAND, MAINE 04111

The Board of Directors and Stockholders
Stinson Canning Company:

We have examined the consolidated balance sheets of Stinson Canning Company and subsidiaries as of December 31, 1977 and January 1, 1977, and the related consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the consolidated financial position of Stinson Canning Company and subsidiaries at December 31, 1977 and January 1, 1977 and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis except for the change, with which we concur, in the method of valuing inventories as described in note 2 to the financial statements.

The examinations referred to above were directed primarily toward formulating an opinion on the consolidated financial statements of Stinson Canning Company and subsidiaries taken as a whole. The supplementary data included in schedules 1 through 3 are presented for supplementary analysis purposes and are not necessary for a fair presentation of the consolidated financial position and results of operations and changes in financial position of Stinson Canning Company and subsidiaries. The supplementary data have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are stated fairly in all material respects only when considered in conjunction with the financial statements taken as a whole.

Peat, Marwick, Mitchell & Co.

March 3, 1978

STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 1977 and January 1, 1977

<u>Assets</u>	<u>1977</u>	<u>1976</u>	<u>Liabilities and Stockholders' Equity</u>	<u>1977</u>	<u>1976</u>
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 747,806	352,425	Current portion of long-term debt	\$ 12,420	-
Current portion of mortgage note receivable (note 3)	22,667	22,667	Accounts payable:		
Accounts receivable:			Trade	472,738	262,354
Trade	1,259,650	1,112,816	Officers	116,419	183,411
Other	69,134	12,903	Accrued expenses	462,718	391,127
Total accounts receivable	<u>1,328,784</u>	<u>1,125,719</u>	Income taxes	418,415	797,649
Inventories:			Total current liabilities	<u>1,482,710</u>	<u>1,634,541</u>
Canned sardines	3,469,827	4,114,343	Deferred income taxes (note 5)	205,985	136,985
Other inventories	<u>1,861,333</u>	<u>1,732,504</u>	Long-term debt (note 6)	200,589	-
Total inventories	<u>5,331,160</u>	<u>5,846,847</u>	Stockholders' equity (note 8)		
Prepaid expenses and other current assets	184,755	226,041	\$9 noncumulative preferred stock, \$100 par value, liquidation value at par.		
Total current assets	<u>7,615,172</u>	<u>7,573,699</u>	Authorized 12,500 shares; issued 11,971 shares	1,197,100	1,197,100
Noncurrent mortgage notes receivable (note 3)	249,333	272,000	Common stock Class A voting. Authorized 500 shares; issued 200 shares	20,000	20,000
Net property, plant and equipment (note 4)	4,720,624	3,077,234	Common stock, Class B nonvoting. Authorized 1,200 shares; issued 1,153.63 shares	115,363	115,363
Other assets:			Additional paid-in capital	33,968	33,968
Cash surrender value of life insurance, net of policy loans of \$171,097 in 1977, \$68,665 in 1976	25,311	122,099		<u>1,366,431</u>	<u>1,366,431</u>
Covenant not-to-compete, net of amortization	129,172	-	Retained earnings:		
Miscellaneous	6,652	6,723	Appropriated for self-insurance	2,000,000	2,000,000
Total other assets	<u>161,135</u>	<u>128,822</u>	Unappropriated	7,490,549	5,913,798
	<u>\$ 12,746,264</u>	<u>11,051,755</u>	Total retained earnings	9,490,549	7,913,798
			Total stockholders' equity	<u>10,856,980</u>	<u>9,280,229</u>
				<u>\$ 12,746,264</u>	<u>11,051,755</u>

See accompanying notes to consolidated financial statements.

000245

STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Earnings and Retained Earnings

Years ended December 31, 1977 and January 1, 1977

	<u>1977</u>	<u>1976</u>
Net sales	\$ 18,228,661	14,199,161
Cost of sales (note 2)	<u>11,786,785</u>	<u>9,376,815</u>
Gross profit	<u>6,441,876</u>	<u>4,822,346</u>
Selling, general and administrative expenses:		
Selling	2,084,098	1,619,531
General and administrative	<u>1,169,097</u>	<u>791,084</u>
	<u>3,253,195</u>	<u>2,410,615</u>
Operating income	<u>3,188,681</u>	<u>2,411,731</u>
Other income (expenses):		
Interest	39,823	23,048
Gain (loss) on sale of equipment	(9,982)	9,004
Interest expense	(36,034)	(38,668)
Other	<u>(47,795)</u>	<u>(39,378)</u>
	<u>(53,988)</u>	<u>(45,994)</u>
Earnings before income taxes	3,134,693	2,365,737
Income taxes (note 5)	<u>1,534,000</u>	<u>1,188,000</u>
Net earnings	1,600,693	1,177,737 —
Retained earnings, beginning of year	7,913,798	6,736,061
Less preferred stock dividends; \$2.00 per share	<u>23,942</u>	<u>-</u>
Retained earnings, end of year	\$ <u>9,490,549</u>	<u>7,913,798</u>
Net earnings per share (note 7)	\$ <u>1,164.83</u>	<u>870.06</u>

See accompanying notes to consolidated financial statements.

STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

Years ended December 31, 1977 and January 1, 1977

	<u>1977</u>	<u>1976</u>
Funds provided:		
Net earnings	\$ 1,600,693	1,177,737
Add charges (credits) against income not using (providing) funds:		
Depreciation and amortization	696,259	652,645
Deferred income tax expense	69,000	52,000
Loss (gain) on sale of equipment	9,982	(9,004)
Funds provided from operations	<u>2,375,934</u>	<u>1,873,378</u>
Other funds provided:		
Decrease in mortgage notes receivable	22,667	59,400
Proceeds from sale of equipment	40,625	9,600
Loans on cash value of life insurance	102,432	68,665
Addition of long-term debt	217,927	-
Total funds provided	<u>2,759,585</u>	<u>2,011,043</u>
Funds used:		
Additions to property, plant and equipment	2,312,682	520,373
Addition of covenant not-to-compete	206,675	-
Reduction of long-term debt	17,338	-
Dividends paid on preferred stock	23,942	-
Increase in cash value of life insurance	5,644	17,892
Total funds used	<u>2,566,281</u>	<u>538,265</u>
Increase in working capital	\$ <u>193,304</u>	<u>1,472,778</u>
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash and cash equivalents	\$ 395,381	136,829
Current portion of mortgage note receivable	-	18,219
Accounts receivable	203,065	239,475
Inventories	(515,687)	357,634
Prepaid expenses and other current assets	(41,286)	39,251
Decrease (increase) in current liabilities:		
Current portion of long-term debt	(12,420)	-
Notes payable to banks	-	1,380,000
Accounts payable	(143,392)	39,716
Accrued expenses	(71,591)	(60,699)
Income taxes	<u>379,234</u>	<u>(677,647)</u>
Increase in working capital	\$ <u>193,304</u>	<u>1,472,778</u>

See accompanying notes to consolidated financial statements.

STINSON CANNING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 1977 and January 1, 1977

1. Summary of Significant Accounting Policies

Statement Presentation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Seiners and Trawl Company and Deep Sea Trawlers Company. All material intercompany accounts and transactions have been eliminated in consolidation.

Line of Business

The Company is in the fish canning business, principally sardines, fish steaks and fillets, and sells to nationally known grocery retailers. The Company's two wholly owned subsidiaries own and operate fishing vessels used in supplementing the Company's sources of fish.

Inventories

Inventories of canned sardines, cans and covers and other raw materials and supplies are valued at cost using principally the last-in, first-out method. In 1976, inventories of cans, covers and other raw materials and supplies were valued at the lower of cost (first-in, first-out) or market.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed on assets using lives ranging from 3 to 33 years. The Company computes depreciation using a combination of straight-line and accelerated depreciation methods for financial reporting purposes.

Maintenance and repairs are charged to income as incurred and renewals and betterments are capitalized. Upon normal retirement or replacement, the cost of the property is charged to the depreciation reserve, with no effect on income. Gains or losses arising from retirements or sales are included in current income.

It is Company policy not to carry fire insurance coverage on plants and equipment used in production, but to appropriate part of retained earnings for such loss contingencies. Generally accepted accounting principles do not allow losses of this nature to be charged directly against appropriated retained earnings. Consequently, should any fire losses occur in the future, such losses will be charged against earnings in the year the loss occurs.

(Continued)

STINSON CANNING COMPANY
AND SUBSIDIARIES

Income Taxes

The Company and its subsidiaries file consolidated income tax returns. Certain income and expense items are recognized in one time period for income tax purposes and in another period for financial statement purposes. Provisions for deferred income taxes are made in recognition of these timing differences. The flow-through method of accounting for investment tax credits has been adopted by the Company. Under this method, investment tax credits from capital assets are recognized as a benefit in the year such assets are placed in service.

Fiscal Year

The Company and its subsidiaries are on a 52-53 week fiscal year.

2. Change in Accounting Principle

In 1977, the Company changed its method of valuing inventories of cans, covers and related raw materials and other supplies from the FIFO (first-in, first-out) method to the LIFO (last-in, first-out) method. The new method of pricing these inventories was adopted by the Company to more closely match current costs with revenues. The cumulative effect of this change and the related pro forma effects on prior periods is not determinable. The effect of this change in 1977 was to reduce net earnings by \$77,000 (after applicable income taxes); \$56.88 per share.

3. Mortgage Note Receivable

Mortgage note receivable consists of the following:

	<u>1977</u>	<u>1976</u>
6% mortgage receivable in annual installments of \$22,667 plus interest from January 19, 1977 through January 19, 1989, secured by real estate	\$ 272,000	294,667
Current portion	<u>22,667</u>	<u>22,667</u>
	<u>\$ 249,333</u>	<u>272,000</u>

(Continued)

STINSON CANNING COMPANY
AND SUBSIDIARIES

4. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	<u>1977</u>	<u>1976</u>
Land and land improvements	\$ 198,799	126,699
Buildings and building improvements	2,742,680	2,097,412
Machinery and equipment	3,785,884	3,189,286
Office furniture and other equipment	332,953	228,175
Boats and related fishing equipment	991,423	324,309
Autos and trucks	563,934	463,153
Total cost	8,615,673	6,429,034
Less accumulated depreciation and amortization	3,895,049	3,351,800
Net property, plant and equipment	\$ <u>4,720,624</u>	<u>3,077,234</u>

5. Income Taxes

The components of income tax expense for 1977 and 1976 are as follows:

	<u>1977</u>			<u>1976</u>		
	<u>Current</u>	<u>Deferred</u>	<u>Total</u>	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal	\$ 1,270,000	59,500	1,329,500	1,023,000	45,000	1,068,000
State	195,000	9,500	204,500	113,000	7,000	120,000
	<u>\$ 1,465,000</u>	<u>69,000</u>	<u>1,534,000</u>	<u>1,136,000</u>	<u>52,000</u>	<u>1,188,000</u>

Deferred income taxes result primarily from excess tax depreciation over book depreciation.

6. Long-term Debt

Long-term debt consists of the following:

	<u>1977</u>	<u>1976</u>
5-1/2% SBA mortgage, payable in monthly installments of \$1,030 including interest through 1992	\$ 121,904	-
8-1/2% SBA mortgage, payable in monthly installments of \$1,175 including interest through 1987	91,105	-
	213,009	-
Less current portion	12,420	-
	<u>\$ 200,589</u>	<u>-</u>

Mortgages are secured by land and building in Rockland, Maine having a carrying value of approximately \$322,000.

(Continued)

STINSON CANNING COMPANY
AND SUBSIDIARIES

7. Net Earnings Per Share

Net earnings per share was computed using the weighted average number of Class A and B common shares outstanding during the year since both classes participate equally in earnings, after considering preferred stock dividends.

For the years ended December 31, 1977 and January 1, 1977, the average number of shares outstanding amounted to 1,353.63.

8. Stock Redemption Agreement

On December 17, 1975, the Company entered into a stock redemption agreement with the stockholders of Class A common stock. Under the terms of the agreement, and upon the death of a stockholder, the Company is to buy the stock from the deceased's estate at a defined value to be determined as often as desired but not less often than every eighteen months. Under the most recent valuation date, the value of all Class A stock as defined in the agreement was \$720,000. The Company is beneficiary under life insurance policies on the life of each stockholder with total face values of \$600,000, proceeds of which are to cover the liability under the redemption agreement.

9. Pension Plan

In 1977, the Company adopted a pension plan covering eligible employees. The plan is noncontributory and funded via individual insurance policies and group annuity contracts. Pension costs are funded as accrued. Total pension expense amounted to approximately \$47,000 in 1977.

10. Major Customer

Sales amounting to \$1,912,691 in 1977 were made to one foreign customer.

STINSON CANNING COMPANY
AND SUBSIDIARIES

Cost of Sales

	Year ended December 31, 1977				Year ended January 1, 1977			
	Sardines	Shrimp	Frozen Fillets	Total	Sardines	Shrimp	Frozen Fillets	Total
Beginning inventories	\$ 4,114,343	-	69,510	4,183,853	4,181,180	3,133	1,894	4,186,207
Purchases--finished products	87,596	-	-	87,596	393,738	-	-	393,738
Production costs:								
Materials:								
Fish and shrimp	1,667,285	-	461,347	2,128,632	1,558,040	73,326	91,663	1,723,029
Delivery cost, dockage	452,628	-	149,005	601,633	335,088	9,338	40,253	384,679
Waste sales	(284,802)	-	(31,905)	(316,707)	(246,588)	(525)	(3,429)	(250,542)
Oils and sauces	794,823	-	-	794,823	712,458	-	-	712,458
Cans and covers	3,000,488	-	-	3,000,488	2,465,483	-	-	2,465,483
Cartons, wraps and bags	28,947	-	53,959	82,906	31,566	9,505	-	41,071
Fibre	258,153	-	-	258,153	245,185	4,184	15,659	265,028
Salt	53,702	-	-	53,702	64,711	-	-	64,711
Nitrogen	-	-	-	-	-	9,450	-	9,450
Total materials	<u>5,971,224</u>	<u>-</u>	<u>632,406</u>	<u>6,603,630</u>	<u>5,165,943</u>	<u>105,278</u>	<u>144,146</u>	<u>5,415,367</u>
Labor:								
Direct payroll, profit sharing and taxes	1,909,722	-	176,726	2,086,448	1,609,612	12,483	45,169	1,667,264
Indirect payroll and taxes	615,027	-	92,620	707,647	538,271	1,480	2,912	542,663
Total labor	<u>2,524,749</u>	<u>-</u>	<u>269,346</u>	<u>2,794,095</u>	<u>2,147,883</u>	<u>13,963</u>	<u>48,081</u>	<u>2,209,927</u>
Overhead:								
Fuel, power and water	344,160	-	27,764	371,924	276,020	-	-	276,020
Automotive expense	51,721	-	-	51,721	47,912	-	-	47,912
Maintenance and repairs	292,766	-	71,418	364,184	264,454	1,334	55	265,843
Supplies and uniforms	160,968	-	43,747	204,715	115,633	1,677	710	118,020
Depreciation	298,152	-	101,068	399,220	266,111	141,272	49,646	457,029
Taxes	68,873	-	-	68,873	69,445	-	-	69,445
Sardine tax and inspection fees	126,801	-	-	126,801	121,160	-	-	121,160
Total overhead	<u>1,343,441</u>	<u>-</u>	<u>243,997</u>	<u>1,587,438</u>	<u>1,160,735</u>	<u>144,283</u>	<u>50,411</u>	<u>1,355,429</u>
Total cost of goods available for sale	14,041,353	-	1,215,259	15,256,612	13,049,479	266,657	244,532	13,560,668
Less ending inventories	<u>3,469,827</u>	<u>-</u>	<u>-</u>	<u>3,469,827</u>	<u>4,114,343</u>	<u>-</u>	<u>69,510</u>	<u>4,183,853</u>
	<u>\$ 10,571,526</u>	<u>-</u>	<u>1,215,259</u>	<u>11,786,785</u>	<u>8,935,136</u>	<u>266,657</u>	<u>175,022</u>	<u>9,376,815</u>

000252

STINSON CANNING COMPANY
AND SUBSIDIARIES

Schedule 2

Selling Expenses

Years ended December 31, 1977 and January 1, 1977

	<u>1977</u>	<u>1976</u>
Freight	\$ 931,137	643,043
Storage, taxes and insurance	357,801	301,572
Brokerage commissions	683,099	576,157
Advertising and promotion	34,288	36,513
Salaries and related taxes	45,819	45,573
Pallets	6,943	10,205
Bad debt expense	<u>25,011</u>	<u>6,468</u>
	\$ <u>2,084,098</u>	<u>1,619,531</u>

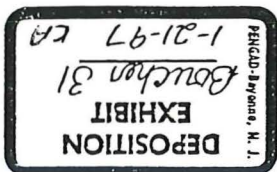
Schedule 3

General and Administrative Expenses

Years ended December 31, 1977 and January 1, 1977

	<u>1977</u>	<u>1976</u>
Salaries:		
Officers	\$ 146,750	93,010
Office	142,257	104,686
Executive bonus	87,500	87,500
Contributions to profit sharing trust and pension plan	155,650	105,228
Payroll taxes and employee insurance	35,723	23,586
Executive insurance	115,683	35,699
Medical expense	8,267	7,848
Office supplies and expense	143,260	93,378
Office machines rental and expense	8,742	34,944
Legal and audit	66,676	50,331
State sales and use taxes	20,919	12,194
Corporate franchise fees and miscellaneous licenses	1,012	1,873
Association dues and assessments	7,616	5,559
Contributions	8,299	5,508
Radio equipment expense	24,850	17,262
Liability insurance	25,326	37,916
Travel expense	44,997	35,296
Training program	270	270
Other administrative expense	-	9,575
Property taxes	3,011	3,972
Depreciation	34,102	29,446
Miscellaneous	10,685	(3,997)
Amortization of covenant not-to-compete	<u>77,502</u>	<u>-</u>
	\$ <u>1,169,097</u>	<u>791,084</u>

000253



Present value of \$15,000,000, plus \$3,000,000 interest made by Common Bus, Ltd. of Canada being considered

1962		
ESW	165	90.520
CEW	150	28.081
Ellen W.	549	28.081
John W.	549	28.081
Carl W. Inga	549	28.081
		202.844

Preferred Common

Wright Family

Preferred Common B

549 shares @ \$50 28.081 @ 2,991.95

Ellen

27,450.00
84,016.95
111,466.95
÷ 2
55,733.48
Add to cash
of stock
for cash
Eva

Wight

REAL ESTATE

Office:

857 WASHINGTON STREET
BATH, MAINE 04530
TEL. 443-6312

Home and Office:

GEORGE WRIGHT ROAD
WOOLWICH, MAINE 04579
TEL. 443-4652

Stinson

Family Members

Calvin Stinson, Sr.

Calvin Stinson, Jr. (Intelligent + Fair + Unaggressive)

Charles Stinson (Pres) (Arrogant, Ignorant, Ruthless, Selfish + Aggressive)

Eva S. Wight

Ida Mae S. Trenholm - husband works in business

Joyce S. Stratton - husband works in business

How Ann S. Francis - husband runs very successful lobster
pond - just settled & sold entire family
stock of approx 1900 Shares Preferred
202. Shares Common B

for \$700,000 on delayed payment basis

Real + realistic value of Preferred \$100
Common B 10,000 } per C. L. Stinson
Junior



000255

FITZGERALD, DONOVAN, CONLEY & DAY

ATTORNEYS AT LAW

D. NE D. FITZGERALD
D. IEL R. DONOVAN
J. MICHAEL CONLEY III
JAMES F. DAY
M. K. L. HALEY
T. ODORE K. HOCH
J. IN MONCURE
JOHN J. SEARS

746 HIGH STREET
BATH, MAINE 04530

207-443-5576

THE CUSTOMS HOUSE
ONE FRONT STREET
BATH, MAINE 04530

October 10, 1979

Thomas J. VanMeer, Esq.
Verrill & Dana
Two Canal Plaza
Portland, Maine 04112

RE: Stinson Canning Co.

Dear Tom:

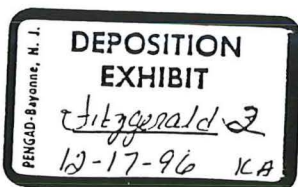
As you know, this office represents Carl and Eva Wight, stockholders of Stinson Canning Co. I note that our file contains Financial Statements for 1976 and 1977. At your convenience, would you please furnish me with current Statements on the company.

Very truly yours,

FITZGERALD, DONOVAN, CONLEY & DAY

DF
Duane D. Fitzgerald

DDF/hft



000256



October 18, 1979

Duane D. Fitzgerald, Esq.
Fitzgerald, Donovan, Conley & Day
746 High Street
Bath, Maine 04530

Dear Duane: Re: Stinson Canning Company

In response to your letter of October 10, 1979, enclosed you will find a copy of the combined balance sheets of Stinson Canning Company and its subsidiaries as of December 30, 1978, and the related consolidated statements of earnings and retained earnings.

I assume that your request was precipitated by the untimely demise of Ellen Wight and the attendant administration of her estate. If my assumption is correct, I would encourage you to contact Bob Kruger of Peat, Marwick, Mitchell & Co., who is most familiar with the value of the outstanding stock. Additionally, if you have any questions with which I may be of assistance, please do not hesitate to call upon me.

Very truly yours,

Thomas J. Van Meer

TJVM:ljb
Enclosure

bcc: Mr. Charles B. Stinson

000257

207-871-7505

Dec-11-96 11:34A Van Meer & Belanger

PEAT. MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 507
TWO CANAL PLAZA
PORTLAND, MAINE 04112

The Board of Directors and Stockholders
Stinson Canning Company:

We have examined the consolidated balance sheets of Stinson Canning Company and subsidiaries as of December 30, 1978 and December 31, 1977, and the related consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the consolidated financial position of Stinson Canning Company and subsidiaries at December 30, 1978 and December 31, 1977 and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

The examinations referred to above were directed primarily toward formulating an opinion on the consolidated financial statements of Stinson Canning Company and subsidiaries taken as a whole. The supplementary data included in schedules 1 through 3 are presented for supplementary analysis purposes and are not necessary for a fair presentation of the consolidated financial position and results of operations and changes in financial position of Stinson Canning Company and subsidiaries. The supplementary data have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, are stated fairly in all material respects only when considered in conjunction with the financial statements taken as a whole.

Peat, Marwick, Mitchell & Co.

March 9, 1979

000258

STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Balance Sheets

December 30, 1978 and December 31, 1977

<u>Assets</u>	<u>1978</u>	<u>1977</u>
Current assets:		
Cash and cash equivalents	\$ 267,448	747,806
Current portion of mortgage note receivable (note 3)	22,667	22,667
Accounts receivable:		
Trade	1,511,728	1,259,650
Other	72,188	69,134
Total accounts receivable	<u>1,583,916</u>	<u>1,328,784</u>
Inventories:		
Canned sardines	4,898,807	3,469,827
Other inventories	2,320,434	1,861,333
Total inventories	<u>7,219,241</u>	<u>5,331,160</u>
Prepaid expenses and other current assets	195,727	184,755
Total current assets	<u>9,288,999</u>	<u>7,615,172</u>
Noncurrent mortgage note receivable (note 3)	<u>226,666</u>	<u>249,333</u>
Net property, plant and equipment (note 4)	<u>5,498,303</u>	<u>4,720,624</u>
Other assets:		
Cash surrender value of life insurance, net of policy loans of \$169,990 in 1978 and \$171,097 in 1977	56,510	25,311
Covenant not-to-compete, net of amortization	25,835	129,172
Miscellaneous	6,652	6,652
Total other assets	<u>88,997</u>	<u>161,135</u>
	<u>\$ 15,102,965</u>	<u>12,746,264</u>

See accompanying notes to consolidated financial statements.

000259

<u>Liabilities and Stockholders' Equity</u>	<u>1978</u>	<u>1977</u>
Current liabilities:		
Current portion of long-term debt	\$ 13,427	12,420
Accounts payable:		
Trade	387,932	472,738
Officers	66,372	116,419
Accrued expenses	596,509	462,718
Income taxes	629,524	418,415
Total current liabilities	<u>1,693,764</u>	<u>1,482,710</u>
Deferred income taxes (note 5)	<u>289,024</u>	<u>205,985</u>
Long-term debt (note 6)	<u>187,171</u>	<u>200,589</u>
Stockholders' equity (note 8):		
\$9 noncumulative preferred stock, \$100 par value, liquidation value at par. Authorized 12,500 shares; issued 11,971 shares	1,197,100	1,197,100
Common stock, Class A voting. Authorized 500 shares; issued 200 shares	20,000	20,000
Common stock, Class B nonvoting. Authorized 1,200 shares; issued 1,153.63 shares	115,363	115,363
Additional paid-in capital	<u>33,968</u>	<u>33,968</u>
	<u>1,366,431</u>	<u>1,366,431</u>
Retained earnings:		
Appropriated for self-insurance	4,000,000	2,000,000
Unappropriated	7,566,575	7,490,549
Total retained earnings	<u>11,566,575</u>	<u>9,490,549</u>
Total stockholders' equity	<u>12,933,006</u>	<u>10,856,980</u>
Commitments (notes 6, 8 and 11)		
	\$ <u>15,102,965</u>	<u>12,746,264</u>

000260

**STINSON CANNING COMPANY
AND SUBSIDIARIES**

Consolidated Statements of Earnings and Retained Earnings

Years ended December 30, 1978 and December 31, 1977

	<u>1978</u>	<u>1977</u>
Net sales	\$ 19,651,649	18,228,661
Cost of sales (note 2)	<u>12,418,233</u>	<u>11,786,785</u>
Gross profit	<u>7,233,416</u>	<u>6,441,876</u>
Selling, general and administrative expenses:		
Selling	2,031,005	2,084,098
General and administrative	<u>1,227,764</u>	<u>1,169,097</u>
	<u>3,258,769</u>	<u>3,253,195</u>
Operating income	<u>3,974,647</u>	<u>3,188,681</u>
Other income (expenses):		
Interest	129,344	39,823
Gain (loss) on sale of equipment	1,875	(9,982)
Interest expense	(34,671)	(36,034)
Other	21,812	(47,795)
	<u>118,360</u>	<u>(53,988)</u>
Earnings before income taxes	4,093,007	3,134,693
Income taxes (note 5)	<u>1,993,039</u>	<u>1,534,000</u>
Net earnings	2,099,968	1,600,693
Retained earnings, beginning of year	9,490,549	7,913,798
Less preferred stock dividends; \$2.00 per share	<u>23,942</u>	<u>23,942</u>
Retained earnings, end of year	\$ <u>11,566,575</u>	<u>9,490,549</u>
Net earnings per share (note 7)	\$ <u>1.533.67</u>	<u>1.164.83</u>

See accompanying notes to consolidated financial statements.

000261

STINSON CANNING COMPANY
AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

Years ended December 30, 1978 and December 31, 1977

	<u>1978</u>	<u>1977</u>
Funds provided:		
Net earnings	\$ 2,099,968	1,600,693
Add charges (credits) against income not using (providing) funds:		
Depreciation and amortization	868,084	696,259
Deferred income tax expense	83,039	69,000
Loss (gain) on sale of equipment	(1,875)	9,982
Funds provided from operations	<u>3,049,216</u>	<u>2,375,934</u>
Other funds provided:		
Decrease in mortgage notes receivable	22,667	22,667
Proceeds from sale of equipment	2,225	40,625
Loans on cash value of life insurance	(1,007)	102,432
Addition of long-term debt	-	217,927
Total funds provided	<u>3,073,101</u>	<u>2,759,585</u>
Funds used:		
Additions to property, plant and equipment	1,542,776	2,312,682
Addition of covenant not-to-compete	-	206,675
Reduction of long-term debt	13,418	17,338
Dividends paid on preferred stock	23,942	23,942
Increase in cash value of life insurance	30,192	5,644
Total funds used	<u>1,610,328</u>	<u>2,566,281</u>
Increase in working capital	\$ <u>1,462,773</u>	<u>193,304</u>
Changes in components of working capital:		
Increase (decrease) in current assets:		
Cash and cash equivalents	(480,358)	395,381
Accounts receivable	255,132	203,065
Inventories	1,888,081	(515,687)
Prepaid expenses and other current assets	10,972	(41,286)
Decrease (increase) in current liabilities:		
Current portion of long-term debt	(1,007)	(12,420)
Accounts payable	134,853	(143,392)
Accrued expenses	(133,791)	(71,591)
Income taxes	(211,109)	379,234
Increase in working capital	\$ <u>1,462,773</u>	<u>193,304</u>

See accompanying notes to consolidated financial statements.

000262

STINSON CANNING COMPANY
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 30, 1978 and December 31, 1977

1. Summary of Significant Accounting Policies

Statement Presentation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Seiners and Trawl Company, Deep Sea Trawlers Company and Offshore Trawler Company. All material intercompany accounts and transactions have been eliminated in consolidation.

Line of Business

The Company is in the fish canning and processing business, principally sardines, fish steaks and fillets, and sells to nationally known grocery retailers. The Company's three wholly owned subsidiaries own and operate fishing vessels used in supplementing the Company's sources of fish.

Inventories

Inventories of canned sardines, cans and covers and other raw materials and supplies are valued at cost using principally the last-in, first-out method.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation is computed on assets using lives ranging from 3 to 33 years. The Company computes depreciation using a combination of straight-line and accelerated depreciation methods for financial reporting purposes.

Maintenance and repairs are charged to income as incurred and renewals and betterments are capitalized. Upon normal retirement or replacement, the cost of the property is charged to the depreciation reserve, with no effect on income. Gains or losses arising from retirements or sales are included in current income.

It is Company policy not to carry fire insurance coverage on plants and equipment used in production, but to appropriate part of retained earnings for such loss contingencies. Generally accepted accounting principles do not allow losses of this nature to be charged directly against appropriated retained earnings. Consequently, should any fire losses occur in the future, such losses will be charged against earnings in the year the loss occurs.

(Continued)

000263

STINSON CANNING COMPANY
AND SUBSIDIARIES

Income Taxes

The Company and its subsidiaries file consolidated income tax returns. Certain income and expense items are recognized in one time period for income tax purposes and in another period for financial statement purposes. Provisions for deferred income taxes are made in recognition of these timing differences. The flow-through method of accounting for investment tax credits has been adopted by the Company. Under this method, investment tax credits from capital assets are recognized as a benefit in the year such assets are placed in service.

Fiscal Year

The Company and its subsidiaries are on a 52-53 week fiscal year, ending on the Saturday closest to the end of December.

2. Change in Accounting Principle

In 1977, the Company changed its method of valuing inventories of cans, covers and related raw materials and other supplies from the FIFO (first-in, first-out) method to the LIFO (last-in, first-out) method. The new method of pricing these inventories was adopted by the Company to more closely match current costs with revenues. The effect of this change in 1977 was to reduce net earnings by \$77,000 (after applicable income taxes); \$56.88 per share. There was no cumulative effect on retained earnings at the beginning of 1977 and pro forma effects of retroactive application of LIFO were not determinable.

3. Mortgage Note Receivable

Mortgage note receivable consists of the following:

	<u>1978</u>	<u>1977</u>
6% mortgage receivable in annual installments of \$22,667 plus interest from January 19, 1977 through January 19, 1989, secured by real estate	\$ 249,333	272,000
Current portion	<u>22,667</u>	<u>22,667</u>
	\$ <u>226,666</u>	<u>249,333</u>

(Continued)

000264

STINSON CANNING COMPANY
AND SUBSIDIARIES

4. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	<u>1978</u>	<u>1977</u>
Land and land improvements	\$ 228,020	198,799
Buildings and building improvements	3,164,712	2,742,680
Machinery and equipment	4,191,957	3,785,884
Office furniture and other equipment	356,782	332,953
Boats and related fishing equipment	1,198,370	991,423
Autos and trucks	574,971	563,934
Boats and related equipment under construction	399,435	-
	<u>10,114,247</u>	<u>8,615,673</u>
Less accumulated depreciation and amortization	<u>4,615,944</u>	<u>3,895,049</u>
Net property, plant and equipment	\$ <u>5,498,303</u>	<u>4,720,624</u>

5. Income Taxes

The components of income tax expense for 1978 and 1977 are as follows:

	<u>1978</u>			<u>1977</u>		
	<u>Current</u>	<u>Deferred</u>	<u>Total</u>	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal	\$ 1,680,000	71,751	1,751,751	1,270,000	59,500	1,329,500
State	<u>230,000</u>	<u>11,288</u>	<u>241,288</u>	<u>195,000</u>	<u>9,500</u>	<u>204,500</u>
	<u>\$ 1,910,000</u>	<u>83,039</u>	<u>1,993,039</u>	<u>1,465,000</u>	<u>69,000</u>	<u>1,534,000</u>

Deferred income taxes result primarily from excess tax depreciation over book depreciation.

6. Long-term Debt

Long-term debt consists of the following:

	<u>1978</u>	<u>1977</u>
5-1/2% SBA mortgage, payable in monthly installments of \$1,030 including interest through 1992	\$ 116,103	121,904
8-1/2% SBA mortgage, payable in monthly installments of \$1,175 including interest through 1987	84,495	91,105
	<u>200,598</u>	<u>213,009</u>
Less current portion	<u>13,427</u>	<u>12,420</u>
	\$ <u>187,171</u>	<u>200,589</u>

Mortgages are secured by land and building in Rockland, Maine having a carrying value of approximately \$322,000.

(Continued)

000265

STINSON CANNING COMPANY
AND SUBSIDIARIES

7. Net Earnings Per Share

Net earnings per share was computed using the weighted average number of Class A and B common shares outstanding during the year since both classes participate equally in earnings, after considering preferred stock dividends.

For the years ended December 30, 1978 and December 31, 1977, the average number of shares outstanding amounted to 1,353.63.

8. Stock Redemption Agreement

On December 17, 1975, the Company entered into a stock redemption agreement with the stockholders of Class A common stock. Under the terms of the agreement, and upon the death of a stockholder, the Company is to buy the stock from the deceased's estate at a defined value to be determined as often as desired but not less often than every eighteen months. Under the most recent valuation date, the value of all Class A stock as defined in the agreement was \$1,000,000. The Company is beneficiary under life insurance policies on the life of each stockholder with total face values of \$2,000,000, proceeds of which are to cover the liability under the redemption agreement.

9. Pension Plan

In 1977, the Company adopted a pension plan covering eligible employees. The plan is noncontributory and funded via individual insurance policies and group annuity contracts. Pension costs are funded as accrued. Total pension expense amounted to approximately \$56,000 and \$47,000 in 1978 and 1977, respectively.

10. Major Customer

Sales amounting to \$3,186,350 and \$1,912,691 in 1978 and 1977, respectively, were made to one foreign customer.

11. Commitments

The Company's subsidiary, Offshore Trawler Company, has entered into a contract for construction and delivery of a fishing vessel for September 1979. The total cost of the vessel should approximate \$3,000,000 and total costs incurred at December 30, 1978 approximate \$400,000.

000267

Schedule 1

STINSON CANNING COMPANY
AND SUBSIDIARIES

Cost of Sales

	Year ended December 30, 1978				Year ended December 31, 1977			
	Sardines	Groundfish	Frozen fillets	Total	Sardines	Ground- fish	Frozen fillets	Total
Beginning inventories	\$ 3,469,827	-	-	3,469,827	4,114,343	-	69,510	4,183,853
Purchases--finished products	49,995	-	-	49,995	87,596	-	-	87,596
Production costs:								
Materials:								
Fish	2,072,068	658,925	826,320	3,557,313	1,667,285	-	461,347	2,128,632
Delivery cost, dockage	551,955	73,988	216,951	842,894	452,628	-	149,005	601,633
Waste sales	(316,477)	(14,226)	(38,564)	(369,267)	(284,802)	-	(31,905)	(316,707)
Oils and sauces	827,233	-	-	827,233	794,823	-	-	794,823
Cans and covers	3,328,497	-	-	3,328,497	3,000,488	-	-	3,000,488
Cartons, wraps and bags	53,977	60,211	81,738	195,926	28,947	-	53,959	82,906
Fibre	264,910	-	-	264,910	258,153	-	-	258,153
Salt	58,815	-	-	58,815	53,702	-	-	53,702
Total materials	<u>6,840,978</u>	<u>778,898</u>	<u>1,086,445</u>	<u>8,706,321</u>	<u>5,971,224</u>	<u>-</u>	<u>632,406</u>	<u>6,603,630</u>
Labor:								
Direct payroll, profit sharing and taxes	2,141,243	262,582	235,228	2,639,053	1,909,722	-	176,726	2,086,448
Indirect payroll and taxes	753,920	66,170	142,114	962,204	615,027	-	92,620	707,647
Total labor	<u>2,895,163</u>	<u>328,752</u>	<u>377,342</u>	<u>3,601,257</u>	<u>2,524,749</u>	<u>-</u>	<u>269,346</u>	<u>2,794,095</u>
Overhead:								
Fuel, power and water	365,462	-	72,698	438,160	344,160	-	27,764	371,924
Automotive expense	52,336	-	5,128	57,464	51,721	-	-	51,721
Maintenance and repairs	371,954	33,798	159,411	565,163	292,766	-	71,418	364,184
Supplies and uniforms	152,635	16,205	42,337	211,177	160,968	-	43,747	204,715
Depreciation	294,278	14,642	158,062	466,982	298,152	-	101,068	399,220
Taxes	59,572	-	13,561	73,133	68,873	-	-	68,873
Sardine tax and inspection fees	139,679	-	-	139,679	126,801	-	-	126,801
Total overhead	<u>1,435,916</u>	<u>64,645</u>	<u>451,197</u>	<u>1,951,758</u>	<u>1,343,441</u>	<u>-</u>	<u>243,997</u>	<u>1,587,438</u>
Total cost of goods available for sale	14,691,879	1,172,295	1,914,984	17,779,158	14,041,353	-	1,215,259	15,256,612
less ending inventories	<u>4,898,807</u>	<u>434,692</u>	<u>27,426</u>	<u>5,360,925</u>	<u>3,469,827</u>	<u>-</u>	<u>-</u>	<u>3,469,827</u>
\$	<u>9,793,072</u>	<u>737,603</u>	<u>1,887,558</u>	<u>12,418,233</u>	<u>10,571,526</u>	<u>-</u>	<u>1,215,259</u>	<u>11,786,785</u>

STINSON CANNING COMPANY
AND SUBSIDIARIES

Schedule 2

Selling Expenses

Years ended December 30, 1978 and December 31, 1977

	<u>1978</u>	<u>1977</u>
Freight	\$ 907,642	931,137
Storage, taxes, and insurance	355,401	357,801
Brokerage commissions	678,792	683,099
Advertising and promotion	15,574	34,288
Salaries and related taxes	48,891	45,819
Pallets	6,812	6,943
Bad debt expense	17,893	25,011
	<u>\$ 2,031,005</u>	<u>2,084,098</u>

Schedule 3

General and Administrative Expenses

Years ended December 30, 1978 and December 31, 1977

	<u>1978</u>	<u>1977</u>
Salaries:		
Officers	\$ 146,750	146,750
Office	160,433	142,257
Executive bonus	87,500	87,500
Contributions to profit sharing trust and pension plan	228,878	155,650
Payroll taxes and employee insurance	54,652	35,723
Executive insurance	55,029	115,683
Medical expense	8,565	8,267
Office supplies and expense	127,623	143,260
Office machines rental and expense	-	8,742
Legal and audit	70,356	66,676
State sales and use taxes	20,602	20,919
Corporate franchise fees and miscellaneous licenses	739	1,012
Association dues and assessments	9,544	7,616
Contributions	3,997	8,299
Radio equipment expense	6,223	24,850
Liability insurance	22,689	25,326
Travel expense	49,923	44,997
Training program	1,159	270
Other administrative expense	7,166	-
Property taxes	53	3,011
Depreciation	52,170	34,102
Miscellaneous	10,375	10,685
Amortization of covenant not-to-compete	103,338	77,502
	<u>\$ 1,227,764</u>	<u>1,169,097</u>

000268

COPY

FITZGERALD, DONOVAN, CONLEY & DAY

ATTORNEYS AT LAW

DUANE D. FITZGERALD
DANIEL R. DONOVAN
J. MICHAEL CONLEY III
JAMES F. DAY
MARK L. HALEY
THEODORE K. HOCH
JOHN MONCURE
JOHN J. SEARS

746 HIGH STREET
BATH, MAINE 04530

207-443-5576

THE CUSTOMS HOUSE
ONE FRONT STREET
BATH, MAINE 04530

January 2, 1980

Dictated December 31, 1979

Thomas J. Van Meer, Esq.
Verrill & Dana
Two Canal Plaza
Portland, Maine 04112

Dear Tom:

You may recall that I wrote you on October 10, 1979 requesting copies of Financial Statements of Stinson Canning Company. Your response, dated October 18, 1979, enclosing copies of the December 30, 1978 Statements suggested that I contact Bob Kruger for assistance in determining the value of the common and preferred shares of the company held by Ellen Wight at the time of her death. I requested such information from Bob by letter, dated October 23, 1979, but have received no response.

During the period since Ellen Wight's death, I have met on several occasions with her parents who have raised various questions with respect to the interests of the Wight family in the stock of Stinson Canning Company. In order to deal with several of the questions that they have raised, in their behalf I would like to inspect the corporation's books containing Minutes of meetings of Directors and Shareholders, as well as the list or record of Shareholders.

I shall appreciate your letting me know when such inspection can be made. If you wish me to proceed formally, pursuant to Section 626 of the Business Corporation Act, or if you require written authorization from the Wight family, please let me know.

In any event, I shall appreciate hearing from you at your earliest convenience.

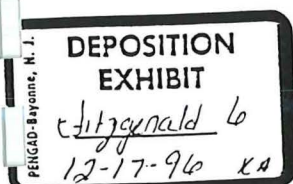
Very truly yours,

FITZGERALD, DONOVAN, CONLEY & DAY

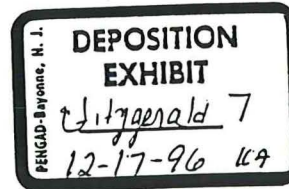
Duane D. Fitzgerald

000269

DDF/hft



January 4, 1980



Duane D. Fitzgerald, Esq.
Fitzgerald, Donovan, Conley & Day
746 High Street
Bath, Maine 04530

Dear Duane: Re: Estate of Ellen Wight

I have forwarded a copy of your letter of January 2, 1980, to Bob Kruger and requested that he provide you with assistance in valuing the stock held by Ellen Wight.

With regard to inspection of the corporation's books, you may feel free to inspect them at any convenient time during our normal office hours. Written authorization is unnecessary—your written representation that you are representing the estate of Ellen Wight will suffice. May I suggest that you give me a call and arrange a time when I will be available to assist you should you have any questions as a result of your review. .

Very truly yours,

Thomas J. Van Meer

TJVM:ljb

bcc: Mr. Charles B. Stinson
Mr. Calvin L. Stinson, Jr.

000270

COPY

FITZGERALD, DONOVAN, CONLEY & DAY

ATTORNEYS AT LAW

DUANE D. FITZGERALD
DANIEL R. DONOVAN
J. MICHAEL CONLEY III
JAMES F. DAY
MARK L. HALEY
THEODORE K. HOCH
JOHN MONCURE
JOHN J. SEARS

746 HIGH STREET
BATH, MAINE 04530
207-443-5576

February 11, 1980

Thomas J. Van Meer, Esq.
Verrill & Dana
Two Canal Plaza
Portland, Maine 04112

RE: Stinson Canning Company

Dear Tom:

Thank you for making the records of Stinson Canning Company available to me for review on Thursday, February 7, 1980.

The Corporate Minutes available covered the period from July 30, 1975 through April 20, 1979. I would like to review the Corporate Minutes prior to July 30, 1975 and any Minutes of meetings since April of 1979.

I also reviewed the Stock Register and particularly the typed schedules which were in the front of the Stock Book. I shall very much appreciate your furnishing me with copies of the typed schedules. I shall be pleased to pay for any costs associated with reproducing the schedules.

If you have any questions, please give me a call.

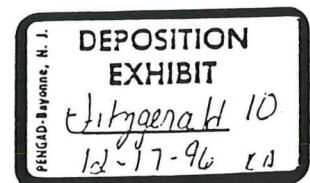
Very truly yours,

FITZGERALD, DONOVAN, CONLEY & DAY

Duane D. Fitzgerald

DDF/hft

000271



FITZGERALD, DONOVAN, CONLEY & DAY

ATTORNEYS AT LAW

DUANE D. FITZGERALD
DANIEL R. DONOVAN
J. MICHAEL CONLEY III
JAMES F. DAY
MARK L. HALEY
THEODORE K. HOCH
JOHN MONCURE
JOHN J. SEARS

COPY
746 HIGH STREET
BATH, MAINE 04530
207-443-5578

March 4, 1980

Thomas J. Van Meer, Esq.
Verrill & Dana
Two Canal Plaza
Portland, Maine 04112

RE: Stinson Canning Company

Dear Tom:

Thank you for your letter of February 19, 1980 with enclosed list of stockholders of Stinson Canning Company.

Although the corporate records in your possession only go back to January 10, 1975, I assume that the records prior thereto are in existence. I would like to review the prior records and shall appreciate your informing me as to where and when that review may take place.

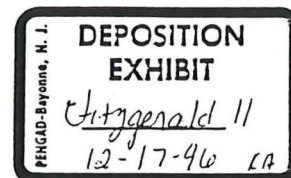
Very truly yours,

FITZGERALD, DONOVAN, CONLEY & DAY

Duane D. Fitzgerald

DDF/hft

Dictated but not read.



000272

COP

FITZGERALD, DONOVAN, CONLEY & DAY

ATTORNEYS AT LAW

DUANE D. FITZGERALD
DANIEL R. DONOVAN
J. MICHAEL CONLEY III
JAMES F. DAY
MARK L. MALEY
THEODORE K. HOCH
JOHN MONCURE
JOHN J. SEARS

746 HIGH STREET
BATH, MAINE 04530
207-443-5578

June 26, 1980

Thomas J. VanMeer, Esq.
Verrill & Dana
P.O. Box 586
Portland, Maine 04112

RE: Stinson Canning Company

Dear Tom:

On behalf of the Wight family, I hereby request the opportunity to review the Corporate books and records with reference to various corporate transactions for the years 1976 through 1979. As an aid in preparing for the review, I shall appreciate receiving a copy of the 1979 Financial Statement, together with copies of Tax Returns for the years 1976 through 1979.

It may well be that the company will wish to respond to specific questions rather than at this time to permit a review of the books and records. In order for you and the corporate officers to make a determination as to which way this matter will be handled, I enclose herewith a list of the questions. Although the list of questions is complete as of this time, it may well be that additional questions will occur to me, or the responses thereto may trigger additional questions.

I shall appreciate hearing from you at your earliest convenience as I would like to conduct the review of the records during the month of July, if such review is necessary.

Sincerely,

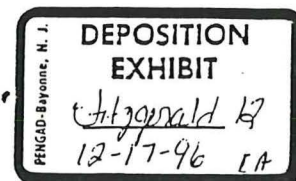
FITZGERALD, DONOVAN, CONLEY & DAY

DDF/hft

Duane D. Fitzgerald

Enclosure

000273



QUESTIONS PROPOUNDED
TO
STINSON CANNING COMPANY
ON BEHALF OF THE WIGHT FAMILY STOCKHOLDERS

1. Salaries and company fringe benefits paid to Calvin L. Stinson, Jr., Charles B. Stinson, K. Richard Trenholm and Dana R. Stratton for the years 1976 through 1979 and with respect to the fringe benefits, the cost thereof to the company. Please identify separately the basic salaries and bonuses received by the named individuals.
2. With respect to the named individuals' participation in the company Profit-Sharing and Pension Plan, please furnish details with respect to the allocation of funds to their individual accounts.
3. Please furnish details with respect to all executive insurance, listing separately the insurance contracts on each life, the face amount of coverage, the type of plan, annual premium, owner, beneficiary, cash value and amount of policy loans.
4. A statement of accounting and auditing fees paid to outside firms for the years 1976 through 1979, identifying the name, or names, of the accounting firms utilized.
5. A statement of legal services fees paid to outside firms for the years 1976 through 1979, identifying the name, or names, of the legal firms utilized.

6. A detailed statement of travel expenses paid by the company and incurred by the named individuals.
7. A detailed statement with respect to property and equipment owned by the named individuals and leased to the company, if any, including the term of each such Lease, the annual Lease payments, including copies of all Lease Agreements.
8. In the event that children of the named individuals have been employed by the company, or any of its subsidiaries in the years 1976 through 1979, please furnish the names of such children, the periods in which they were employed and the total compensation paid to them.
9. A detailed statement of, or copies of all studies conducted, resulting in the decision to self-insure corporate plant and property.
10. A detailed explanation of the company's investment in Production Credit Corp.
11. A detailed statement of transactions between the company and its officers for the years 1976 through 1979 as reflected on the company Balance Sheets and entitled Accounts Payable - Officers.

DONALD L. PHILBRICK
EDWARD F. DANA
COUNSEL

DONALD L. PHILBRICK
ROGER A. PUTNAM
ROBERT B. WILLIAMSON, JR.
JOHN A. MITCHELL
LOUIS A. WOOD
JOHN W. PHILBRICK
JOHN L. SULLIVAN
PETER B. WEBSTER
HOWARD M. DANA, JR.
CHARLES R. OESTREICHER
MICHAEL T. HEALY
CHRISTOPHER J. W. CODDRESHALL
CHARLES L. CRAGIN
THOMAS J. VAN MEER
ROBERT B. PATTERSON, JR.
BRUCE W. BERGEN
ROBERT A. MOORE
P. BENJAMIN ZUCKERMAN
CHARLES A. HARVEY, JR.
JOHN R. McEREMAN, JR.
JUDITH M. COBURN

LEWIS D. EPSTEIN
CHRISTOPHER S. NEAGLE
DAVID C. HILLMAN
JOHN D. GUNGAN
ANDREW M. HORTON
WILLIAM S. HARWOOD
THOMAS A. PURINGTON
JAMES G. GOGGIN

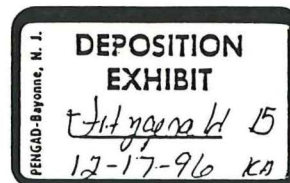
VERRILL & DANA

TWO CANAL PLAZA
P. O. BOX 586
PORTLAND, MAINE 04112
207/774-4000

August 22, 1980

YORK COUNTY OFFICE
207/334-7700
DEPOT ROAD
ALFRED, MAINE 04002

TELECOPIER
207/774-4400



Duane D. Fitzgerald, Esq.
Fitzgerald, Donovan, Conley & Day
746 High Street
Bath, Maine 04530

Dear Buzz:

Re: Stinson Canning Company/
Wight Family Stockholders

In response to your request of June 26, 1980, I am enclosing copies of the following:

1. Stinson Canning Company and Subsidiaries Consolidated Financial Statements and Supplementary Data — Years ended December 29, 1979 and December 30, 1978.
2. 1979 U.S. Corporation Income Tax Return filed by Stinson Canning Company and Subsidiaries.
3. 1978 U.S. Corporation Income Tax Return filed by Stinson Canning Company and Subsidiaries.
4. 1977 U.S. Corporation Income Tax Return filed by Stinson Canning Company and Subsidiaries.
5. 1976 U.S. Corporation Income Tax Return filed by Stinson Canning Company and Subsidiaries.

In addition, I am enclosing a schedule which addresses the questions set forth in the attachment to your letter of June 26, 1980. The schedule addresses the questions in the order set forth in the attachment.

000276

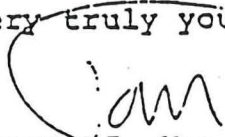
Duane D. Fitzgerald, Esq.

-2-

August 22, 1980

The Company will make its books and records available for inspection should the Wight family desire any further information or verification.

Very truly yours,


Thomas J. Van Meer

TJVM:ljb
Enclosures

000277

STINSON CANNING COMPANY

RESPONSES TO QUESTIONS PROPOUNDED
ON BEHALF OF THE WIGHT FAMILY STOCKHOLDERS

C. T. W.

1. Salary and Bonuses

1976

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Charles B. Stinson	\$42,000	\$25,000
Calvin L. Stinson, Jr.	\$42,000	\$25,000
K. Richard Trenholm	\$34,000	\$18,750
Dana R. Stratton	\$34,000	\$18,750

1977

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Charles B. Stinson	\$67,000	\$25,000
Calvin L. Stinson, Jr.	\$67,000	\$25,000
K. Richard Trenholm	\$52,750	\$18,750
Dana R. Stratton	\$52,750	\$18,750

1978

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Charles B. Stinson	\$67,000	\$25,000
Calvin L. Stinson, Jr.	\$67,000	\$25,000
K. Richard Trenholm	\$52,750	\$18,750
Dana R. Stratton	\$52,750	\$18,750

1979

<u>Employee</u>	<u>Salary</u>	<u>Bonus</u>
Charles B. Stinson	\$96,750	\$25,000
Calvin L. Stinson, Jr.	\$83,750	\$25,000
K. Richard Trenholm	\$65,938	\$18,750
Dana R. Stratton	\$65,938	\$18,750

WELFARE BENEFIT PLANSA. Group Health Insurance

<u>Employee</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Charles B. Stinson	\$218.52	\$250.65	\$301.50	\$549.30
Calvin L. Stinson, Jr.	\$218.52	\$250.65	\$301.50	\$549.30
K. Richard Trenholm	\$218.52	\$250.65	\$301.50	\$605.22
Dana R. Stratton	\$218.52	\$250.65	\$301.50	\$549.30

B. Group Life Insurance

<u>Employee</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Charles B. Stinson	\$5,580.00	\$5,580.00	\$5,580.00	\$5,580.00
Calvin L. Stinson, Jr.	\$6,402.00	\$6,402.00	\$6,402.00	\$6,402.00
K. Richard Trenholm	\$3,698.00	\$3,698.00	\$5,068.00	\$4,735.00
Dana R. Stratton	\$2,654.00	\$2,654.00	\$3,465.00	\$3,166.00

C. Disability Insurance

<u>Employee</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Charles B. Stinson	\$1,720.00	\$1,720.00	\$1,720.00	\$1,720.00
Calvin L. Stinson, Jr.	\$1,963.00	\$1,963.00	\$1,963.00	\$1,963.00
K. Richard Trenholm	\$2,162.00	\$2,162.00	\$2,162.00	\$2,162.00
Dana R. Stratton	\$931.00	\$931.00	\$931.00	\$931.00

D. Split-Dollar Life Insurance

<u>Employee</u>	<u>1979</u>
Charles B. Stinson	\$3,280.00
Calvin L. Stinson, Jr.	\$4,245.00

Profit-Sharing Plan Contributions

<u>Participant</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Charles B. Stinson	\$14,799.82	\$14,868.30	\$14,787.15	\$19,609.00
Calvin L. Stinson, Jr.	\$12,799.82	\$14,995.64	\$14,958.90	\$17,963.00
K. Richard Trenholm	\$9,987.64	\$11,344.02	\$11,601.71	\$13,436.00
Dana R. Stratton	\$9,987.64	\$11,132.19	\$11,167.75	\$13,187.00

Pension Plan Contributions

The Company adopted an integrated defined benefit pension plan in December, 1977. Separate accounts are not maintained for participants, rather the contributions and earnings are held in an unallocated account.

<u>Year</u>	<u>Company Contribution on Behalf of All Participants</u>
1977	\$47,183.07
1978	\$53,143.56
1979	\$47,334.63

Company-Owned Life Insurance

Information regarding the life insurance policies owned by the Company is set forth in Exhibit 1 attached hereto. In addition to the policies identified in Exhibit 1, the Company owns a Northwestern Policy (No. 5292240) insuring the life of Carlton Wight in the face amount of \$50,000.00.

Accounting and Audit Fees

<u>Firm</u>	<u>Year</u>	<u>Amount</u>
Peat, Marwick, Mitchell & Co.	1976	\$28,787.00
Peat, Marwick, Mitchell & Co.	1977	\$36,299.00
Peat, Marwick, Mitchell & Co.	1978	\$41,275.00
Peat, Marwick, Mitchell & Co.	1979	\$62,432.00*

*Interim audit work was performed for the first time. Of the total fee, \$18,600.00 is properly attributable to 1980.

Legal Fees (Reflected on a Cash Basis)

A. 1976

<u>Firm</u>	<u>Amount</u>
Verrill & Dana	\$16,090.64
Hyzer, Knight & Lund	\$362.18
Philips & Lineburg	\$130.00
James L. Neal, Esq.	\$211.18

B. 1977

<u>Firm</u>	<u>Amount</u>
Verrill & Dana	\$15,700.09
Hyzer, Knight & Lund	\$135.00
Strout, Payson, Pellicani & Cloutier	\$1,422.50

C. 1978

<u>Firm</u>	<u>Amount</u>
Verrill & Dana	\$17,498.09
James L. Neal, Esq.	\$26.15

D. 1979

<u>Firm</u>	<u>Amount</u>
Verrill & Dana	\$15,993.45
Bingham, Dana & Gould	\$362.61
Hyzer, Knight & Lund	\$152.33

Travel Expenses

Separate travel expense accounts were not maintained during the period 1976 - 1978. The total travel expenses paid by the Company during 1976 - 1978 is set forth below. Separate accounts were maintained in 1979 and are summarized below:

A. 1976

<u>Travel Expenses Incurred by</u>	<u>Total Amount</u>
Charles B. Stinson, Calvin L. Stinson, Jr., K. Richard Trenholm, Willard Colson, Dieter W. Schnauack, Roger Haymon, Robert White, Arthur Haskell	\$30,948.63

B. 1977

<u>Travel Expenses Incurred by</u>	<u>Total Amount</u>
Charles B. Stinson, Calvin L. Stinson, Jr., K. Richard Trenholm, Dana R. Stratton, Dieter W. Schnuack, Roger Haymon, and Arthur Haskell	\$37,576.83

C. 1978

<u>Travel Expenses Incurred by</u>	<u>Total Amount</u>
Charles B. Stinson, Calvin L. Stinson, Jr., K. Richard Trenholm, Dana R. Stratton, Dieter W. Schnauack, Roger Haymon, and Larry Founder	\$37,631.12

D. 1979

<u>Employee</u>	<u>Travel</u>	<u>Meals</u>	<u>Lodging</u>	<u>Other</u>
Charles B. Stinson	\$3,146.11	\$782.21	\$1,552.15	\$191.33
Calvin L. Stinson, Jr.	\$2,886.40	\$350.00	\$1,293.91	81.00
K. Richard Trenholm	\$5,902.68	\$3,344.22	\$2,955.82	\$456.58
Dana R. Stratton	\$468.90	\$334.20	\$214.79	0

7. Related Party Transactions

None

8. Related Employees

Compensation

<u>Employee</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Anthony D. Stratton	\$3,328.51	\$6,465.24	\$7,396.94	\$8,077.23
un R. Stratton, Jr.	0	\$110.11	\$53.00	\$8,213.77
un M. Stratton	0	\$1,062.03	0	0
Robert Stratton	0	0	0	\$1,079.89
ay T. Trenholm	0	\$249.84	\$6,259.51	\$3,482.07
en, Beth R. Trenholm, Jr.	\$2,571.85	\$11,290.85	\$12,702.77	\$14,112.83

9. Self-Insurance

None

10. Production Credit Association

A copy of the July 9, 1980, letter of Richard D. Robertson, Credit Supervisor, Federal Land Bank Association and Farmers Production Credit Association of Southern Maine is attached hereto as Exhibit 2.

11. Accounts Payable - Officers

Each officer's compensation (salary and bonus) is credited to a drawing account which is adjusted to reflect withdrawals and disbursements. The entry "Accounts Payable - Officers" reflects the credit balances in the drawing accounts.

EXHIBIT #1

STINSON CANNING COMPANY
KEYMAN POLICIES

<u>INSURED</u>	<u>COMPANY AND NUMBER</u>	<u>ISSUE DATE</u>	<u>OWNER</u>	<u>BENEFICIARY</u>	<u>FACE AMOUNT</u>	<u>ANNUAL PREMIUM</u>	<u>LOAN OUTSTAND.</u>	<u>NET CASH VALUE** YEAR</u>
CALVIN L. STINSON, JR.	NORTHWESTERN #5015918	--	STINSON CANNING CO.	STINSON CANNING CO.	100,000	2,287.00	35,438	<u>2,541</u> 1979
	CONN. GENERAL #1633589	08-01-75	STINSON CANNING CO.	STINSON CANNING CO.	500,000	13,750.00	35,026	<u>1,474</u> 1980
CHARLES B. STINSON	NORTHWESTERN #5017088	--	STINSON CANNING CO.	STINSON CANNING CO.	100,000	2,087.00	33,165	<u>2,288</u> 1979
	CONN. GENERAL #1633590	10-08-75	STINSON CANNING CO.	STINSON CANNING CO.	500,000	12,440.00	32,280	<u>1,720</u> 1980
FRANK A. PIKE	NATIONAL LIFE #0662732	--	STINSON CANNING CO.	STINSON CANNING CO.	50,000	152.00	35,802	<u>3,686</u> 1980
	PENN MUTUAL #2042736	02-05-36	STINSON CANNING CO.	STINSON CANNING CO.	25,000	109.25	17,624	<u>989</u> 1980
	NATIONAL LIFE #0662733	--	STINSON CANNING CO.	STINSON CANNING CO.	25,000	337.25	17,901	<u>2,673</u> 1980
DANA R. STRATTON	NORTHWESTERN #5293271	--	STINSON CANNING CO.	STINSON CANNING CO.	50,000	1,015.00	14,625	<u>856</u> 1979
KENNETH R. TRENHOLM	NORTHWESTERN #5297206	--	STINSON CANNING CO.	STINSON CANNING CO.	50,000	1,330.00	16,032	<u>985</u> 1979
					1,400,000	33,507.50	237,893	17,212

**CASH VALUES FOR NORTHWESTERN POLICIES ARE AS OF
DECEMBER 31, 1979.
CASH VALUES FOR CONNECTICUT GENERAL POLICIES ARE
AS OF THE ANNIVERSARY DATE FOR 1980.

000284

300.00

Dividends 1980

Statement for
Recipients of

1981

Dividends and
DistributionsCopy B
For RecipientStinson Canning Co.
Prospect Harbor, Maine 04669
01-0178440Type or print
PAYER'S
name, address,
ZIP code, and
Federal
Identifying
number.

Recipient's identifying number	1 Gross dividends and other distributions on stock	2 Dividends qualifying for exclusion	3 Dividends not qualifying for exclusion	4 Capital gain distributions
[REDACTED]	1485.00			

Type or print RECIPIENT'S name, address, and ZIP code below.

Eva S. Wight
[REDACTED]5 Nontaxable distributions
(if determinable)6 Foreign tax paid (if eligible
for foreign tax credit)7 Foreign country or
U.S. possession

If this form shows two or more recipients, the recipient whose Federal identifying number is shown should file a Form 1087-DIV with the Internal Revenue Service for each of the other recipients and provide each with a copy. However, a husband or wife is not required to file a Form 1087-DIV to show payments for the other.

This information is being furnished to the Internal Revenue Service.

RETURN TO

STINSON CANNING CO.
Prospect Harbor, Maine 04669
Telephone (207) 962-7231

SUBJECT

MESSAGE

RETURN TO

REPLY

000285

WIGHT FAMILY

Basis - Stinson Canning
To 2/28/78*

	<u>Total</u>	<u>Stinson Canning Class A</u>	<u>Stinson Canning Class B</u>	<u>Stinson Canning Pfd.</u>
Eva	\$ 32,774.06	-	31,821.66	952.40
Carl	6,879.06	-	5,926.66	952.40
Carla	13,384.67	-	5,926.66	7,458.01
Jean	13,384.67		5,926.66	7,458.01
Ellen	<u>13,384.67</u>		5,926.66	7,458.01
	<u>\$ 79,807.13</u>			

*Each received 50 shares Pfd. @ basis of
6.3493/sh. which is herein included
50 x 6.3493 = \$317.47

000286

STOCK PURCHASE AGREEMENT

THIS AGREEMENT made this 10th day of February, 1983, by and between EVA GRACE WIGHT (the "Seller") and STINSON CANNING COMPANY, a Maine corporation with its principal place of business in Prospect Harbor, Maine (the "Company").

W I T N E S S E T H :

WHEREAS, the Seller owns 104.5605 shares of Class B Common Stock, \$100.00 par value, and 439 shares of the Nonvoting, Noncumulative Preferred Stock, \$100.00 par value of the Company; and

WHEREAS, the Seller has requested that the Company purchase all of its stock owned by her; and

WHEREAS, the Company is willing to purchase all of its stock owned by Seller on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

1. Sale of Stock in the Company by Seller. On the Closing Date specified in Section 3 hereof, Seller will tender for sale, and the Company will purchase from Seller, 104.5605 shares of Class B Common Stock, \$100.00 par value ("Common Stock") and 439.5 shares of the Nonvoting, Noncumulative Preferred Stock, \$100.00 par value ("Preferred Stock") of the Company for the consideration specified in Section 2 hereof.

2. Purchase Price and Payment.

(a) Purchase Price. The purchase price shall be Eight Thousand Eight Hundred Eighty-Three Dollars and Eighteen Cents (\$8,883.18) for each share of Common Stock and Fifty Dollars (\$50.00) for each share of Preferred Stock, for an aggregate purchase price of Nine Hundred Fifty Thousand Eight Hundred and Five Dollars (\$950,805.00).

(b) Payment. The aggregate purchase price for the Common Stock and the Preferred Stock shall be paid by the Company to the Seller on the Closing Date as follows:

(i) Down Payment. The Company shall pay the Seller, as the down payment on account of the aggregate purchase price, by certified or cashier's check payable to the order of the Seller, the sum of Ninety-Five Thousand Eighty Dollars and Fifty Cents (95,080.50).

(ii) Promissory Note. The Company shall deliver to the Seller its promissory note in the form and containing the terms and conditions set forth in Exhibit A hereto ("Note") in the face amount of Eight Hundred Fifty-Five Thousand Seven Hundred Twenty-Four Dollars and Fifty Cents (\$855,724.50).

3. Closing Date. The Closing Date for the purchase and sale as described in Section 1 shall take place at the principal office of the Company, Prospect Harbor, Maine, at 10:00 a.m. on February 25, 1983, or at such other date, time and place as may be agreed to by the parties. The closing will be effected by the delivery of the following:

(a) By Seller to the Company, certificates for the Common Stock and Preferred Stock, duly endorsed in blank or with all required stock powers duly executed.

(b) By Company to Seller, a certified or bank cashier's check payable to the order of Seller in the amount of Ninety-Five Thousand Eighty Dollars and Fifty Cents (\$95,080.50).

(c) By Company to Seller, the Note in the amount of Eight Hundred Fifty-Five Thousand Seven Hundred Twenty-Four Dollars and Fifty Cents (\$855,724.50).

4. Seller's Warranties. The Seller represents and warrants to the Company as follows:

(a) She is the owner of the number of shares of Common Stock and Preferred Stock set forth in Section 1 of this Agreement, free, clear and discharged of, and from, any and all claims, liens, security interests and encumbrances whatsoever.

(b) She has full power, right and authority to enter into and perform this Agreement and the absolute and unrestricted right to sell, transfer and convey her Common Stock and Preferred Stock to the Company pursuant to this Agreement.

(c) She does not own, directly or indirectly, or hold any beneficial interest in any stock issued by the Company other than the shares of Common Stock and Preferred Stock identified in Section 1.

The above representations and warranties shall survive the Closing Date and shall thereafter continue in full force and effect.

5. Applicable Law. The terms of this Agreement shall be construed and determined in accordance with the laws of the State of Maine.

6. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Seller and her executors, administrators, personal representatives, heirs, successors and assigns, and shall bind and inure to the benefit of the Company and its successors and assigns

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, and the Seller has hereunto set her hand and seal, all the day and year first above written.

Witness:

STINSON CANNING COMPANY

Elinor M. Lippin

By Charles B. Stinson
Its President

Elinor M. Lippin

And Calvin L. Stinson Jr.
Its Treasurer

Eva Grace Wight

Eva Grace Wight
EVA GRACE WIGHT

PROMISSORY NOTE

\$855,724.50

Prospect Harbor, Mair

FOR VALUE RECEIVED, the undersigned, Stinson Canning Company, promises to pay to the order of Eva Grace Wight the principal sum of Eight Hundred Fifty-Five Thousand Seven Hundred Twenty-Four Dollars and Fifty Cents (\$855,724.50), which sum shall be paid in nine (9) annual installments of Ninety-Five Thousand Eighty Dollars and Fifty Cents (\$95,080.50), together with interest on the unpaid principal balance at the rate of thirteen percent (13%) per annum; such payments to commence on January 2, 1984, and to be paid on the second day of January in each year thereafter until the principal balance with interest at said rate shall be paid in full.

Stinson Canning Company shall have the right to pay at anytime the entire unpaid principal balance or any part thereof without premium or penalty.

In case of default in any of the payments due hereunder and such default is continued for one (1) month, the holder of this Note shall have the option to declare due and payable at once the entire principal balance hereof, and any accrued interest.

Stinson Canning Company and all other parties liable herefor, whether principal, guarantor, endorser or otherwise, hereby severally waive demand, presentment, notice and protest.

Witness:

STINSON CANNING COMPANY

By _____

Its President

And _____

Its Treasurer

000290