

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY  
Action No. 2:11-cv-07296 (KSH) (PS)

NATALIE A. WILLIAMS and	:	
ALAN J. SETNESKA,	:	
individually and on	:	
behalf of all others	:	DEPOSITION OF:
similarly situated,	:	
	:	MARKO GALIC
Plaintiffs,	:	
	:	
vs.	:	
	:	
PRESSLER & PRESSLER, LLC,	:	
	:	
Defendant.	:	

T R A N S C R I P T of the  
proceedings as taken stenographically by and before  
ANN P. CONLON, a Notary Public and Certified Court  
Reporter of the State of New Jersey, at the offices  
of Pressler & Pressler, 7 Entin Road, Parsippany, New  
Jersey, on Friday, October 12, 2012, commencing at  
1:47 p.m.

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2

3

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9

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17 ATTORNEYS FOR DEFENDANT

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21 \* \* \* \* \*

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I N D E X

WITNESS: MARKO GALIC

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none

4	<p>1 (Exhibit P-1, court order, is 2 marked for identification by the reporter.) 3 (Exhibit P-2, Freeman demand letter, 4 is marked for identification by the reporter.) 5 (Exhibit P-3, Senetska demand letter, 6 is marked for identification by the reporter.) 7 (Exhibit P-4, settlement offer, is 8 marked for identification by the reporter.) 9 (Exhibit P-5, settlement letter, is 10 marked for identification by the reporter.) 11 (Exhibit P-6, Affidavit of M. Galic, 12 is marked for identification by the reporter.) 13 14 M A R K O G A L I C, 15 having been duly sworn according 16 to law, testified as follows: 17 18 EXAMINATION BY MR. STERN: 19 Q. Mr. Galic, my name is Philip Stern and 20 I am representing Natalie Williams and Alan Setneska 21 in connection with a lawsuit they brought against 22 Pressler &amp; Pressler, LLP. Do you have any 23 understanding about what that case is about? 24 A. Yes. 25 Q. What's your understanding?</p>	6	<p>1 guess what you might ask. Maybe you won't ask 2 anything that's a problem and there would be no need, 3 but rather than going for a preemptive protective 4 order, I thought it might be more expedient to work 5 in that manner. 6 MR. STERN: The problem I have is that 7 we're under a discovery end date of a couple of 8 weeks. By the time we get a transcript and get 9 before the judge, I'm now back up against a wall 10 again after having to redepose witnesses now if I'm 11 successful on those questions, because if you're 12 directing him not to answer. Let's proceed with the 13 deposition and see what happens when things come up. 14 MR. WILLIAMSON: All right. As a last 15 comment, it's my understanding that if you were 16 successful, that any additional costs you incurred 17 because of that you would be entitled to apply for. 18 MR. STERN: Okay. 19 MR. WILLIAMSON: So I understand that. 20 Q. Mr. Galic, is it your understanding 21 that you are appearing today on behalf of New Century 22 Financial Services? 23 A. Yes. 24 Q. And you're authorized by New Century 25 Financial Services to appear today?</p>
5	<p>1 A. My understanding is it's a class 2 action against Pressler &amp; Pressler for language in a 3 settlement letter. 4 MR. WILLIAMSON: Before you go, I want 5 to make a statement. 6 MR. STERN: Go ahead. 7 MR. WILLIAMSON: Basically, knowing 8 the background of this case and knowing the 9 background of prior discussions in terms of discovery 10 and the scope of discovery and knowing that I have 11 some strong feelings I've expressed in terms of what 12 the scope should be and I know that we've had some 13 disagreements in the past, what I propose to do today 14 to keep things moving along is that if I think that 15 the question is outside the scope of discovery, I'm 16 going to direct him not to answer it as it's outside 17 of the parameters of this case. 18 And I suggest at the end, rather than 19 you and I argue back and forth about whether it is or 20 it isn't, that since the question has been asked, we 21 have it on the record and that subsequent to this 22 deposition if you desire to get an answer to that 23 question, we'll apply to the judge. I'll apply for a 24 protective order regarding those questions and you'll 25 apply for an order to compel rather than me trying to</p>	7	<p>1 A. Yes. 2 Q. And is it your understanding that you 3 have counsel today? 4 A. Yes. 5 Q. Do you understand that Pressler &amp; 6 Pressler is a party in the lawsuit? 7 A. Yes. 8 Q. But it's also your understanding that 9 then Pressler &amp; Pressler is also representing you and 10 New Century with respect to this deposition in this 11 lawsuit? 12 A. Yes. 13 Q. What's your understanding as to the 14 reason why you're being deposed today? 15 A. My understanding is I'm being deposed 16 to speak about New Century's placement of the account 17 and possible credit reporting criteria. 18 Q. How did you find out about this case? 19 A. Mr. Williamson contacted me. 20 Q. What's your highest level of 21 education? 22 A. Bachelor's degree. 23 Q. And that's from where? 24 A. From Kean University. 25 Q. And what was your major field of</p>

8

1 study?

2 **A. Music performance.**

3 **Q.** And when did you graduate from Kean?

4 **A. 2002.**

5 **Q.** When did you begin working for New

6 Century Financial?

7 **A. In 2002.**

8 **Q.** Did you have any full-time employment

9 after you graduated college before you started

10 working at New Century Financial?

11 **A. Not full time, no.**

12 **Q.** And your work at New Century is on a

13 full-time basis?

14 **A. Yes.**

15 **Q.** What are your hours generally?

16 **A. The hours are eight-thirty to**

17 **five-thirty.**

18 **Q.** Monday through Friday?

19 **A. Yes, Monday through Friday.**

20 **Q.** And you work principally at one

21 location?

22 **A. Yes.**

23 **Q.** Where is that?

24 **A. It's 110 South Jefferson Road, Suite**

25 **104 in Whippany, New Jersey.**

9

1 **Q.** Do you have any knowledge about

2 consumer credit reporting?

3 **A. Yes.**

4 **Q.** Have you had any formal training with

5 respect to consumer credit reporting?

6 **A. No.**

7 MR. WILLIAMSON: I'm going to object

8 to the form of the question about does he have any

9 knowledge.

10 **Q.** Have you ever heard of the Fair Credit

11 Reporting Act?

12 **A. Yes.**

13 **Q.** Have you ever been given any

14 information in the course of your employment with

15 regard to the Fair Credit Reporting Act?

16 **A. Yes.**

17 **Q.** And who provided those materials?

18 **A. It might have been at training. I**

19 **looked them you up on the website.**

20 **Q.** Have you received any kind of training

21 seminars, materials that you were given to read to

22 have an understanding of consumer credit reporting or

23 the Fair Credit Reporting Act?

24 **A. Yes.**

25 MR. WILLIAMSON: Object to the form.

10

1 You can answer.

2 **A. Yes, seminars and some paperwork.**

3 **Q.** Those seminars were provided by your

4 employer?

5 **A. No.**

6 **Q.** So there were outside companies that

7 were running seminars that you attended?

8 **A. Yes.**

9 **Q.** What is your involvement in credit

10 reporting functions by New Century?

11 MR. WILLIAMSON: Objection to form.

12 **A. I don't have much involvement with the**

13 **credit bureaus directly. Whenever I see accounts**

14 **that need to be reported to the credit bureau, I can**

15 **tag them to be electronically reported.**

16 **Q.** Okay.

17 **A. But I did not set it up.**

18 **Q.** Excuse me?

19 **A. I did not set it up with the credit**

20 **bureaus.**

21 **Q.** Set up what, the relationship

22 between --

23 **A. Our reporting system, yes.**

24 **Q.** But you operate the reporting system?

25 **A. Yes, I can.**

11

1 **Q.** Are there other people at New Century

2 who can also do that?

3 **A. Yes.**

4 **Q.** Is there someone who is in charge of

5 New Century's reporting system?

6 **A. Yes.**

7 **Q.** Who is that?

8 **A. Jeff Esposito.**

9 **Q.** And is his function limited to the

10 mechanics of how to go about reporting and the

11 system?

12 **A. Yes, the mechanics.**

13 **Q.** Is Jeff Eposito involved in the

14 decisions as to what debts will be reported by New

15 Century?

16 **A. That's something that credit bureaus**

17 **give us certain criteria and guidelines, and that**

18 **gets programmed into the system.**

19 **Q.** And is Jeff the person who programs

20 that into the system?

21 **A. No, that would be a programmer.**

22 **Q.** And the programmer would report to

23 Jeff?

24 **A. You would have to ask Jeff that. I**

25 **don't know.**

12

1 **Q.** So what is your level of  
 2 responsibility with respect to New Century's credit  
 3 reporting?  
 4 **A. None.**  
 5 **Q.** Do you set policy as to when New  
 6 Century will make decisions as to reporting accounts?  
 7 **A. No.**  
 8 MR. WILLIAMSON: Objection to form.  
 9 **Q.** Do you make decisions as to which  
 10 accounts will be reported?  
 11 **A. No.**  
 12 **Q.** Do you make a decision as to whether  
 13 any account is reported?  
 14 **A. If an account comes to me that I see**  
 15 **should not be reported, it won't get reported if**  
 16 **that's what you're asking. It's on an account by**  
 17 **account basis.**  
 18 **Q.** So there are accounts that you review,  
 19 you personally review. Of those accounts that you  
 20 review, on some of them you make a decision that they  
 21 shouldn't be reported?  
 22 **A. If I review an account and it hasn't**  
 23 **been reported yet in a schedule for reporting, I can**  
 24 **make that decision not to report it.**  
 25 **Q.** You make a --

13

1 **A. I can make that decision not to report**  
 2 **it.**  
 3 **Q.** Okay. You're saying it's an account  
 4 that's flagged for reporting? Is that what you said?  
 5 **A. Yes, that will be reported.**  
 6 **Q.** That will be reported. In other  
 7 words, some criteria have been set to determine that  
 8 a particular account would be reported?  
 9 **A. Correct.**  
 10 **Q.** And then if you see that account and  
 11 if you find that there's some basis that it shouldn't  
 12 be reported, you have authority to do that?  
 13 **A. Correct.**  
 14 **Q.** Do you have authority to direct that  
 15 an account be reported that's not scheduled to be  
 16 reported?  
 17 **A. No.**  
 18 **Q.** So if you see an account that's not  
 19 being reported, it's not up to you to say let's  
 20 report that account?  
 21 **A. Correct.**  
 22 **Q.** Are there circumstances that arise  
 23 where an account is reported and subsequent events  
 24 determine that you're no longer going to report that  
 25 account?

14

1 **A. Yes.**  
 2 **Q.** And under those circumstances, do you  
 3 have authority to determine that the account should  
 4 no longer be reported?  
 5 **A. No.**  
 6 **Q.** What are those circumstances?  
 7 **A. The circumstances could be that an**  
 8 **account is disputed, an answer is filed.**  
 9 **Q.** That's it?  
 10 **A. We're very careful with the disputes.**  
 11 **We tell our counsel that when they receive calls and**  
 12 **if those calls are possible disputes, even leading**  
 13 **more towards disputes, it's better to be safe than**  
 14 **sorry and we flag those to not be reported. If**  
 15 **someone has filed for bankruptcy, that as well.**  
 16 **Q.** So if New Century becomes aware that  
 17 an account is disputed, is it automatic that they  
 18 will make a determination not to report that account?  
 19 **A. Correct.**  
 20 **Q.** If an answer is filed to a collection  
 21 complaint, is it automatic that New Century no longer  
 22 reports that account?  
 23 **A. Correct.**  
 24 **Q.** I just want to get some terms, see if  
 25 we can agree to the terms. Do you know the term

15

1 "placement information"?  
 2 **A. Yes.**  
 3 **Q.** What is your understanding of what  
 4 placement information is?  
 5 **A. Placement information is information**  
 6 **derived from a sale file or a spreadsheet that's**  
 7 **placed with our counsel.**  
 8 **Q.** Let me just go back to a couple of  
 9 things that you said.  
 10 **A. Sure.**  
 11 **Q.** You said sale file and spreadsheet.  
 12 Are the sale file and spreadsheet different things?  
 13 **A. No, the same thing.**  
 14 **Q.** You're using the terms  
 15 interchangeably?  
 16 **A. Yes.**  
 17 **Q.** Okay. The spreadsheet is an  
 18 electronic document?  
 19 **A. Correct.**  
 20 **Q.** And the spreadsheet contains  
 21 information as to each account that New Century has  
 22 acquired?  
 23 **A. Yes.**  
 24 **Q.** As to a particular purchase of  
 25 accounts?

16

1 **A. Yes.**  
 2 **Q.** Now, you also added that the placement  
 3 information is the information that you place with  
 4 your counsel.  
 5 **A. Correct.**  
 6 **Q.** So the information on that spreadsheet  
 7 is the information that you provide to your counsel?  
 8 **A. Yes.**  
 9 **Q.** Is your counsel always Pressler &  
 10 Pressler?  
 11 MR. WILLIAMSON: Objection. Where?  
 12 Phil, there's 50 states. Hear me out because I want  
 13 you to rephrase it. When you ask that question, also  
 14 what if he gets in a traffic accident. What if, you  
 15 know. Be a little more specific.  
 16 MR. STERN: I'll rephrase it. I'm not  
 17 sure what the basis for the objection is.  
 18 **Q.** You used the term "our counsel." Who  
 19 is "our counsel"?  
 20 **A. Our counsel is Pressler & Pressler.**  
 21 **Q.** Do you have an understanding of the  
 22 meaning of the word "media" with respect to accounts?  
 23 **A. Yes.**  
 24 **Q.** What's media?  
 25 **A. Media is any form of documentation, it**

17

1 **could be statements, application, it could be a**  
 2 **payment history.**  
 3 **Q.** So statements -- I'm trying to sort of  
 4 flesh this out a little bit. A statement would be a  
 5 periodic billing statement issued by the original  
 6 insurer of the account?  
 7 **A. Yes.**  
 8 **Q.** The application would be the document  
 9 by which the account debtor requested the account?  
 10 **A. Yes, applied for the account.**  
 11 **Q.** Would it also include written terms  
 12 and conditions governing the account?  
 13 **A. Yes.**  
 14 **Q.** Is there anything else that media  
 15 consists of?  
 16 **A. A copy of a check made to the original**  
 17 **creditor. As I mentioned, payment histories,**  
 18 **deficiency notices.**  
 19 **Q.** Is there anything that constitutes  
 20 media that also constitutes placement information?  
 21 MR. WILLIAMSON: Objection.  
 22 **A. I don't quite understand the question.**  
 23 **Q.** Okay. Media you described as  
 24 documentation and you went through a list of various  
 25 types of documentation you described. Does placement

18

1 information include any of those forms of documents?  
 2 **A. Sometimes.**  
 3 **Q.** Okay. So if the placement information  
 4 is an electronic spreadsheet, how does the media come  
 5 into play in terms of the placement information?  
 6 **A. The only way that it comes in is it**  
 7 **comes with it sometimes.**  
 8 **Q.** Is it imbedded in the spreadsheet?  
 9 **A. No. Parts of it are, like the dates**  
 10 **that you would get from the media are in there such**  
 11 **as loss pay date, charge-off date, that's in the**  
 12 **media. But the media is in the placement information**  
 13 **because the media comes separate sometimes. It's not**  
 14 **on the spreadsheet.**  
 15 **Q.** That's what I'm trying to ask. Let's  
 16 be clear. I'm not questioning whether information  
 17 that's contained in media also appears in the  
 18 placement information. I'm not asking about the  
 19 information. What I'm asking is whether something  
 20 that you would identify as media would also be  
 21 identified as placement information.  
 22 **A. No.**  
 23 **Q.** So they're separate? They may contain  
 24 identical information, but they're separate items?  
 25 **A. Yes.**

19

1 **Q.** And you're saying sometimes when you  
 2 receive placement information, you might also receive  
 3 media?  
 4 **A. Yes.**  
 5 **Q.** But not always?  
 6 **A. Not always.**  
 7 **Q.** Is media and placement information the  
 8 entire universe of information you obtain about a  
 9 debt before it gets placed with Pressler & Pressler?  
 10 MR. WILLIAMSON: Objection,  
 11 mischaracterizes his testimony. He didn't say that.  
 12 MR. STERN: I asked him a question.  
 13 I'm not characterizing his testimony.  
 14 **Q.** You can answer.  
 15 MR. WILLIAMSON: Can you read back the  
 16 question, please?  
 17 (The question is read by the reporter.)  
 18 **A. No.**  
 19 **Q.** What other information do you obtain?  
 20 **A. Chains of title.**  
 21 MR. WILLIAMSON: Foundation.  
 22 **Q.** What information do you obtain about  
 23 chain of title?  
 24 **A. We obtain the actual chain of title.**  
 25 **Q.** What does that consist of?

20

1           **A.     It consists of bills of sale from the**  
 2 **original creditor through the chain to us.**  
 3           **Q.**     The bills of sale are documents?  
 4           **A.     Yes.**  
 5           **Q.**     So you would receive documents that  
 6 would reflect the chain of ownership of the account?  
 7           **A.     Yes.**  
 8           **Q.**     So now if I can go back, does the  
 9 media placement information and chain of title  
 10 information constitute all the information that you  
 11 obtain prior to placing it with Pressler & Pressler?  
 12           MR. WILLIAMSON: Objection,  
 13 foundation. He's not testified that he receives any  
 14 information other than the spreadsheet prior to  
 15 placing with us. And he testified that he sometimes  
 16 has media prior to placing.  
 17           MR. STERN: Mitch, there really aren't  
 18 speaking objections. If you want to object to the  
 19 form, object to the form.  
 20           MR. WILLIAMSON: I'd like to clarify  
 21 so we can move forward. I mean, if you clarify it,  
 22 you can ask the question, no problem. Just clarify  
 23 it, because it's getting sloppy.  
 24           **Q.**     What information does New Century  
 25 obtain about a debt prior to being placed with

21

1 Pressler & Pressler?  
 2           **A.     The information obtained is what's on**  
 3 **what we call the placement information, spreadsheet**  
 4 **AKA sale file, consumer information, Social Security**  
 5 **number, account number, obviously name, last name,**  
 6 **address that they last had, important information**  
 7 **about the account, like I said, account number,**  
 8 **there's the charge-off date, the last payment date,**  
 9 **origination date, a last payment amount if there is**  
 10 **one; any other information that the original creditor**  
 11 **or seller had on the consumer would come with that**  
 12 **information on the spreadsheet.**  
 13           **Q.**     So all of that information is  
 14 information that's contained in the placement  
 15 information?  
 16           **A.     Yes.**  
 17           **Q.**     Is there any information outside the  
 18 placement information that is provided to Pressler &  
 19 Pressler at the time that you place it with them?  
 20           **A.     No. Can I please --**  
 21           **Q.**     You want to explain? Yes.  
 22           **A.     If we get media, that goes to Pressler**  
 23 **& Pressler. Anything we get at the time of the**  
 24 **purchase will go to Pressler & Pressler along with**  
 25 **the placement information. So if we get statements,**

22

1 **periodic billing statements, those will go to**  
 2 **Pressler & Pressler along with the placement**  
 3 **information.**  
 4           **Q.**     Do all of the accounts obtained by New  
 5 Century get placed with counsel?  
 6           **A.     Yes.**  
 7           **Q.**     What's the reason why it gets placed  
 8 with counsel?  
 9           **A.     Because that is our model. We do not**  
 10 **have inhouse collections, we do not collect on our**  
 11 **own. We service.**  
 12           **Q.**     Your answer to that question of what  
 13 was the reason is that's your model.  
 14           **A.     Yes.**  
 15           **Q.**     But is there a reason why that model  
 16 is that way?  
 17           MR. WILLIAMSON: Objection, that's  
 18 outside the scope. Now you're asking for -- that's  
 19 proprietary and I'm going to direct him not to  
 20 answer.  
 21           MR. STERN: Hold on.  
 22           **Q.**     What's the purpose that New Century  
 23 intends to accomplish by placing the accounts with  
 24 Pressler & Pressler?  
 25           **A.     To collect on the accounts.**

23

1           **Q.**     So all the accounts that you send to  
 2 Pressler & Pressler, you intend Pressler & Pressler  
 3 to pursue collection?  
 4           **A.     Yes.**  
 5           **Q.**     And by placing it with Pressler &  
 6 Pressler, it's your intent that they then proceed  
 7 with collecting on the account?  
 8           **A.     Yes.**  
 9           **Q.**     I'm showing you what's been marked as  
 10 P-2 and P-3 for identification.  
 11           MR. WILLIAMSON: Do you have an  
 12 additional copy?  
 13           MR. STERN: I only have one copy that  
 14 I brought of the exhibits.  
 15           MR. WILLIAMSON: You can continue.  
 16           **Q.**     Have you seen letters in this format  
 17 before from Pressler & Pressler?  
 18           **A.     Yes.**  
 19           **Q.**     Do you know what the purpose of the  
 20 letter is?  
 21           **A.     Yes, it's a demand letter.**  
 22           **Q.**     It's your understanding that that's  
 23 the initial communication from Pressler & Pressler to  
 24 the account debtor?  
 25           MR. WILLIAMSON: Objection. You're



24

1 asking him if he knows what Pressler & Pressler does.  
 2 I don't know that that's appropriate.  
 3 MR. STERN: He can answer the question  
 4 if he knows. I don't see that there's a basis for  
 5 objection.  
 6 Q. Go ahead, answer the question.  
 7 MR. WILLIAMSON: To the best of your  
 8 ability, answer the question.  
 9 A. **This is the initial demand letter that**  
 10 **Pressler sends saying this is the account you have**  
 11 **and it sends the FTCPA language.**  
 12 MR. WILLIAMSON: I'll have a  
 13 continuing objection that he's not a representative  
 14 of Pressler & Pressler.  
 15 MR. STERN: Obviously.  
 16 MR. WILLIAMSON: And any testimony he  
 17 gives as to what Pressler & Pressler does is based on  
 18 his understanding as a third party.  
 19 Q. Are these letters, P-2 and P-3,  
 20 authorized by New Century to be sent by Pressler &  
 21 Pressler?  
 22 A. **Yes.**  
 23 Q. Do you see in the first sentence of  
 24 P-2 that it says, "This is to notify you that your  
 25 account with GE Capital Regular Walmart, account

25

1 number," I'll skip the account number, "has been  
 2 purchased by New Century Financial Services, Inc. and  
 3 has been placed with the firm of Pressler & Pressler  
 4 for collection."  
 5 A. **I see it, yes.**  
 6 Q. Is the statement, the last part of  
 7 that sentence, correct that the account has been  
 8 placed by New Century with Pressler & Pressler for  
 9 collection?  
 10 A. **Yes.**  
 11 Q. I'm going to ask you with respect to  
 12 P-3, if you look at the first paragraph, which is  
 13 also the first sentence of that letter, is it also  
 14 true with respect to P-3 that the account described  
 15 in that letter was placed by New Century with  
 16 Pressler & Pressler for collection?  
 17 A. **Yes.**  
 18 Q. When New Century purchased the account  
 19 that's in P-2, did someone make a decision as to  
 20 whether to send that account to Pressler & Pressler?  
 21 A. **Yes.**  
 22 Q. Who made that decision?  
 23 A. **Just that's the overall decision that**  
 24 **we place every account that we purchase to Pressler &**  
 25 **Pressler.**

26

1 Q. So there was no specific decision made  
 2 as to that account. Instead it was a matter of the  
 3 way in which New Century operates, correct?  
 4 A. **Yes.**  
 5 Q. I think as you mentioned before,  
 6 everything gets sent to Pressler & Pressler?  
 7 A. **Yes.**  
 8 Q. I'm showing you what we've marked as  
 9 P-6. Have you seen P-6 before?  
 10 A. **Yes.**  
 11 Q. Do you know what it is?  
 12 A. **Yes.**  
 13 Q. What is it?  
 14 A. **It's an affidavit of Marko Galic.**  
 15 Q. Is that you?  
 16 A. **Yes, it is.**  
 17 Q. How many pages is it?  
 18 A. **It is two pages.**  
 19 Q. At the end of the second page, towards  
 20 the end of the second page there's a signature that  
 21 appears above the signature line, Marko Galic.  
 22 A. **Yes.**  
 23 Q. Is that your signature?  
 24 A. **It is.**  
 25 Q. Do you recall signing P-6?

27

1 A. **I do.**  
 2 Q. What do you recall about signing P-6?  
 3 A. **I prepared this affidavit with Mr.**  
 4 **Williamson and I reviewed the affidavit and signed**  
 5 **it.**  
 6 Q. And you drafted the affidavit?  
 7 A. **With Mr. Williamson.**  
 8 Q. You received assistance from Mr.  
 9 Williamson on the draft?  
 10 A. **Yes.**  
 11 Q. What did you understand was the  
 12 purpose of you signing that affidavit?  
 13 A. **The purpose of me signing this**  
 14 **affidavit was to show how we obtained the account and**  
 15 **how we report to credit bureaus, and that this**  
 16 **particular account was deleted from the credit**  
 17 **report.**  
 18 Q. Which account?  
 19 A. **The account for Natalie Freeman.**  
 20 Q. So the account for Natalie Freeman  
 21 Williams was originally reported to credit bureaus by  
 22 New Century?  
 23 A. **No. I'm sorry if I misspoke. We show**  
 24 **how we delete and how we handle credit reporting, et**  
 25 **cetera.**

28

1           **Q.**     So there's no credit reporting done on  
 2 Ms. Williams' account?  
 3           **A.**     **No.**  
 4                   MR. WILLIAMSON: Objection to form.  
 5           **Q.**     Take a moment and review, if you  
 6 would, the affidavit. Actually, read the affidavit  
 7 to yourself and let me know when you're done.  
 8           **A.**     **Okay.**  
 9           **Q.**     Is there anything you would like to  
 10 change in terms of any of the statements that you  
 11 made in the affidavit?  
 12           **A.**     **No.**  
 13           **Q.**     So as you sit here today, everything  
 14 is true and accurate that's in that affidavit?  
 15           **A.**     **Yes.**  
 16           **Q.**     Turning your attention to paragraph  
 17 nine, it states that there are only three codes our  
 18 company reports?  
 19           **A.**     **Yes.**  
 20           **Q.**     Code 93?  
 21           **A.**     **Yes.**  
 22           **Q.**     "Assigned to collections" is the first  
 23 item listed.  
 24           **A.**     **Yes, code 93.**  
 25           **Q.**     Then code 62, "paid in full"?

29

1           **A.**     **Correct.**  
 2           **Q.**     And code DA, to delete.  
 3           **A.**     **Yes.**  
 4           **Q.**     What's your understanding of what  
 5 information appears in someone's credit report when  
 6 you reported code 93?  
 7           **A.**     **Well it says it's assigned to**  
 8 **collections. It says New Century Financial Services,**  
 9 **it has the original creditor, it has original account**  
 10 **number, and it says, "sent to collections."**  
 11           **Q.**     So for someone that you've reported  
 12 on, it would show that New Century is reporting that  
 13 there's money owed, there's credit due?  
 14           **A.**     **Yes.**  
 15           **Q.**     It would show the balance that New  
 16 Century believes is due?  
 17           **A.**     **Yes.**  
 18           **Q.**     It would show who the original  
 19 creditor was?  
 20           **A.**     **Yes.**  
 21           **Q.**     It would have the account number from  
 22 the original creditor?  
 23           **A.**     **Yes.**  
 24           **Q.**     And it would somehow indicate that  
 25 that was assigned to New Century for purposes of

30

1 collections?  
 2           **A.**     **I think it just says, "assigned to**  
 3 **collections."**  
 4           **Q.**     Is there a regular period of time that  
 5 New Century reports information to credit bureaus?  
 6                   MR. WILLIAMSON: Objection, form.  
 7           **A.**     **A regular period of time?**  
 8           **Q.**     When is the information given to the  
 9 credit bureaus?  
 10           **A.**     **When we purchase the portfolio, we**  
 11 **wait two months to put that information on the credit**  
 12 **bureau.**  
 13           **Q.**     For those accounts that you've  
 14 assigned code 93, if nothing changes, do you have to  
 15 continue to report the account?  
 16           **A.**     **Yes. It gets reported on the first of**  
 17 **each month.**  
 18           **Q.**     So after the 60-day period of those  
 19 accounts that are reported, they're reported and then  
 20 the first of every month following that until there's  
 21 a change, they get reported as code 93?  
 22           **A.**     **Yes.**  
 23           **Q.**     And those reportings would then only  
 24 change to one of two things, right? Code 62 or code  
 25 DA?

31

1           **A.**     **Correct.**  
 2           **Q.**     When would it change to code 62?  
 3           **A.**     **When we received notification that an**  
 4 **account is paid in full.**  
 5           **Q.**     And who do you receive that  
 6 notification from?  
 7           **A.**     **From the attorneys, Pressler &**  
 8 **Pressler.**  
 9           **Q.**     And when do you change the code to DA?  
 10           **A.**     **When we receive information that the**  
 11 **account was disputed or that an answer was filed.**  
 12           **Q.**     What's your understanding of what  
 13 information -- as to -- withdraw. What's your  
 14 understanding as to the information that's reported  
 15 on someone's credit report following a report of a  
 16 code DA?  
 17           **A.**     **My understanding is that it gets**  
 18 **reported on the first of the month. When we report**  
 19 **code DA, the credit bureau goes in there and deletes**  
 20 **that trade line completely.**  
 21           **Q.**     So it would not show up at all on  
 22 someone's credit report?  
 23           **A.**     **I think the next cycle it would show**  
 24 **up. I think it might take two weeks or so.**  
 25           **Q.**     It's just a matter of being processed?

32

1       **A.     Yes.**

2       **Q.**     But it's a matter that's being done?

3       **A.     Yes.**

4       **Q.**     So once the credit bureau processes

5 the code DA, the fact that that account was shown as

6 assigned to collection by New Century does not appear

7 on the consumer's credit report at all?

8       **A.     Does not appear at all.**

9       **Q.**     Okay. Are you aware that with respect

10 to Natalie Freeman, also known as Natalie Williams,

11 that she filed an answer to a complaint?

12       **A.     I'm aware.**

13       **Q.**     Are you aware that Alan Setneska filed

14 an answer to a complaint?

15       **A.     I am aware.**

16       **Q.**     Are you aware as to whether the

17 account in Alan Setneska's name was ever reported to

18 the credit bureaus?

19       **A.     I can't recall.**

20       **Q.**     I think you've already stated that Ms.

21 Freeman's account was not reported, correct?

22       **A.     Correct.**

23       **Q.**     After Mr. Setneska's account had been

24 reported, would New Century have sent a code DA once

25 New Century found out that he had filed an answer?

33

1       **A.     Yes.**

2       **Q.**     And would New Century have submitted a

3 code DA for all accounts in which it was advised that

4 the debtor had filed an answer to the complaint?

5       **A.     Yes.**

6       **Q.**     How does New Century find out that an

7 answer to the complaint has been filed?

8       **A.     It's automated.**

9       **Q.**     What's your understanding, how does

10 the automated system work?

11       **A.     The automated system is when the**

12 **attorneys get a dispute or an answer is filed, they**

13 **flag that dispute or that answer and that information**

14 **is transferred to us to that account.**

15       **Q.**     How is that information transferred?

16       **A.     Electronically.**

17       **Q.**     Is it a connected computer system or

18 is it by e-mail?

19       **A.     I'm not a programmer. I can't answer**

20 **that.**

21       **Q.**     But your understanding is that that

22 information is essentially instantaneous?

23       **A.     Yes.**

24       **Q.**     So that once Pressler & Pressler

25 records in the system that an answer has been filed,

34

1 that information is communicated to New Century?

2       **A.     Yes.**

3       **Q.**     And then New Century automatically,

4 the first of the next month, reports DA for that

5 account?

6       **A.     That's also automated for the first of**

7 **the month, so yes.**

8       **Q.**     So it's an automated process?

9       **A.     Yes.**

10       **Q.**     So the only reason why -- well, if an

11 account were reported and continued to be reported

12 after an answer was filed, there would only be two

13 possibilities as to why that occurred. One is that

14 the DA code had not yet been sent and deleted by the

15 credit bureau or there was somehow some mistake in

16 the entry of a coding?

17               MR. WILLIAMSON: Objection to form.

18       **A.     I don't believe -- I believe the DA**

19 **code goes no matter what. It doesn't have to wait**

20 **until the first of the month.**

21       **Q.**     So the DA code goes as soon as you

22 find out?

23       **A.     That's my understanding, yeah.**

24       **Q.**     And what's the basis of your

25 understanding?

35

1       **A.     I believe Jeff told me that before,**

2 **because he helped set it up.**

3       **Q.**     And again, I just want to go back,

4 you're authorized on behalf of New Century to testify

5 as to its practices with respect to credit reporting?

6       **A.     Yes.**

7       **Q.**     I'll show you what's been marked as

8 P-4. Do you know what P-4 is?

9       **A.     Yes.**

10       **Q.**     What is P-4?

11       **A.     It's a settlement letter that our**

12 **counsel sends to a consumer.**

13       **Q.**     Is that letter authorized by New

14 Century?

15       **A.     It is.**

16       **Q.**     And this letter offered a reduced

17 amount for Ms. Freeman to pay compared to the amount

18 that was claimed by New Century, correct?

19       **A.     Yes.**

20       **Q.**     How is it determined what amount would

21 be offered?

22       **A.     The attorneys determine it.**

23       **Q.**     And they've been authorized by New

24 Century to make that determination?

25       **A.     Correct.**

36

1 **Q.** And do you see that in P-4 there is a  
 2 deadline for making the settlement payment of January  
 3 25th, 2011?  
 4 **A. Yes.**  
 5 **Q.** Who determines what that deadline date  
 6 should be?  
 7 **A. Counsel.**  
 8 **Q.** And that's authorized by New Century?  
 9 **A. It is.**  
 10 **Q.** Does New Century receive a copy of  
 11 this letter at or about the time it was sent?  
 12 **A. How do you mean?**  
 13 **Q.** Do you see this letter P-4 is dated  
 14 January 12th, 2011?  
 15 **A. Yes.**  
 16 **Q.** Did New Century receive a copy of P-4  
 17 at or shortly after January 12th, 2011?  
 18 **A. Receive a copy as in a copy? I don't**  
 19 **understand your question.**  
 20 **Q.** A copy of the letter, P-4.  
 21 **A. But you're asking if they sent this**  
 22 **out to Natalie Freeman and sent a copy to New**  
 23 **Century?**  
 24 **Q.** Well, go ahead, answer that question.  
 25 **A. No.**

37

1 **Q.** There's an electronic copy of P-4  
 2 that's created by Pressler & Pressler, correct?  
 3 **MR. WILLIAMSON: Objection.**  
 4 **Q.** Does New Century have access to see  
 5 that letter?  
 6 **MR. WILLIAMSON: Objection. I'm going**  
 7 **to direct him not to answer.**  
 8 **Q.** When did New Century find out that  
 9 this settlement offer was made to Natalie Freeman?  
 10 **MR. WILLIAMSON: Objection to the**  
 11 **form. You can answer.**  
 12 **A. I generally don't look at it on an**  
 13 **account by account basis. We have hundreds of**  
 14 **thousands of accounts.**  
 15 **Q.** Did Pressler & Pressler inform New  
 16 Century that this offer was made contained in P-4?  
 17 **A. No.**  
 18 **Q.** Is there a way that New Century could  
 19 find out whether an offer was made?  
 20 **A. Yes.**  
 21 **Q.** How could it find that out?  
 22 **A. We could access the attorney's system**  
 23 **for audit.**  
 24 **Q.** So you have access to Pressler &  
 25 Pressler's records to some extent?

38

1 **A. Yes, to our records, yes.**  
 2 **Q.** At least to the extent of being able  
 3 to see the settlement letter.  
 4 **A. What letters they sent, yes.**  
 5 **Q.** So if New Century wanted to know  
 6 whether a settlement letter was sent, they could just  
 7 check by gaining access to those records in the  
 8 Pressler & Pressler system?  
 9 **A. Yes.**  
 10 **Q.** To your knowledge, is there anything  
 11 that Pressler & Pressler does affirmatively to let  
 12 you know that the settlement letter was sent?  
 13 **MR. WILLIAMSON: Objection. You can**  
 14 **answer.**  
 15 **A. No.**  
 16 **Q.** Was P-4 sent by Pressler & Pressler  
 17 with the authority of New Century Financial?  
 18 **MR. WILLIAMSON: Objection, form.**  
 19 **A. Yes.**  
 20 **Q.** I'd like you to look at the second  
 21 paragraph in P-4.  
 22 **A. Yes.**  
 23 **Q.** Do you see that it says, "This payment  
 24 will satisfy the pending lawsuit"?  
 25 **A. Yes.**

39

1 **Q.** And this payment is referring to the  
 2 settlement payment that's offered in the first  
 3 paragraph, correct?  
 4 **A. Yes.**  
 5 **Q.** And the next sentence, "Proof that the  
 6 debt has been paid will be sent to the court and a  
 7 copy to you so that you can advise the credit  
 8 bureau."  
 9 **A. Yes.**  
 10 **Q.** Do you know at what point in the  
 11 collection process Pressler & Pressler sent this form  
 12 of settlement letter?  
 13 **A. Yeah, I think it was after the summons**  
 14 **was sent, after litigation started.**  
 15 **Q.** Do you know if it was before or after  
 16 an answer was filed?  
 17 **A. I'm not sure.**  
 18 **Q.** Do you know whether New Century  
 19 authorized Pressler & Pressler to send it before or  
 20 after an answer is filed?  
 21 **A. They're authorized to send the**  
 22 **settlement letters whenever they want to send the**  
 23 **settlement letters.**  
 24 **Q.** So it's at their discretion with your  
 25 authority?

40

1           **A.     Yes.**  
 2           **Q.**     Does New Century advise Pressler &  
 3 Pressler as to what accounts New Century has reported  
 4 to the credit bureaus?  
 5           **A.     No.**  
 6           **Q.**     Is that information available to  
 7 Pressler & Pressler?  
 8           **A.     I'm not sure.**  
 9           **Q.**     Based on your knowledge as to credit  
 10 reporting, what, if anything, would happen to a  
 11 consumers's credit report if they sent a copy of the  
 12 proof that the debt has been paid from Pressler &  
 13 Pressler to the credit bureau?  
 14                     MR. WILLIAMSON: Objection, form.  
 15           **A.     That the credit bureaus would update**  
 16 **that as paid if it wasn't already on the credit**  
 17 **report.**  
 18           **Q.**     New Century would report it as paid if  
 19 a payment was made in accordance with this letter,  
 20 correct?  
 21           **A.     Correct.**  
 22           **Q.**     You would send code --  
 23           **A.     62.**  
 24           **Q.**     So that would be automatically done?  
 25           **A.     Yes.**

41

1           **Q.**     If an account was not reported, what  
 2 would happen to a consumers's credit report if they  
 3 sent proof that the debt has been paid?  
 4                     MR. WILLIAMSON: Objection.  
 5           **A.     It wouldn't help with our trade line**  
 6 **since it wasn't there if it wasn't reported, but it**  
 7 **could help possibly with another trade line if a**  
 8 **prior debt buyer had the account and put it on there**  
 9 **or if the original creditor is still on the credit**  
 10 **report.**  
 11           **Q.**     What's the basis for your knowledge as  
 12 to that?  
 13           **A.     Because I've looked at several credit**  
 14 **reports, many credit reports, and I've seen original**  
 15 **creditors. When we're not on it, we didn't report**  
 16 **it.**  
 17           **Q.**     Can you name an original creditor that  
 18 you saw on a credit report, it doesn't matter whose,  
 19 on a credit report where New Century had not reported  
 20 the trade line?  
 21           **A.     Yes, GE Capital is one.**  
 22           **Q.**     So let's take GE Capital. What  
 23 effect, to your knowledge, would sending proof that  
 24 the debt has been paid that's described in the  
 25 letter, P-4, to the GE Capital trade line?

42

1                     MR. WILLIAMSON: Can you repeat that  
 2 question?  
 3                     MR. STERN: Let me withdraw the  
 4 question.  
 5           **Q.**     Do you see in P-4, in that second  
 6 sentence in the second paragraph it says, "proof that  
 7 the debt has been paid."  
 8           **A.     Yes.**  
 9           **Q.**     Do you have any knowledge as to what  
 10 that proof consists of?  
 11           **A.     Yes.**  
 12           **Q.**     What does it consist of?  
 13           **A.     Well, the attorneys would send a paid**  
 14 **in full letter stating it's paid in full, it**  
 15 **references a docket number, send a stipulation of**  
 16 **dismissal, warrant satisfaction.**  
 17           **Q.**     So that proof, the letter indicates  
 18 that it would be sent to the court, right?  
 19           **A.     Yes.**  
 20           **Q.**     And then a copy of that proof would be  
 21 sent to the debtor.  
 22           **A.     Correct.**  
 23           **Q.**     And the purpose of sending it to the  
 24 debtor is, as it says, so that you can advise the  
 25 credit bureau, correct?

43

1           **A.     Yes.**  
 2           **Q.**     And it's your understanding that -- I  
 3 want to make sure I'm understanding you correctly.  
 4 It's your understanding that whatever that proof  
 5 consists of, that if the consumer sends that to the  
 6 credit bureau where New Century has not reported any  
 7 trade line, that that proof will affect the trade  
 8 line reported by the original creditor?  
 9           **A.     That's its purpose.**  
 10           **Q.**     What's purpose?  
 11           **A.     The letter's purpose.**  
 12           **Q.**     Is to do what?  
 13           **A.     Is to get it to the consumer so the**  
 14 **consumer can send it to the credit bureaus to help**  
 15 **them raise their score. If something is on the**  
 16 **credit report showing it's delinquent, they can send**  
 17 **it to the credit bureau saying, I paid this, please**  
 18 **mark it as paid.**  
 19           **Q.**     How do you know that that in fact  
 20 occurs?  
 21           **A.     I don't know that occurs.**  
 22                     MR. WILLIAMSON: Objection. What  
 23 occurs?  
 24                     MR. STERN: What he was describing.  
 25           **Q.**     Do you understand what I'm talking

44

1 about, what occurs?  
 2 **A. Yes.**  
 3 **Q.** And just to clarify, what you're  
 4 saying occurs is that the proof that Pressler &  
 5 Pressler sends a copy of to the consumers, the  
 6 consumers sends to the credit bureau, and that then  
 7 affects, to the consumers's benefit, the information  
 8 reported by the original creditor.  
 9 **A. That's my understanding of what**  
 10 **happened after consumers sent that information to the**  
 11 **credit bureaus, yes.**  
 12 **Q.** And that information that you just  
 13 described a few moments ago is included in a letter  
 14 saying that it was paid in full?  
 15 **A. Yes.**  
 16 **Q.** A stipulation of settlement?  
 17 **A. Yes.**  
 18 MR. WILLIAMSON: Objection, it  
 19 mischaracterizes his testimony. He testified it  
 20 could include several things. Those were examples of  
 21 what it could also include.  
 22 MR. STERN: Would you mark this is as  
 23 P-7?  
 24 (Exhibit P-7, Pressler & Pressler  
 25 documents, is marked for identification by the

45

1 reporter.)  
 2 **Q.** I'll show you what's been marked as  
 3 P-7.  
 4 MR. STERN: Mr. Williamson, would you  
 5 stipulate that P-7 consists of documents that you  
 6 sent to me?  
 7 MR. WILLIAMSON: You would have to  
 8 show me where they came from before I do that.  
 9 MR. STERN: Let's mark this as P-8.  
 10 (Exhibit P-8, Pressler & Pressler  
 11 documents, is marked for identification by the  
 12 reporter.)  
 13 **Q.** I'll show you what's been marked as  
 14 P-8.  
 15 MR. WILLIAMSON: Okay, I'll stipulate  
 16 for the record that these are copies of documents  
 17 which I sent to Mr. Stern, and which I represented in  
 18 the letter I sent to Mr. Stern, I wrote, "I've also  
 19 enclosed a copy of the documents sent to court when  
 20 the matter is settled."  
 21 And this was my letter to Mr. Stern  
 22 and these were meant to be examples of different  
 23 types of things that could be sent to the court by

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1 Pressler & Pressler. I don't see that there's any  
 2 indication that Mr. Galic had anything to do with  
 3 that.  
 4 **Q.** I'm showing you what has been marked  
 5 as P-7.  
 6 MR. WILLIAMSON: P-7 is a part of P-8.  
 7 P-7 constituted the letters that I just referred to.  
 8 **A. Okay.**  
 9 **Q.** Is P-7 examples of the type of things  
 10 that you understood Pressler would send as proof that  
 11 the debt has been paid?  
 12 **A. Yes.**  
 13 **Q.** And those are the things that are  
 14 described in P-4? In other words, P-4 refers to  
 15 proof that the debt has been paid in the second  
 16 sentence of the second paragraph.  
 17 **A. Yes.**  
 18 **Q.** P-7 represents the types of things  
 19 that would have been sent?  
 20 **A. Yes.**  
 21 **Q.** Are you aware of any other types of  
 22 documents that would have been sent?  
 23 MR. WILLIAMSON: Objection. Sent to  
 24 who?  
 25 MR. STERN: Sent to the consumers.

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1 **Q.** Any other kind of proof, the copy of  
 2 which would have been sent to the consumer for  
 3 advising the credit bureaus?  
 4 **A. Yes.**  
 5 **Q.** What other kind of documents?  
 6 **A. It's a letter probably drafted by a**  
 7 **paralegal that says your account is paid in full, and**  
 8 **I believe it has -- that's it. It says it's paid in**  
 9 **full. I don't see it here, though.**  
 10 **Q.** Is there any other documents?  
 11 **A. Not to my knowledge.**  
 12 **Q.** Okay. Have you seen the letters that  
 13 you just described, the paralegal's letter saying  
 14 that the account is paid in full?  
 15 MR. WILLIAMSON: Objection. You're  
 16 asking him to testify as to Pressler & Pressler  
 17 procedures.  
 18 MR. STERN: No. I'm asking him if he  
 19 had seen the letters that he just described. That's  
 20 what I asked him.  
 21 **A. Yes, I have.**  
 22 **Q.** When you say drafted by a paralegal, a  
 23 paralegal at Pressler & Pressler?  
 24 **A. I think that's who drafted the letter.**  
 25 **Q.** Are those letters that you've seen on

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1 Pressler & Pressler letterhead?  
 2 **A. Yes.**  
 3 MR. WILLIAMSON: Objection. Again,  
 4 he's not here to testify as to --  
 5 MR. STERN: I asked him what he knows.  
 6 MR. WILLIAMSON: You can ask him what  
 7 his understanding is so for the record it's clear  
 8 that it's just his understanding.  
 9 **Q.** So your understanding is that if any  
 10 one of these documents that are included in P-7 had  
 11 been sent to Ms. Freeman had she accepted the offer  
 12 and paid it on time, that if she sent that to the  
 13 credit bureaus, they would have then done something  
 14 with her trade line reported by GE Capital?  
 15 **A. Yes. Not all these, just to be clear,**  
 16 **because it looks like some of these are just a**  
 17 **stipulation of settlement. This is an arrangement to**  
 18 **pay, so this doesn't mean it's paid.**  
 19 **Q.** Well, which of the items in P-7 do you  
 20 think would have affected Ms. Freeman's GE Capital  
 21 trade line?  
 22 **A. The last one, "You are hereby directed**  
 23 **to satisfy of record the judgement in the above**  
 24 **matter."**  
 25 MR. WILLIAMSON: Do you want to

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1 identify the document you're referring to for the  
 2 record?  
 3 **A. Yes, the last document in P-7, the**  
 4 **warrant for satisfaction of judgement.**  
 5 **Q.** Have you ever seen any circumstance  
 6 where a document like any of those, any of the ones  
 7 that are in P-7, have been sent to a credit bureau  
 8 where New Century has not reported the trade line and  
 9 the letter has effected a positive change for the  
 10 consumer with respect to the original creditor?  
 11 **A. What you're asking, I can't see the**  
 12 **consumer sending a letter. We've told consumers that**  
 13 **this letter could help you, yes.**  
 14 **Q.** You said we've told them. I thought  
 15 New Century doesn't contact --  
 16 **A. A consumer may contact New Century**  
 17 **because New Century is showing up on their credit**  
 18 **report as a judgement.**  
 19 **Q.** Okay.  
 20 **A. We do not report that judgement.**  
 21 **Q.** What do you tell the consumer?  
 22 **A. We tell them did you receive a letter**  
 23 **from Pressler & Pressler when you paid it. They say**  
 24 **yes. I say, you can forward that letter to the**  
 25 **credit bureaus and that could help.**

50

1 **At this point the New Century trade**  
 2 **line is not on there or it's on there as paid**  
 3 **already, but they're talking about the judgement**  
 4 **specifically.**  
 5 **Q.** So they contact New Century and you  
 6 advise them that they can send the letter from  
 7 Pressler & Pressler to the credit bureau?  
 8 **A. Yes.**  
 9 **Q.** And then if they do that, it will  
 10 positively affect?  
 11 **A. I tell them it may possibly affect. I**  
 12 **do not work for the credit reporting agencies.**  
 13 **Q.** Well, why would you say that it may?  
 14 **A. Because the credit reporting agencies**  
 15 **from my knowledge are supposed to, when they receive**  
 16 **a letter referencing a docket number saying it's paid**  
 17 **and they have an open judgement on the credit report,**  
 18 **are supposed to satisfy the judgement after they do**  
 19 **an investigation.**  
 20 **Q.** How does that affect the trade line  
 21 reported by the original creditor?  
 22 **A. It doesn't by the original creditor.**  
 23 **That's for the judgement. That's what we're talking**  
 24 **about now.**  
 25 **Q.** Oh, so you're only talking about, of

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1 the documents in P-7, it would only have a positive  
 2 effect if there's a judgement on the credit record?  
 3 **A. Speaking about the warrant of**  
 4 **satisfaction of judgement. But in general, if say GE**  
 5 **Capital is on the credit report, New Century is not**  
 6 **because we never reported it, and the person**  
 7 **satisfies a debt through Pressler & Pressler.**  
 8 **Pressler & Pressler can send a letter to them that**  
 9 **they can send to the credit bureaus to possibly**  
 10 **satisfy the GE Capital trade line. We can't**  
 11 **guarantee them anything, it's up to the credit**  
 12 **bureaus. But they can send that letter.**  
 13 **Q.** Have you ever seen a circumstance  
 14 where that has happened?  
 15 **A. I wouldn't know. We would have to run**  
 16 **the person's credit report again and I wouldn't do**  
 17 **that because it's paid already.**  
 18 **Q.** And what's the basis for your saying  
 19 that it may positively affect the trade line reported  
 20 by GE Capital?  
 21 **A. Because in my history of passing**  
 22 **people along to the credit reports with these**  
 23 **letters, they haven't called back and said it wasn't**  
 24 **taken off or removed. They would have complained.**  
 25 **That's their whole purpose is to mark it paid or get**

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1 **it off the credit report.**

2 **Q.** When you're saying that they send

3 stuff to the credit bureau, you're not limiting

4 yourself to the warrant?

5 **A. No.**

6 **Q.** You're talking some letter from

7 Pressler & Pressler, okay. And the letter from

8 Pressler & Pressler identifies the court case?

9 **A. Yes.**

10 **Q.** It identifies the docket number?

11 **A. Yes.**

12 **Q.** It identifies the plaintiff?

13 **A. Yes.**

14 **Q.** The plaintiff is New Century

15 Financial?

16 **A. Correct.**

17 **Q.** Does it identify the chain of

18 assignment?

19 **A. It will identify the original**

20 **creditor, not the full chain.**

21 **Q.** Which of those documents that you have

22 in front of in P-7 identifies the creditor?

23 **A. It's not in these.**

24 **Q.** So there's other documents that

25 haven't been provided to my office that you're saying

53

1 gets sent by Pressler & Pressler that are proof of

2 satisfaction of the debt that are used to improve a

3 consumer's credit report with respect to the original

4 creditor?

5 **MR. WILLIAMSON:** Objection. I direct

6 him not to answer because you're asking him about

7 what Pressler & Pressler did and he has no knowledge

8 of what Pressler & Pressler provided, and I don't

9 believe they were asked for examples of a paid in

10 full letter, which is what you seem to be referring

11 to. So you're way out of line.

12 **Q.** Can you answer the question?

13 **MR. WILLIAMSON:** I'm going to direct

14 him not to answer.

15 **MR. STERN:** I believe, Mr. Williamson,

16 that you stated on the record that the documents that

17 are identified as P-7 that you sent as a copy of the

18 documents sent to court when a matter is settled.

19 **MR. WILLIAMSON:** Correct.

20 **MR. STERN:** And I think you're telling

21 me now that there are other documents, or at least

22 this witness has testified there are other documents

23 that are being sent. Because you're not letting him

24 testify to what he understands.

25 **MR. WILLIAMSON:** Wait, now you're

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1 mischaracterizing. Now we have a problem, because I

2 said to you those are the letters -- my letter is

3 fairly clear. Can I have a copy of the letter?

4 **I believe it says these are letters**

5 **that -- these are documents that are sent to court.**

6 **He's described a paid in full letter. A paid in full**

7 **letter, there's been no testimony nor any**

8 **representation that a paid in full letter is sent to**

9 **the court.**

10 **I think he's already testified fairly**

11 **clearly that a paid in full letter is something that**

12 **Pressler & Pressler would send when --**

13 **MR. STERN:** I'll withdraw the last

14 question.

15 **Q.** Please look at P-4.

16 **A. Got it.**

17 **Q.** Please look at the second sentence in

18 the second paragraph.

19 **A. Yes.**

20 **Q.** Let's talk about this letter again.

21 The first paragraph proposes a settlement of a lump

22 sum payment to be paid by a date certain, correct?

23 **A. Yes.**

24 **Q.** And if that lump sum payment is paid

25 by a date certain, the second paragraph says in the

55

1 first sentence, "this payment will satisfy the

2 pending lawsuit," correct?

3 **A. Correct.**

4 **Q.** And it also says, "Proof that the debt

5 has been paid will be sent to the court."

6 **A. Correct.**

7 **Q.** So the proof that we're talking about

8 is something that Pressler & Pressler will send to

9 the court, correct?

10 **A. Correct.**

11 **Q.** Is a paid in full letter, to your

12 understanding, something that's sent to the court?

13 **MR. WILLIAMSON:** I'm going to direct

14 him not to answer because now you're asking him for a

15 legal conclusion.

16 **MR. STERN:** No, I'm not --

17 **MR. WILLIAMSON:** Yes, you are. You're

18 asking him what is sufficient to send to the court.

19 He's not an attorney, he's not from Pressler &

20 Pressler.

21 **MR. STERN:** That's not what I asked

22 him.

23 **MR. WILLIAMSON:** I think it is.

24 **MR. STERN:** I asked him -- he

25 identified a paid in full letter as something that



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1 could be sent to the credit bureau that comes from  
 2 Pressler & Pressler.  
 3 MR. WILLIAMSON: Correct.  
 4 MR. STERN: I'm asking him whether his  
 5 understanding is -- because we're trying to define  
 6 what the proof is that's referred to in this letter,  
 7 P-4. So what I'm asking is what the scope of  
 8 proof --  
 9 MR. WILLIAMSON: His understanding.  
 10 MR. STERN: His understanding of the  
 11 proof.  
 12 MR. WILLIAMSON: If he has an  
 13 understanding, since it's not a letter written by New  
 14 Century. It's a letter written by Pressler &  
 15 Pressler.  
 16 MR. STERN: Who the author of the  
 17 letter is is not what I'm asking him.  
 18 MR. WILLIAMSON: And I think that  
 19 would be the appropriate person to ask what you're  
 20 asking, what is sent.  
 21 Q. The proof that the debt has been paid  
 22 will be sent to the court. You identified a paid in  
 23 full letter, correct?  
 24 MR. WILLIAMSON: Let me --  
 25 Q. Correct?

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1 MR. WILLIAMSON: Let me clarify  
 2 something so we don't continue to go back and forth.  
 3 I think that the proof, since you're asking for what  
 4 will satisfy the court as opposed to what would  
 5 satisfy the credit bureau --  
 6 MR. STERN: I'm not asking him about  
 7 the court. I'm just trying to define his  
 8 understanding of a letter that was authorized by him  
 9 or who he's here to speak on behalf of through your  
 10 office. So it says, we can agree, Mr. Galic, tell me  
 11 if we cannot, that "Proof that the debt has been paid  
 12 in full will be sent to the court" is what the letter  
 13 says.  
 14 A. **It says that, yes.**  
 15 Q. And proof consists of something.  
 16 A. **Something.**  
 17 Q. And we identified P-7, right, as  
 18 documents which Pressler & Pressler identified as  
 19 documents that are sent to the court, correct?  
 20 A. **Yes.**  
 21 Q. And you then identified that there are  
 22 other documents that you thought that Pressler &  
 23 Pressler sends, correct?  
 24 A. **There's another document, yes.**  
 25 Q. One document?

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1 A. **Yeah, that I know of, to my**  
 2 **understanding.**  
 3 Q. The payment in full letter you talked  
 4 about?  
 5 MR. WILLIAMSON: But he didn't testify  
 6 that it was sent to the court.  
 7 MR. STERN: I didn't say that.  
 8 Please, Mr. Williamson, I don't want to debate with  
 9 you. I'm asking him the questions.  
 10 Q. You identified the payment in full  
 11 letter, correct?  
 12 A. **Yes.**  
 13 Q. As another document. To your  
 14 knowledge, is the payment in full letter sent to the  
 15 court?  
 16 A. **To my knowledge, no.**  
 17 Q. Okay. So it would be fair to say that  
 18 the payment in full letter is not one of the  
 19 documents that constitutes proof described in P-4?  
 20 MR. WILLIAMSON: No, I don't think you  
 21 can ask him that.  
 22 MR. STERN: I'm just asking --  
 23 MR. WILLIAMSON: You're trying to put  
 24 words in his mouth and I'm not going to allow it.  
 25 MR. STERN: I'm not putting words in

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1 his mouth.  
 2 MR. WILLIAMSON: Yes, you are. You're  
 3 asking if he knows what proof was sent to the court.  
 4 MR. STERN: That's not what I'm  
 5 asking.  
 6 MR. WILLIAMSON: You're playing  
 7 semantics and that's inappropriate. You're just  
 8 playing semantics and I'm not going to allow it. I'm  
 9 simply not going to allow it.  
 10 Q. Mr. Galic, can you answer the  
 11 question?  
 12 MR. WILLIAMSON: You can ask him what  
 13 he understands was said to the debtor, what that  
 14 refers to --  
 15 MR. STERN: Mitch, there's not  
 16 supposed to be speaking objections. All right?  
 17 MR. WILLIAMSON: I'm sorry.  
 18 MR. STERN: You tried to make a  
 19 point --  
 20 MR. WILLIAMSON: I am making a point.  
 21 MR. STERN: You made a point earlier  
 22 and he's identified documents, and I'm trying to find  
 23 if those documents--  
 24 MR. WILLIAMSON: Ask a full sentence,  
 25 because you're asking half sentences. You asked one

1 sentence, what was sent to the court, and then you  
 2 say what was sent.  
 3 MR. STERN: Then object to the form.  
 4 MR. WILLIAMSON: It's just not proper.  
 5 **Q.** Mr. Galic, would you agree that P-4,  
 6 when it's talking about proof that the debt is paid,  
 7 it's talking about proof that is sent to the court?  
 8 MR. WILLIAMSON: Objection to form.  
 9 **A. Proof that the debt has been paid and**  
 10 **it will be sent to the court. It's pretty clear.**  
 11 **Q.** Okay, pretty clear. And I think  
 12 you've just recently testified that the payment in  
 13 full letter, to your understanding, is not something  
 14 that's sent to the court, correct?  
 15 **A. I do not believe that it is.**  
 16 **Q.** So would you agree then that the  
 17 payment in full letter is not one of the things that  
 18 constitutes proof within the meaning of P-4?  
 19 MR. WILLIAMSON: Objection to form.  
 20 **A. I believe it's not.**  
 21 **Q.** So it's not sent to the court.  
 22 **A. Yes, I believe it's not.**  
 23 **Q.** And therefore it's not proof as to  
 24 what's described in the letter.  
 25 MR. STERN: I just want to clarify

1 because I think his answer read in a transcript is  
 2 ambiguous.  
 3 MR. WILLIAMSON: Because he's talking  
 4 about two different things and you keep trying to  
 5 make it into one. He's talking about two different  
 6 proofs, two different documents that constitute  
 7 proof, and you're not identifying who gets what or  
 8 what he's referring to. You're twisting it and  
 9 you're trying to combine.  
 10 **Q.** Mr. Galic, I think we've agreed -- and  
 11 I have to keep asking you because your attorney keeps  
 12 making speaking objections -- the letter describes  
 13 proof that the debt has been paid in full and will be  
 14 sent to the court. So whatever proof that we're  
 15 talking about is something that's sent to the court,  
 16 correct?  
 17 **A. Yes.**  
 18 **Q.** What I was asking that we got to this  
 19 issue, because before I was asking you about what  
 20 constitutes proof and you identified the payment in  
 21 full letter. And I think we've now established that  
 22 the payment in full letter is not sent to the court,  
 23 correct?  
 24 **A. I said that one of the things that**  
 25 **constitutes proof is a paid in full letter.**

1 **Q.** Proof that the debt is paid.  
 2 **A. That would go to the consumer, yes.**  
 3 **Q.** But it's not what's sent to the court?  
 4 **A. I don't know if it's sent to the court**  
 5 **or not. It's my understanding that it's not.**  
 6 **Q.** Whatever proof that's sent to the  
 7 court, the letter goes on to say a copy of that will  
 8 be sent to the consumer, correct?  
 9 **A. Yes.**  
 10 **Q.** And a copy to you.  
 11 **A. Yes.**  
 12 **Q.** And "copy" refers to copy of the proof  
 13 that the debt has been paid in full and will be sent  
 14 to the court.  
 15 **A. I assume that's what it refers to.**  
 16 **Q.** Okay, and so that you can advise the  
 17 credit bureau.  
 18 **A. Yes.**  
 19 **Q.** So whatever it is that Pressler &  
 20 Pressler is sending to the court is copied to the  
 21 consumer so that the consumer can advise the credit  
 22 bureau.  
 23 **A. Yes.**  
 24 **Q.** Okay. Now, I think you said -- if I'm  
 25 wrong, correct me -- that P-7 constitutes the

1 documents that you understand that Pressler &  
 2 Pressler sends to the court that the debt has been  
 3 paid.  
 4 MR. WILLIAMSON: Objection. He  
 5 testified that one of the documents is, not all.  
 6 **Q.** Okay, the warrant.  
 7 **A. Correct.**  
 8 **Q.** And the warrant would only apply in a  
 9 situation where there was a judgement entered,  
 10 correct?  
 11 **A. Yes.**  
 12 **Q.** And the judgement would appear on the  
 13 consumer's credit report in the public records  
 14 section.  
 15 **A. May appear.**  
 16 **Q.** Okay. Are there any other documents  
 17 that you're aware of that Pressler & Pressler sends  
 18 to the court with a copy to the consumer which the  
 19 consumer can then advise the credit bureau of which  
 20 will affect the trade line of the original creditor?  
 21 **A. Possibly a stipulation of dismissal.**  
 22 **They can send that to the credit bureaus so the**  
 23 **credit bureaus should be able to mark if the original**  
 24 **creditor is still on there as satisfied or however**  
 25 **they mark it, disputed. Because that's different**

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1 **than a pay letter. Now we're talking about different**  
 2 **things.**  
 3 **Q.** And your knowledge as to what affects  
 4 the credit reports is limited to the fact that  
 5 sometimes New Century receives calls from people  
 6 Pressler has contacted, correct, and you've advised  
 7 them to send it to the credit bureaus and you never  
 8 hear back from them that there was a problem?  
 9 **A. If there was a problem we'll hear**  
 10 **back, but usually, no.**  
 11 **Q.** Do you ever hear back that there's a  
 12 problem?  
 13 **A. Sometimes with the judgements, yes.**  
 14 **Q.** And you advise them that what Pressler  
 15 sends them can be used to affect the trade line of  
 16 the original creditor?  
 17 **MR. WILLIAMSON:** Objection to form.  
 18 **A. Yes.**  
 19 **Q.** You do?  
 20 **A. Yes.**  
 21 **Q.** I'm showing you what's been marked as  
 22 P-5. With the exception of P-5 having a different  
 23 date than P-4 and describing an account you owned of  
 24 Mr. Setneska's, right?  
 25 **A. Yes.**

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1 **Q.** That P-4 and P-5 are identical?  
 2 **A. Yes.**  
 3 **Q.** And in particular, paragraph two in  
 4 both letters are identical.  
 5 **A. They are, except for the balances.**  
 6 **Q.** The information specific to the  
 7 account that New Century was trying to collect and  
 8 identification as to the debtor, the letters are  
 9 identical?  
 10 **A. Yes.**  
 11 **Q.** So it would be fair to say that all of  
 12 our discussion with respect to P-4 also applies to  
 13 P-5 with respect to the meanings of the words in the  
 14 second paragraph?  
 15 **A. Yes.**  
 16 **Q.** Just to clarify, I want to go back to  
 17 something. I don't know if we spoke about both P-2  
 18 and P-3. I think we did, but the information in both  
 19 P-2 and P-3 is correct with respect to New Century  
 20 having placed the account with Pressler & Pressler  
 21 for collection?  
 22 **A. That is correct.**  
 23 **Q.** Referring you to paragraph six, can  
 24 you tell me, have you had a chance to review that?  
 25 **A. Yes.**

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1 **Q.** That refers to the case dismissal  
 2 against Ms. Freeman, correct?  
 3 **A. Yes, it does.**  
 4 **Q.** Can you tell me who made the decision  
 5 to dismiss the case?  
 6 **MR. WILLIAMSON:** Objection to form.  
 7 **A. I'd have to review my notes, but it**  
 8 **was someone at New Century. It could have been me.**  
 9 **Q.** That decision would have been made by  
 10 New Century as opposed to something you've authorized  
 11 Pressler & Pressler to do on their own?  
 12 **A. Correct.**  
 13 **Q.** And New Century would have records  
 14 reflecting the basis for the dismissal, correct?  
 15 **A. Yes.**  
 16 **Q.** When you wrote and you swore to the  
 17 facts in paragraph six, did you review the notes, New  
 18 Century's notes?  
 19 **A. Yes.**  
 20 **Q.** And just having mentioned that,  
 21 drawing your attention to the fact that you reviewed  
 22 notes, does that refresh your recollection as to  
 23 whether you were the person who made the decision to  
 24 dismiss the case?  
 25 **A. No, it was in April. Like I said, I**

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1 **review a million cases.**  
 2 **Q.** Let's get back to P-4 once more. That  
 3 was the settlement letter sent to Ms. Freeman. Had  
 4 she paid the settlement offered and Pressler sent the  
 5 proof described in paragraph two, it would not have  
 6 affected any trade line for New Century because I  
 7 think you testified that there was no reporting.  
 8 **A. Correct.**  
 9 **Q.** And had there been reporting, it would  
 10 have been deleted because you filed an answer to the  
 11 complaint, correct?  
 12 **A. Also correct.**  
 13 **Q.** And there was no judgement entered,  
 14 correct?  
 15 **A. To my knowledge, no.**  
 16 **Q.** The case was dismissed?  
 17 **A. Dismissed before, yes.**  
 18 **Q.** So there was no warrant for  
 19 satisfaction of a judgement that she could send to  
 20 the credit bureaus.  
 21 **A. That is correct.**  
 22 **Q.** Do you know whether or not the  
 23 original creditor's trade line was on her credit  
 24 report?  
 25 **A. I can't recall.**

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1           **Q.**       Is it possible that it was not on her  
 2 credit report?  
 3           **A.**       **Yes.**  
 4                     MR. WILLIAMSON: Objection to form.  
 5           **Q.**       If it was not on her credit report,  
 6 what proof that's described in P-4 would have  
 7 positively affected her credit report?  
 8                     MR. WILLIAMSON: Objection to form.  
 9           **A.**       **I don't know where it says "positively**  
 10 **affected her credit report" in this letter.**  
 11           **Q.**       I think you were saying, though --  
 12 well, what's --  
 13           **A.**       **That's if there's something on there.**  
 14           **Q.**       If there's something on there.  
 15           **A.**       **Yes.**  
 16           **Q.**       So by sending it to the credit bureau,  
 17 if there's nothing on there, it would have no effect?  
 18           **A.**       **Right.**  
 19           **Q.**       It certainly wouldn't help the  
 20 consumer.  
 21           **A.**       **Nope.**  
 22           **Q.**       And we've been over now, probably too  
 23 many times, that your understanding is that it might  
 24 help if there was a trade line reported by the  
 25 original creditor.

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1           **A.**       **Correct.**  
 2           **Q.**       But if there was no judgement, no  
 3 trade line reported by the original creditor and no  
 4 trade line reported by New Century, sending whatever  
 5 constituted proof to the credit bureaus would have no  
 6 positive impact on Ms. Freeman's credit report,  
 7 correct?  
 8           **A.**       **That's correct.**  
 9                     MR. STERN: I have nothing further.  
 10                    MR. WILLIAMSON: I do. I want to mark  
 11 a document.  
 12                    (Exhibit D-1, account summary, is  
 13 marked for identification by the reporter.)  
 14  
 15 EXAMINATION BY MR. WILLIAMSON:  
 16           **Q.**       Mr. Galic, I'm going to show you a  
 17 document which we've marked as D-1 and ask if you can  
 18 identify it, please?  
 19           **A.**       **Yes, it's an account summary document**  
 20 **received from Sherman Financial Services.**  
 21           **Q.**       Have you seen this document before?  
 22           **A.**       **Yes.**  
 23           **Q.**       Could you tell us where you've seen  
 24 this document before?  
 25           **A.**       **Yes, I obtained this document from**

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1           **Sherman Financial.**  
 2           **Q.**       Could you explain for us what this  
 3 document represents, what it references?  
 4           **A.**       **Sure, on the account there was a last**  
 5 **payment date that was after the charge-off date. So**  
 6 **this document was sent to us to show that a payment**  
 7 **was made in the amount of \$144.02 to one of Sherman's**  
 8 **agencies.**  
 9           **Q.**       And when did you get this document?  
 10           **A.**       **Recently, a couple of weeks ago.**  
 11           **Q.**       I'm going to point to something where  
 12 it says, "summary closing date." Do you see that?  
 13           **A.**       **Summary closing date, 9/28/2012, yes.**  
 14           **Q.**       So this is a document you recently  
 15 received?  
 16           **A.**       **That's the date they most likely ran**  
 17 **the summary.**  
 18                     MR. WILLIAMSON: Phil, for the record,  
 19 this is to supplement our discovery responses. This  
 20 was recently received for the underlying file. So  
 21 these are the questions I guess on it. I thought  
 22 this would be an opportune time, so if you would like  
 23 to ask him questions about it or its origination, you  
 24 can. I don't know if you want to ask any questions.  
 25                     MR. STERN: Oh, you're done?

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1                     MR. WILLIAMSON: Yes, that's it. You  
 2 know what? Regarding this I'm done. Let me ask him  
 3 one or two other questions quickly, just to get them  
 4 out of the way.  
 5           **Q.**       Let's go back for a second to what was  
 6 marked as P-4 and P-5. Do you know if this is a  
 7 letter that's sent out on all accounts, this was a  
 8 letter that was used on multiple accounts of New  
 9 Century Financial or whether this was a specific  
 10 letter sent only to Natalie Freeman and Alan  
 11 Setneska?  
 12                     MR. STERN: Object as to form. Go  
 13 ahead.  
 14           **A.**       **I'm not sure.**  
 15                     MR. WILLIAMSON: Okay, I'm done.  
 16  
 17 EXAMINATION BY MR. STERN:  
 18           **Q.**       You obtained this document, D-1, from  
 19 Sherman Acquisition?  
 20           **A.**       **Correct.**  
 21           **Q.**       Did you request that Sherman  
 22 Acquisition provide you this information?  
 23           **A.**       **I did.**  
 24           **Q.**       What was the reason why you requested  
 25 the information?

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1           **A.**     **I noticed the last pay date, and they**  
 2 **told me that they were working on the system for a**  
 3 **long time and they didn't get it up and running, and**  
 4 **they finally did when they sent this. Recently they**  
 5 **gave it to me. I've asked for this document in the**  
 6 **past.**

7           **Q.**     I don't think that was my question.  
 8 My question is, why did you ask for this document?

9           **A.**     **When I was reviewing for the first**  
 10 **time. We were supposed to meet for the deposition**  
 11 **when I was reviewing the case.**

12          **Q.**     So it was in connection with this  
 13 particular litigation that you requested this  
 14 document?

15          **A.**     **Yes.**

16          **Q.**     Why did you request the document?

17          **A.**     **Because my attorney asked me to.**

18          **Q.**     You were asked by Pressler to obtain  
 19 this document?

20          **A.**     **Mr. Williamson asked me to obtain this**  
 21 **document because he noticed the post charge-off**  
 22 **payment. So I saw what I could get and I got this.**

23          **Q.**     You say there's a post charge-off  
 24 payment.

25          **A.**     **Yes.**

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1           **Q.**     What's a post charge-off payment?

2           **A.**     **A post charge-off payment is a payment**  
 3 **received after the charge-off date. When I contacted**  
 4 **Sherman, they told us one of their agencies received**  
 5 **a payment of \$144.02.**

6           **Q.**     And what was the charge-off date?

7           **A.**     **I don't have it in front of me. Maybe**  
 8 **it does say it here. I don't have it in front of me.**

9           **Q.**     Did you provide that information, the  
 10 charge-off date, to Pressler & Pressler?

11          **A.**     **Yes.**

12          **Q.**     So this is information that Pressler &  
 13 Pressler would have had in its files, to your  
 14 knowledge?

15          **A.**     **Yes.**

16          **Q.**     And in what form would that  
 17 information have been provided to Pressler &  
 18 Pressler?

19          **A.**     **In the placement information.**

20          **Q.**     Would the charge-off date appear  
 21 anywhere else, to your knowledge?

22                   MR. WILLIAMSON: Objection to form.

23          **A.**     **On a statement, if we had a statement**  
 24 **for this particular account.**

25          **Q.**     Did you review this account before you

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1 testified today?

2           **A.**     **I reviewed it before when I was**  
 3 **supposed to testify last week or two weeks ago. I**  
 4 **looked at it briefly again. I do not believe we have**  
 5 **an account statement on it. So to answer your**  
 6 **question, yeah, I think the charge-off date would**  
 7 **only appear on the placement information.**

8           **Q.**     This D-1 tells you that there was a  
 9 payment made, what you called a post charge-off  
 10 payment made?

11          **A.**     **Yes.**

12          **Q.**     And what was the date of that payment?

13          **A.**     **June 27th, 2006.**

14          **Q.**     So your testimony is that this account  
 15 was charged off prior to January 27th of 2006,  
 16 correct?

17          **A.**     **Yes.**

18          **Q.**     When did New Century acquire the  
 19 account?

20          **A.**     **I'd have to look at my notes.**

21          **Q.**     Who received the payment of \$144.02?

22          **A.**     **Sherman.**

23          **Q.**     How do you know that?

24          **A.**     **Because they told me.**

25          **Q.**     Who told you?

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1           **A.**     **Sherman.**

2           **Q.**     You spoke to someone?

3           **A.**     **Yes.**

4           **Q.**     Who did you speak to?

5           **A.**     **Sarah Odom.**

6           **Q.**     And is information about this payment,  
 7 the June 27th, 2006 payment, included in the  
 8 placement information?

9           **A.**     **Yes, I believe the last payment date**  
 10 **was there but not the amount.**

11          **Q.**     Have you ever seen this format of a  
 12 document before as D-1?

13          **A.**     **Yes.**

14          **Q.**     Is there a name that you describe this  
 15 type of document as?

16          **A.**     **They call it the account summary**  
 17 **document.**

18          **Q.**     So it's a document created by Sherman  
 19 Acquisition?

20          **A.**     **That's correct.**

21          **Q.**     Do you have the full chain of title or  
 22 chain of assignments for the account?

23          **A.**     **Yes.**

24          **Q.**     Do you know when New Century acquired  
 25 this account?

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1 **A. It's in my certification. October**  
 2 **26th, 2010.**  
 3 **Q.** Who owned the account prior to New  
 4 Century?  
 5 **A. Sherman Acquisition.**  
 6 **Q.** Anyone else?  
 7 **A. And I believe on this chain it was GE**  
 8 **to Sherman.**  
 9 **Q.** GE directly to Sherman Acquisition?  
 10 **A. Yeah, I believe.**  
 11 **Q.** And then Sherman Acquisition, LLC to  
 12 New Century. So it was only held by Sherman  
 13 Acquisition, LLC in between GE and --  
 14 **A. Yes. Their entities could have been**  
 15 **involved, but I'm not sure. I'd have to review other**  
 16 **documentation.**  
 17 **Q.** What other entities?  
 18 **A. Sherman's other entities. They're**  
 19 **buying entities. Sherman Originator, Originator**  
 20 **Three, LVNB Funding and Sherman Acquisition.**  
 21 **Q.** And you have all the chain of title  
 22 information on this account?  
 23 **A. I do.**  
 24 **Q.** And that would reflect whether it was  
 25 just GE to Sherman Acquisition, LLC and then Sherman

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1 Acquisition, LLC to New Century or whether there was  
 2 other entities in between?  
 3 **A. Correct.**  
 4 **Q.** And do you know to whom the payment  
 5 was made that's reflected in D-1?  
 6 **A. Yes, I answered that already.**  
 7 **Sherman.**  
 8 **Q.** So Sherman Acquisition, LLC?  
 9 **A. It was probably made to their**  
 10 **collection entity, which is Resurgent Capital.**  
 11 **They're all part of Sherman Financial Group.**  
 12 **Q.** To your knowledge, they're separate  
 13 business entities, correct?  
 14 **A. To my knowledge, yeah.**  
 15 MR. WILLIAMSON: I'm going to object  
 16 to this line of questioning because I think it's  
 17 outside the scope, but I'm not going to -- I object  
 18 on the record. That's all.  
 19 MR. STERN: I don't think I have any  
 20 other questions about this document.  
 21 MR. WILLIAMSON: I have one other  
 22 question.  
 23  
 24 EXAMINATION BY MR. WILLIAMSON:  
 25 **Q.** Does it indicate to you when Sherman

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1 Acquisition obtained this document? Do you see a  
 2 date when they got the account?  
 3 **A. Yeah. They acquired the account**  
 4 **December 22nd, 2005.**  
 5 **Q.** Okay. And that's the acquisition date  
 6 on that block up top of information?  
 7 **A. Correct.**  
 8  
 9 EXAMINATION BY MR. STERN:  
 10 **Q.** To be clear, all this information, all  
 11 you've done is just read from the document to say it  
 12 has a line that says acquisition date and you read  
 13 the date. You don't have any personal knowledge as  
 14 to any of the facts that are contained in this  
 15 document, do you?  
 16 **A. Personal knowledge as to any of the**  
 17 **facts contained in this document?**  
 18 MR. WILLIAMSON: I'm going to object  
 19 to form, because I think you're part right and part  
 20 wrong.  
 21 **A. Their acquisition date I would see on**  
 22 **our chain of title. Everything else is, yes, there.**  
 23 **Q.** But you didn't participate in the  
 24 transaction.  
 25 **A. Correct.**

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1 **Q.** So you wouldn't know that occurred on  
 2 a particular date. Your knowledge would be based  
 3 just on something you read, correct?  
 4 **A. Correct.**  
 5 **Q.** And so all of the information that's  
 6 on here, all you know is that you were given this by  
 7 Sherman?  
 8 **A. Correct.**  
 9 **Q.** You can't personally verify the  
 10 accuracy of any of the information on here, correct?  
 11 MR. WILLIAMSON: Objection. The  
 12 current owner, New Century is the current owner.  
 13 He's testified to that. I think you made your point.  
 14  
 15  
 16 (The deposition is concluded at 3:28 p.m.)  
 17  
 18 \* \* \* \* \*  
 19  
 20  
 21  
 22  
 23  
 24  
 25

1 CERTIFICATE OF OFFICER

2

3 I, ANN P. CONLON, a Notary Public and  
4 Certified Court Reporter of the State of New Jersey,  
5 do hereby certify that prior to the commencement of  
6 the examination, the witness was duly sworn by me.

7

8 I DO FURTHER CERTIFY that the  
9 foregoing is a true and accurate transcript of the  
10 testimony as taken stenographically by and before me  
11 at the time, place, and on the date hereinbefore set  
12 forth.

13 I DO FURTHER CERTIFY that I am neither  
14 a relative nor employee, nor attorney or counsel to  
15 any of the parties involved, that I am neither  
16 related to nor employed by such attorney or counsel,  
17 and that I am not financially interested in the  
18 outcome of the action.

19

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21

22

23 \_\_\_\_\_  
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24 My Commission Expires: 2/3/16

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