

FOR THE EASTERN DISTRICT OF TEXAS  
LUFKIN DIVISION

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2  
3 ----- )  
4 CUMMINS-ALLISON CORP., )  
5 Plaintiff/Counterclaim Defendant) Civil Action No.  
6 vs. ) 9:07-CV-196-RHC  
7 SBM CO., LTD., et al., ) (consolidated)  
8 Defendants/Counterclaimants. )  
9 ----- )

10  
11 DEPOSITION OF: DOUGLAS R. MAGEE, JR.  
12 DATE: APRIL 9, 2009  
13 HELD AT:  
14 PEPE & HAZARD, LLP  
15 Goodwin Square  
16 225 Asylum Street  
17 Hartford, Connecticut  
18  
19  
20  
21  
22

Reporter: Sandra V. Semevolos, RMR, CRR, LSR #74

1 APPEARANCES:  
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9 Representing the Defendants/Counterclaimants:

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16 Also Present as noted:

17 Peter Costas, Esq.  
18 Pepe & Hazard, LLP  
19 225 Asylum Street  
20 Goodwin Square  
21 Hartford, Connecticut 06103

22 - - -

1 Exhibit No. 11 Marked ..... 68  
2 Three-page document dated December 20th, 2002,  
3 addressed to the Magner Corporation, attention  
4 Mr. Allexon, Document Nos. SBM03602  
5 through SBM03604  
6 Exhibit No. 12 Marked ..... 69  
7 E-mail string, Document No. SBM03577  
8  
9 Exhibit No. 13 Marked ..... 71  
10 Memorandum from Bob Allexon and Tim Moore to Mr.  
11 You, dated February 25, 2003, Document  
12 Nos. SBM03579 through SBM03581  
13 Exhibit No. 14 Marked ..... 74  
14 Document from Mr. You to Mr. Allexon dated  
15 February 25, 2003, Document Nos. SBM03582  
16 through SBM03584  
17  
18 Exhibit No. 15 Marked ..... 78  
19 Letter from Mr. You of Shinwoo to Magner  
20 Corporation, attention Mr. Allexon, dated April  
21 10, 2003, Document No. SBM03585  
22  
23 Exhibit No. 16 Marked ..... 80  
24 Memo from Mr. Allexon to Mr. You of Shinwoo dated  
25 June 5, 2003, Document Nos. SBM03586 and SBM03587  
26  
27 Exhibit No. 17 Marked ..... 87  
28 Two e-mails, Document No. SBM19109  
29  
30 Exhibit No. 18 Marked ..... 88  
31 Two e-mails, Document Nos. SBM20699 and SBM20700  
32  
33 Exhibit No. 19 Marked ..... 94  
34 Copy of the Stipulated Dismissal Without  
35 Prejudice and Consent Order, dated as of  
36 December 30, 1999

37 (Magee Exhibits 1 through 19 were attached to original  
38 transcript. Copies of exhibits were sent to Thomas  
39 Warden, Esq. and Scott Szala, Esq.)  
40  
41  
42

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7 Redirect By Mr. Warden ..... 90  
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9 Further Redirect By Mr. Warden ..... 94  
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11 MAGEE EXHIBITS (marked for ident.)  
12 Exhibit No. 1 Marked ..... 7  
13 Subpoena dated December 12, 2008  
14  
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16 Exhibit C to the Subpoena, Brochure, Document  
17 Nos. EXH. G0001 through EXH. G0004  
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30 E-mail string, Document No. SBM03569  
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32 Exhibit No. 7 Marked ..... 58  
33 Fax from Mr. Allexon, dated October 11, 2002, to  
34 Mr. You, Document No. SBM03570  
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37 E-mail string, Document No. SBM03573  
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41 Exhibit No. 10 Marked ..... 63  
42 Letter from Mr. Allexon to Mr. You dated December  
43 2, 2002, Document Nos. SBM03575 and SBM03576  
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45

1  
2 STIPULATIONS  
3 It is stipulated by counsel for the parties  
4 that all objections are reserved until the time of  
5 trial, except those objections as are directed to the  
6 form of the question.  
7 It is stipulated and agreed between counsel  
8 for the parties that the proof of the authority of the  
9 Notary before whom this deposition is taken is waived.  
10 It is further stipulated that any defects in  
11 the Notice are waived.  
12 It is further stipulated that the reading  
13 and signing of the deposition transcript by the  
14 witness may be signed before any Notary Public.  
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1  
 2 (Deposition commenced at 11:08 a.m.)  
 3 DOUGLAS R. MAGEE, JR., of Magner  
 4 Corporation of America, 41 West Street,  
 5 Middlefield, Connecticut 06455-0456, being  
 6 first duly sworn, deposes and states as  
 7 follows:  
 8 DIRECT EXAMINATION BY MR. WARDEN:  
 9 Q. Good morning, Mr. Magee.  
 10 A. Good morning.  
 11 Q. My name is Tom Warden, and I represent the  
 12 Defendants in this case SBM Company, Amro-Asian Trade,  
 13 and Mr. Szala over there represents the Plaintiff  
 14 Cummins-Allison.  
 15 Let me start by thanking you for helping us  
 16 try to sort this out today. I'm going to try to get  
 17 right to the point with a lot of these questions and  
 18 hopefully get this over for you fairly quick.  
 19 Now, your lawyer is here in the office, and  
 20 that's Mr. Costas; is that correct?  
 21 A. Correct.  
 22 Q. He is not in the room with us, but he is in  
 23 the office?  
 24 A. Correct.  
 25 Q. So if you ever do get to a point where you

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1 need to take a break, talk to Mr. Costas, please feel  
 2 free to let me know, and we will go ahead and do that.  
 3 A. Thank you.  
 4 Q. Now, you mentioned that you've been deposed  
 5 before; is that right?  
 6 A. Yes.  
 7 Q. If I ever ask you a question that is  
 8 confusing or you don't understand the question, also  
 9 please feel free to ask me to clarify my question or  
 10 ask me what the heck I'm talking about. Is that  
 11 agreeable?  
 12 A. Thank you. I will.  
 13 Q. Now, let me start by jumping right into the  
 14 subpoena, and I'm going to talk about several of these  
 15 documents that were attached to the subpoena.  
 16 MR. WARDEN: Let's go ahead and mark  
 17 the subpoena as Exhibit 1.  
 18 (Magee Exhibit 1, Subpoena dated  
 19 December 12, 2008, marked for  
 20 identification. )  
 21 BY MR. WARDEN:  
 22 Q. I'm going to hand you what we've marked as  
 23 Exhibit 1 and ask you if you recall whether that's the  
 24 subpoena that was served on your company?  
 25 A. I believe it's the same one.

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1 MR. SZALA: Do you want to identify the  
 2 company for the record?  
 3 A. Magner Corporation of America.  
 4 BY MR. WARDEN:  
 5 Q. Mr. Magee, what position do you hold with  
 6 Magner Corporation?  
 7 A. I'm the president.  
 8 Q. Will it be confusing if I refer to "Magner  
 9 Corporation of America" as simply "Magner?"  
 10 A. No, that would be fine.  
 11 Q. Is there another company with the name of  
 12 "Magner" that you are aware of?  
 13 A. Yes.  
 14 Q. Can you tell me about that company?  
 15 A. That's Magner International.  
 16 Q. What differences are there, if any, between  
 17 Magner and Magner International?  
 18 A. Magner international is owned by a different  
 19 family.  
 20 Q. Are you employed with Magner International?  
 21 A. No.  
 22 Q. Are you a director?  
 23 A. No.  
 24 Q. Officer?  
 25 A. No.

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1 Q. Shareholder?  
 2 A. No.  
 3 Q. Okay. If you will turn with me to the third  
 4 page of the subpoena.  
 5 A. The pages aren't numbered, so I'm assuming  
 6 the third piece of paper.  
 7 Q. Right. At the bottom of that page, there  
 8 are some deposition topics.  
 9 Do you see that?  
 10 A. Yes.  
 11 Q. Did you read through the subpoena when your  
 12 company received this?  
 13 A. Yes.  
 14 Q. And the second topic there on the subpoena  
 15 asks about "Products identified as the Mosler Mosler/  
 16 Toshiba CF-400, CF-401 and CF-420 products."  
 17 A. Yes.  
 18 Q. Are you prepared the best you can be to  
 19 testify about those products today?  
 20 A. Well, we need to make a clarification. I'm  
 21 not aware of Mosler versions of the product. I am  
 22 aware of the Toshiba CF-400 only. And that product in  
 23 our own company was identified as a Magner CF-400.  
 24 Q. So you are not familiar with any products  
 25 referred to as the CF-401?

Page 10

1 A. No.  
2 Q. Or the CF-420?  
3 A. No.  
4 Q. Were you ever aware of the existence of  
5 products called the CF-401?  
6 A. Yes.  
7 Q. How did you become aware of the CF-401  
8 product?  
9 A. I saw an ad in a magazine.  
10 Q. Did you ever see one personally?  
11 A. I may have seen one at a business show. I  
12 don't recall.  
13 If I can stop, I'd like to clarify that and  
14 put this on the record. 401 may be the same as the  
15 400. I honestly have no idea.  
16 Q. That's fine.  
17 A. I do know the 420 is a totally different  
18 machine, because I did see that in a magazine, but the  
19 400 -- 401 could be the same as the 400. I have  
20 absolutely no idea.  
21 Q. That's fair enough.  
22 MR. SZALA: Just an objection as to  
23 foundation as to when you might have seen it.  
24 THE WITNESS: About 20 years ago.  
25 BY MR. WARDEN:

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1 Q. How about the CF-420 product, did you ever  
2 personally become aware of the existence of a CF-420  
3 product?  
4 A. I knew there was one offered, but I don't  
5 know if I've ever seen one.  
6 Q. So you've never operated one?  
7 A. No.  
8 Q. You are not aware of anyone trying to sell  
9 CF-420 machines?  
10 A. No.  
11 Q. Now, if you turn with me several pages, two,  
12 three, four, five -- six pages back in the subpoena,  
13 Exhibit 1.  
14 A. What number was that?  
15 Q. There we go.  
16 A. This one here? Okay.  
17 Q. I see that I've marked -- let's go off the  
18 record for a second.  
19 (Off the record discussion. )  
20 BY MR. WARDEN:  
21 Q. All right. Mr. Magee, on Exhibit A of the  
22 subpoena duces tecum, if you will turn with me one --  
23 two more pages back, and you will see a Roman Numeral  
24 II, Requests.  
25 A. Yes.

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1 Q. Did you search for records sought by these  
2 requests?  
3 A. I don't have any.  
4 Q. But you did search for these records?  
5 A. Yes.  
6 Q. Did you or your company ever have records  
7 like this?  
8 A. Yes.  
9 Q. Do you know what happened to them?  
10 A. They were given to Glory U.S.A.  
11 Q. What were the circumstances of giving those  
12 records to Glory U.S.A.?  
13 A. They were involved in a lawsuit, and they  
14 requested if we had any documentation. We gave them  
15 all of our records and didn't ask for them back.  
16 Q. You didn't keep copies of those records?  
17 A. No.  
18 Q. Do you recall who in particular you gave  
19 those records to?  
20 A. I believe it was the then president of  
21 Glory, but I don't remember his name.  
22 Q. Do you remember about what year that was?  
23 A. Two years ago, three years ago.  
24 Q. So 2006 or 2007?  
25 A. Possible, yes.

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1 Q. Do you know what volume of records that you  
2 gave to the president of Glory?  
3 A. Probably a file box the same size as what  
4 you have here.  
5 Q. Do you recall what type of documents were in  
6 the file box that you gave him?  
7 A. Service records, technical information on  
8 the product.  
9 Q. Any other particular types of documents that  
10 you recall?  
11 A. No, because it came from the service  
12 department. I had already destroyed all my records 15  
13 years ago.  
14 Q. Do you recall whether there was any  
15 advertising material in those records?  
16 A. I don't remember.  
17 Q. Do you recall whether there were any  
18 operating manuals?  
19 A. I believe there were.  
20 Q. Did all those records relate to one  
21 particular product?  
22 A. I believe it just related to the 400.  
23 Q. You are not aware of whether any of those  
24 records related to the CF-401 or the CF-420?  
25 A. As I mentioned earlier, the 401 could be the

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1 same as the 400, but I know the 420 was a different  
2 product that we never had anything -- we never sold it  
3 and never had anything to do with it.  
4 Q. You mentioned that you sold the CF-400; is  
5 that correct?  
6 A. Correct.  
7 Q. Do you remember when you started selling the  
8 CF-400?  
9 A. I believe maybe 1984.  
10 Q. And is your company located right here in  
11 Hartford?  
12 A. Middlefield, Connecticut.  
13 Q. Middlefield. And is that where you sold the  
14 CF-400 products from, your office here in Middlefield?  
15 A. Correct.  
16 Q. And who were some of the typical customers  
17 that you sold the machines to?  
18 A. As I recall, I believe we only sold them to  
19 banks. I don't believe any armored carriers bought  
20 any at that time, but it all would have been large  
21 banks.  
22 Q. Do you remember where the banks were  
23 located?  
24 A. Probably, but they probably changed their  
25 name. They were all over the United States.

Page 15

1 Q. Predominantly banks in the United States?  
2 A. Yes.  
3 Q. I guess before I ask that question, can you  
4 tell me a little bit about the CF-400 product? What  
5 was it used for?  
6 A. It was capable of doing denomination  
7 recognition and fitness sorting. And the majority of  
8 the machines we sold were for fitness sorting for  
9 money -- to prepare money for ATM use. And at the  
10 same time, they did checking for rogue bills in the  
11 mix so that if there was a 1 in with 20s, it would  
12 catch the bill.  
13 Q. What do you mean when you say that they were  
14 for denominating the bills?  
15 A. Checking the different denominations.  
16 Q. Is that the 1s, 2s, 5s, 10s, et cetera?  
17 A. Correct.  
18 Q. Did your company manufacture or assemble  
19 these CF-400 products?  
20 A. No.  
21 Q. Where did you get the products themselves  
22 from?  
23 A. We purchased them from Toshiba of Japan.  
24 Q. They were shipped to your company?  
25 A. Yes.

Page 16

1 Q. And did your company package and ship the  
2 products to your customers?  
3 A. No. They came in as a finished good.  
4 Q. Were they individually packaged?  
5 A. Yes.  
6 Q. Are you familiar with the contents of the  
7 packages for a CF-400?  
8 A. You mean the outer casing or the covers?  
9 I'm not sure I understand the question.  
10 Q. Was it a box that the CF-400 would come in?  
11 A. I believe it was on a pallet, with a box  
12 around it. I don't think it came in a complete wooden  
13 box, but it might have. It's a very heavy machine.  
14 I'm sure it had to be on a pallet, and it could have  
15 had cardboard around it, but it's 24 years ago. I  
16 don't know.  
17 Q. Well, you are doing terrific so far. The  
18 box itself, did it contain any literature?  
19 A. I would assume every one contained an  
20 instruction manual.  
21 Q. Do you recall whether it contained any other  
22 literature?  
23 A. No.  
24 Q. Now, did your company repair or service the  
25 CF-400 machines?

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1 A. Yes, we did.  
2 Q. So you had personnel that were trained to  
3 service and repair the machine?  
4 A. Yes, at that time.  
5 Q. How were these personnel trained to service  
6 or repair the CF-400?  
7 A. I think we sent them to Japan to be trained.  
8 I would have to -- that's normally what we would do.  
9 Q. Do you know whether these service and repair  
10 personnel used any reference materials in servicing or  
11 repairing the CF-400?  
12 A. I believe they did, yes.  
13 Q. Manuals? Do you recall what type of  
14 materials that they had to refer to as reference  
15 materials?  
16 A. I never would have been involved in that.  
17 Q. But at the time, this was the mid-eighties?  
18 A. Yes.  
19 Q. For how long did you or your company sell  
20 the CF-400?  
21 A. I think we stopped selling it in 1988. It  
22 could have been '89. But it was definitely in the  
23 late eighties.  
24 Q. From the mid-to-late eighties when your  
25 company -- this was still Magner Corporation of

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1 America at the time?  
2 A. It was Magner Corporation at the time.  
3 Q. Magner Corporation, okay.  
4 At the time, what position did you hold with  
5 Magner Corporation?  
6 A. I was chairman of the board and CEO.  
7 Q. At the time did you have any  
8 responsibilities in the day-to-day operation of the  
9 company?  
10 A. Yes.  
11 Q. Did that include in any respect management  
12 or supervision of the service or repair people?  
13 A. No.  
14 Q. Was there someone else responsible for  
15 supervising those folks?  
16 A. Yes.  
17 Q. In the mid-to-late eighties, was there  
18 anyone else selling CF-400s in the U.S.?  
19 A. Mosler Corporation.  
20 Q. Do you remember where they were located?  
21 A. Ohio, I believe.  
22 Q. Was there any relationship between Mosler  
23 Corporation and Magner?  
24 A. No.  
25 Q. Do you know if Mosler still exists?

Page 19

1 A. No. I know they don't.  
2 Q. All right. Do you know if there was anyone  
3 else in the U.S. selling the CF-400s at the time?  
4 A. No, I don't believe there was.  
5 Q. Is there anything that caused Magner to stop  
6 selling the CF-400s?  
7 A. Yes.  
8 Q. What was that?  
9 A. We felt that Mosler was undercutting our  
10 price too drastically, and we decided we didn't want  
11 to continue marketing the product any further.  
12 Q. Was Mosler related to Toshiba at all?  
13 A. No. They were an independent company buying  
14 the product the same as Magner.  
15 Q. Are you aware of anyone else other than  
16 Mosler and Magner who were selling the CF-400 back in  
17 the mid-to-late eighties?  
18 A. No.  
19 Q. Did Magner have separate dealers or  
20 distributors?  
21 A. We had dealers and we had direct  
22 salespeople.  
23 Q. Do you remember where some of those dealers  
24 were located?  
25 A. All over the United States.

Page 20

1 Q. Do you know if there was anyone else other  
2 than perhaps this Mosler Corporation that might have  
3 documents regarding the CF-400?  
4 A. I'd have to -- the only thing I can think of  
5 is if Glory retained everything that I gave them.  
6 Q. Is there anyone else you can think of who  
7 might still have documents regarding the CF-400?  
8 A. No. No one that comes to mind.  
9 Q. Have you ever spoken to any of Cummins'  
10 employees?  
11 A. Yes.  
12 Q. When is the last time you talked to anyone  
13 from Cummins?  
14 A. That would have been a trade show in  
15 November.  
16 Q. November of this year?  
17 A. No, I think last year.  
18 Q. Last year, I'm sorry. Thanks.  
19 Have you ever spoken to any of Cummins'  
20 attorneys?  
21 A. Yes. Right here.  
22 MR. SZALA: We've never spoken before.  
23 THE WITNESS: Just today.  
24 MR. SZALA: Oh, okay. That's true.  
25 A. No, I have spoken to other ones.

Page 21

1 BY MR. WARDEN:  
2 Q. Okay. Before the deposition, you mentioned  
3 a prior deposition with Mr. Rudisill?  
4 A. Yes.  
5 Q. Is there any other occasion where you can  
6 recall talking to any Cummins attorneys?  
7 A. No. I think I talked to Mr. Rudisill more  
8 than once though.  
9 Q. Within the last couple of months?  
10 A. No, years.  
11 Q. What type of business is Magner in today?  
12 A. We sell machines for counting coin and  
13 currency.  
14 Q. Do you sell any currency denominating  
15 machines?  
16 A. No.  
17 Q. Since the late eighties, have you been  
18 employed by any other business in the field of these  
19 currency denominating machines?  
20 A. When you say "employed," do you mean working  
21 for other people?  
22 Q. Right.  
23 A. No.  
24 Q. Do you have a college degree?  
25 A. Yes.

Page 22

1 Q. What degree is that?  
 2 A. Degree in economics.  
 3 Q. Do you have any other college degree?  
 4 A. No.  
 5 Q. Do you know Mr. John DiBlasio?  
 6 A. Yes, I do, but I can't place the person  
 7 right now. Did he work for Brant?  
 8 Q. Yeah, that could be. That's fine. I'm just  
 9 curious.  
 10 Let's go back to some of the documents that  
 11 I sent with the subpoena.  
 12 Do you know whether the CF-400 product was  
 13 sold here in the U.S. before Wagner became involved?  
 14 A. Yes. Mosler sold the machine prior to us.  
 15 Q. Do you know when Mosler started selling the  
 16 machine?  
 17 A. No.  
 18 Q. Do you know for how long prior to Wagner  
 19 Mosler was selling the machine?  
 20 A. I would have to assume a couple of years,  
 21 but I have no basis for making that judgment.  
 22 Q. Do you have any recollection of the  
 23 quantities of these CF-400 machines that Wagner sold  
 24 in the eighties?  
 25 A. I believe we sold just slightly less than

Page 23

1 100.  
 2 Q. And were all those sales to banks here in  
 3 the U.S.?  
 4 A. Yes.  
 5 Q. I had the subpoena sent to your company.  
 6 Did you have a chance to look through the,  
 7 unfortunately, big stack of documents attached to the  
 8 subpoena?  
 9 A. Yes, I did.  
 10 Q. Let's take a look at some of the documents.  
 11 We will go through them one by one real quick here.  
 12 A. Are we done with this?  
 13 Q. We are done, thanks.  
 14 (Magee Exhibit 2, Exhibit C to the  
 15 Subpoena, Brochure, Document Nos. EXH.  
 16 G0001 through EXH. G0004, marked for  
 17 identification. )  
 18 BY MR. WARDEN:  
 19 Q. I've marked as Exhibit number 2 what was  
 20 attached to the subpoena as Exhibit C. I'm going to  
 21 hand that one to you and ask you if you can recall  
 22 having seen that one.  
 23 A. Yes, I do.  
 24 Q. Can you tell me generally what that is?  
 25 A. It's a brochure for the advertisement for

Page 24

1 the 400, CF-400.  
 2 Q. How did you become familiar with the Exhibit  
 3 2 brochure there?  
 4 MR. SZALA: Objection, form.  
 5 Are you saying did he ever see it  
 6 before you sent him the material?  
 7 MR. WARDEN: Right.  
 8 THE WITNESS: Yes.  
 9 BY MR. WARDEN:  
 10 Q. How did you first become familiar with the  
 11 brochure in Exhibit 2?  
 12 A. I saw this in the early eighties when we  
 13 took the product in.  
 14 Q. Did your company ever distribute brochures  
 15 like this Exhibit 2?  
 16 A. We made our own.  
 17 Q. But you've seen a brochure like this  
 18 particular Exhibit 2 brochure before?  
 19 A. Yes.  
 20 Q. Do you know who made this brochure  
 21 identified as Exhibit 2?  
 22 A. I'm going to take a guess it's Mosler.  
 23 Q. This one says "Mosler Toshiba Currency  
 24 Sorter CF-400 Series."  
 25 A. Yes.

Page 25

1 Q. When Wagner was selling the products, was it  
 2 called Wagner Toshiba, or did it have a particular  
 3 name?  
 4 A. I think we called it the Wagner CF-400.  
 5 That was the whole model designation.  
 6 Q. But these were manufactured and shipped from  
 7 Japan?  
 8 A. Yes.  
 9 Q. So they were essentially rebranded products?  
 10 A. Yes.  
 11 Q. Do you know if Mosler sold the same CF-400  
 12 that Wagner did?  
 13 A. I believe they were identical.  
 14 Q. Did you have occasion to see some of the  
 15 CF-400 products that Mosler had sold?  
 16 A. I seldom would have gone to the field to see  
 17 anything.  
 18 Q. But you believe that Mosler was selling the  
 19 same product, the CF-400, as Wagner was?  
 20 MR. SZALA: Objection, form.  
 21 A. Yes.  
 22 BY MR. WARDEN:  
 23 Q. And how did you come to believe that Mosler  
 24 was selling the same CF-400 product as Wagner was?  
 25 A. Toshiba told us.

Page 26

1 Q. Is there any other way or basis for  
 2 believing that Wagner was selling the same CF-400 as  
 3 Mosler was?  
 4 A. They looked identical.  
 5 Q. Although you didn't physically see Mosler's  
 6 product, you saw photographs of the product?  
 7 A. I saw a brochure. I believe the  
 8 specifications were identical also.  
 9 Q. And the pictures of the product in the  
 10 brochure were identical also?  
 11 A. Yes.  
 12 Q. Let's take a look at the brochure there.  
 13 And on that second page of the brochure, there is two  
 14 columns. In the left-hand column in the first  
 15 paragraph there, the last sentence says "The CF-400  
 16 allows you to accurately and efficiently determine the  
 17 level of fitness, the denomination, and the  
 18 authenticity of the currency being processed."  
 19 A. You are in the last sentence of the first  
 20 paragraph?  
 21 Q. Last sentence of the first paragraph,  
 22 correct.  
 23 A. Okay, I see it. Correct.  
 24 Q. Is that what you were referring to earlier  
 25 when you were talking about denomination?

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1 A. Yes.  
 2 Q. Now, the second paragraph of the brochure  
 3 begins by saying "Operating at a speed of 600 bills  
 4 per minute."  
 5 A. Uh-huh.  
 6 Q. Do you recall whether the CF-400 did operate  
 7 at 600 bills per minute?  
 8 A. I believe it did, yes.  
 9 Q. Continuing, it says here that the CF-400 had  
 10 three stackers, A, B and a reject stacker.  
 11 A. Yes.  
 12 Q. Is that correct?  
 13 A. Yes, it is.  
 14 Q. Can you explain to us what is meant here by  
 15 "stackers?"  
 16 A. A stacker is, after a bill has been fed  
 17 through the machine and it's either been counted,  
 18 recognized by denomination or fitness, it goes to a  
 19 stacker. It could be going to a stacker for fit bills  
 20 and a stacker for unfit bills, and the third stacker  
 21 would be if it did not recognize the bill, as to the  
 22 condition or the denomination, it would go to that  
 23 stacker.  
 24 It can also be used for rejecting  
 25 counterfeit bills. And it could be set up if you are

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1 running one denomination, for example, \$20 bills, the  
 2 first stacker would take only \$20 bills, and the  
 3 second stacker would take other bills, 1s, 5s, 10s  
 4 that might be mixed in with the 20s.  
 5 Q. A little bit further down in the same  
 6 paragraph, one more sentence down, it talks about the  
 7 stackers A and B, that they hold up to a maximum of  
 8 150 bills.  
 9 A. Correct.  
 10 Q. Is that correct, that these stackers A and B  
 11 would hold 150 bills?  
 12 A. Yes.  
 13 Q. If we look under the heading "Counting And  
 14 Sorting By Denomination," do you see that in the left  
 15 column there?  
 16 A. Yes.  
 17 Q. That first sentence says "The Mosler Toshiba  
 18 CF-400 may be utilized as both a counter and a  
 19 sorter."  
 20 A. Yes.  
 21 Q. Do you know how the CF-400 could have been  
 22 utilized as a counter? Can you explain to us what  
 23 that means?  
 24 A. I'm not sure if I understand the question,  
 25 if it means counting by units or counting by dollar

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1 value. I believe it would do either/or.  
 2 Q. And the next sentence down in the next  
 3 paragraph there says that the system is able to read  
 4 the denomination of each bill as well as tabulate  
 5 totals for each denomination.  
 6 A. Yes.  
 7 Q. Do you remember that being the case with the  
 8 CF-400?  
 9 A. Yes.  
 10 Q. If we look at the next paragraph, in the  
 11 third sentence of the next paragraph, it begins "The  
 12 number of bills."  
 13 A. Yes.  
 14 Q. It says "The number of bills of each  
 15 denomination counted will be displayed."  
 16 A. Yes.  
 17 Q. "With the simple press of a button, the  
 18 CF-400 will also display the sum value of the counted  
 19 bills."  
 20 A. Yes.  
 21 Q. Do you remember that being the case with the  
 22 CF-400?  
 23 A. Yes.  
 24 Q. If you look on the right-hand column, there  
 25 are what appears to be two pictures there on the

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1 right-hand column.  
 2 Are those pictures of the CF-400?  
 3 A. Yes, they are.  
 4 Q. If we look smack in the middle of that first  
 5 picture in the top right-hand column --  
 6 A. Yes.  
 7 Q. And if you ever need to take a break, just  
 8 give me a holler, and we will go ahead and take a  
 9 break.  
 10 A. Thank you.  
 11 Q. Can you identify any components of the  
 12 machine there in that --  
 13 A. Yes. In the front portion, it looks like  
 14 it's pulled out of the machine. It is pulled out of  
 15 the front of the machine for servicing, jams. And the  
 16 top portion is the A stacker. The second one is the B  
 17 stacker. The bottom one is the reject.  
 18 Q. Let's look at the next page of this Exhibit  
 19 2. That looks like a little bit better picture of the  
 20 CF-400.  
 21 A. Yes.  
 22 Q. Looking at what you referred to as the A  
 23 stacker and the B stacker there, in the middle of the  
 24 A stacker and the B stacker, there is a circular or  
 25 semicircular object right in the middle of the

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1 stacker.  
 2 A. You are referring to that portion right  
 3 here? (Pointing.)  
 4 Q. That's correct, right.  
 5 A. Yes.  
 6 Q. Can you tell me what that was?  
 7 A. Those would be stacker veins.  
 8 Q. Stacker veins.  
 9 A. They would look like, almost like one of  
 10 those fried onions that they give you with all the  
 11 things sticking up. The bills are fed into each vein,  
 12 and then it drops them off into the front of the  
 13 stacker. That's why it stacks the bills neatly.  
 14 Q. Okay. Were those veins plastic --  
 15 A. Yes.  
 16 Q. -- or flexible?  
 17 A. I think they were plastic.  
 18 Q. Looking down at the bottom of this page  
 19 here, it's got a table and the top row of the table  
 20 says "Mode Assignment."  
 21 Do you see that?  
 22 A. Yes, I do.  
 23 Q. The first mode assignment it talks about  
 24 says "Counting."  
 25 Do you remember a counting mode on the

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1 CF-400?  
 2 A. I do.  
 3 Q. And it says, in the left-hand column, it  
 4 says denomination assignment none for this counting  
 5 mode.  
 6 Do you recall that setting on the CF-400?  
 7 A. I don't really recall how it operated. I  
 8 remember counting mode and facing mode and fit, unfit,  
 9 but I don't remember the operation.  
 10 Q. Looking on the left here, it says "Stacker  
 11 A," and then directly across from that, it says  
 12 "Mixture stacked in A until full."  
 13 Do you know what that could have been  
 14 talking about?  
 15 MR. SZALA: Objection to form.  
 16 A. He objected.  
 17 BY MR. WARDEN:  
 18 Q. He did, but you can go ahead and answer.  
 19 That's fine.  
 20 A. I believe that you can set your stacker for  
 21 a limit. The limit you mentioned earlier was 150.  
 22 Typically they might set it at 100. And so when it  
 23 reached the quantity that he had set it for, the unit  
 24 would stop, and you have to remove the bills from that  
 25 particular stack.

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1 Q. Do you know what it would refer to when it  
 2 says "Mixture?"  
 3 A. If they are in a counting mode, I'm going to  
 4 have to assume that they are running mixed bills which  
 5 could be all the denominations, just to obtain a count  
 6 total.  
 7 Q. Do you recall that the machines actually  
 8 operated with a stack of mixed bills like that?  
 9 A. I honestly don't remember. I'd have to  
 10 assume reading this that they did.  
 11 MR. WARDEN: Let's mark something as  
 12 Exhibit number 3. And this one was Exhibit D to the  
 13 subpoena.  
 14 (Magee Exhibit 3, Exhibit D to the  
 15 Subpoena, Document Nos. EXH. 10001  
 16 through EXH. 10058, marked for  
 17 identification. )  
 18 MR. SZALA: This is Magner Exhibit 3?  
 19 MR. WARDEN: Magee Exhibit 3.  
 20 BY MR. WARDEN:  
 21 Q. Now I've handed you Exhibit D to the  
 22 subpoena, and we've marked that as Exhibit 3.  
 23 Do you recall ever seeing a document like  
 24 this before?  
 25 A. Outside of what you sent me, I don't

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1 remember.  
 2 Q. This one says "Mosler" at the top. Did I  
 3 pronounce that correctly?  
 4 A. It's Mosler.  
 5 Q. Mosler, okay. Then it says "Toshiba CF-400  
 6 Series Currency Sorter, Customer Operating  
 7 Instructions." Is that correct?  
 8 A. Yes.  
 9 Q. When the CF-400 products came from Japan,  
 10 did they include any operating instructions?  
 11 A. I don't recall if we used their instructions  
 12 or we printed them ourselves. I don't remember.  
 13 Q. Do you recall actually having seen  
 14 instructions, whether you printed them yourself or  
 15 they came from Japan?  
 16 MR. SZALA: Objection, form.  
 17 A. If I did, I only looked at the top. I never  
 18 operated a machine.  
 19 BY MR. WARDEN:  
 20 Q. All right. You just mentioned that you  
 21 never operated the machine. Did I hear that  
 22 correctly?  
 23 A. Correct.  
 24 Q. Did you ever observe the machine in  
 25 operation?

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1 A. Yes.  
 2 Q. You observed the machine in operation on  
 3 more than one occasion?  
 4 A. Yes.  
 5 Q. Numerous occasions?  
 6 A. Yes.  
 7 Q. Let's take a look at -- there is little  
 8 numbers in the bottom right-hand corner of this  
 9 exhibit, it says EXH 100, and then it's got some  
 10 numbers.  
 11 A. Uh-huh.  
 12 Q. Let's take a look at the page that's got a  
 13 number 10016. First let's turn back, I guess, to page  
 14 10.  
 15 A. Which page are you on?  
 16 Q. 10, page 10.  
 17 A. Page 10, okay.  
 18 Q. Does that look like a drawing of the CF-400?  
 19 A. Yes.  
 20 Q. Now, if we can flip back to page 16, now, in  
 21 the lower right corner, there is another drawing down  
 22 there.  
 23 A. Yes.  
 24 Q. Does that look like it's also the CF-400?  
 25 A. Yes, it does.

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1 Q. Is that a stack of bills in the top of the  
 2 machine there?  
 3 MR. SZALA: Objection.  
 4 MR. WARDEN: I'm sorry, counsel.  
 5 What's the objection?  
 6 MR. SZALA: You are asking him if it  
 7 is. Does it appear to be, I guess.  
 8 MR. WARDEN: Okay.  
 9 A. Appears to be.  
 10 BY MR. WARDEN:  
 11 Q. Can you explain what the purpose of putting  
 12 the bills in the top like this was?  
 13 A. We placed the bills on the top to have them  
 14 fit through the machine.  
 15 Q. That's where the bills would start out?  
 16 A. Yes.  
 17 Q. And they'd travel through the machine from  
 18 there?  
 19 A. Yes.  
 20 Q. Did the bills, when we are looking at that  
 21 diagram there, that drawing on page 16, did the  
 22 machine or the bills travel through the machine in  
 23 that orientation that's shown there?  
 24 MR. SZALA: Could you read that back?  
 25 I didn't hear it.

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1 (Record read by the court reporter. )  
 2 MR. SZALA: Objection, form of the  
 3 question. I'm not sure what that means, "that  
 4 orientation." It does not show it going through the  
 5 machine.  
 6 MR. WARDEN: Let's try to fix this one  
 7 up.  
 8 BY MR. WARDEN:  
 9 Q. In the CF-400, did the bills travel through  
 10 the machine in the orientation that they are shown  
 11 here on page 16?  
 12 MR. SZALA: Objection. If you know.  
 13 THE WITNESS: Pardon me?  
 14 MR. SZALA: Objection. If you know. I  
 15 don't know if you know the inner workings of the  
 16 machine.  
 17 A. I can't answer the question.  
 18 BY MR. WARDEN:  
 19 Q. Do you know how the bills entered the  
 20 machine in the CF-400?  
 21 A. They came off the bottom of the stack.  
 22 Q. They came off the bottom of the stack.  
 23 Would they enter the machine in the orientation as  
 24 shown here in this picture?  
 25 MR. SZALA: Objection to the form of

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1 the question. Foundation.  
 2 A. I don't know. I don't know if I understand.  
 3 BY MR. WARDEN:  
 4 Q. Did you ever observe the bills entering the  
 5 machine while it was in operation?  
 6 A. Yes.  
 7 Q. Did they enter the machine as shown here in  
 8 this drawing on page 16?  
 9 MR. SZALA: Objection to the form of  
 10 the question. I don't believe this picture shows how  
 11 they entered the machine.  
 12 MR. WARDEN: We will ask Mr. Magee.  
 13 BY MR. WARDEN:  
 14 Q. Is that what it looked like when bills  
 15 entered the machine?  
 16 A. They came off the bottom of that stack and  
 17 went away from us in this picture.  
 18 Q. Now, do you know whether the machine twisted  
 19 or spun the bills as they were going through?  
 20 A. No.  
 21 Q. So they came out in that orientation -- when  
 22 the machine was done processing the bills, they came  
 23 out in that same general orientation?  
 24 MR. SZALA: Objection, form.  
 25 A. I don't know.

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1 BY MR. WARDEN:  
 2 Q. When the bills came out of the machine, what  
 3 direction were they oriented?  
 4 A. I don't remember.  
 5 MR. WARDEN: Let's mark something as  
 6 Exhibit number 4, that was Exhibit E to the subpoena.  
 7 (Magee Exhibit 4, Exhibit E to the  
 8 Subpoena, Document Nos. EXH. H0001  
 9 through EXH. H0048, marked for  
 10 identification. )  
 11 BY MR. WARDEN:  
 12 Q. You don't by any chance recall having seen a  
 13 document like this Exhibit 4?  
 14 A. No.  
 15 Q. There is numbers in the bottom right-hand  
 16 corner of this document as well, and if we go back to  
 17 the page that's marked H0039, do you see the drawing  
 18 in the upper right-hand corner, the circular drawing  
 19 with a label number 5 on it?  
 20 A. This one here? (Pointing.)  
 21 Q. Right.  
 22 A. Yes.  
 23 Q. Can you recall or can you discern what that  
 24 depicts?  
 25 MR. SZALA: Objection. He said he's

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1 never seen this document before.  
 2 BY MR. WARDEN:  
 3 Q. Okay. You can answer if you know.  
 4 A. No.  
 5 Q. When you talked about the peeled open onion  
 6 that was located in the stacker A and stacker B of the  
 7 CF-400, is that what those peeled open onions would  
 8 look like from the side view?  
 9 MR. SZALA: Objection to form.  
 10 Assuming he's ever saw it from the side view.  
 11 A. I would have to assume.  
 12 BY MR. WARDEN:  
 13 Q. Did you ever actually look at those peeled  
 14 onion devices in the stacker A and stacker B of the  
 15 CF-400?  
 16 MR. SZALA: Inside the machine?  
 17 MR. WARDEN: No.  
 18 BY MR. WARDEN:  
 19 Q. Well, let me ask you, can you see those  
 20 peeled onions from the exterior of the machine?  
 21 A. Yes.  
 22 Q. So they were clearly visible from the  
 23 exterior of the machine?  
 24 A. Not from this angle, but from straight on.  
 25 Q. Okay. If you looked at those peeled onions

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1 in the stackers of the CF-400, do you know whether  
 2 that's what they'd look like from the side?  
 3 MR. SZALA: Objection, form.  
 4 A. I would have to assume.  
 5 BY MR. WARDEN:  
 6 Q. You said that the fins in that peeled onion  
 7 were made of plastic; is that correct?  
 8 MR. SZALA: Objection. I don't think  
 9 he said "fins."  
 10 BY MR. WARDEN:  
 11 Q. The parts of the peeled open onions, did you  
 12 refer to those as "fins?"  
 13 A. I referred to them as stacker veins.  
 14 Q. Stacker veins, I'm sorry. And you said that  
 15 the stacker veins were made of plastic?  
 16 A. Yes.  
 17 Q. Were the plastic veins fixed and rigid?  
 18 A. No. I believe they were flexible.  
 19 Q. Since the CF-400s were sold to banks here in  
 20 the states, I'm assuming they operated with U.S.  
 21 currency?  
 22 A. Yes.  
 23 MR. WARDEN: I'm going to go ahead and  
 24 mark something as Exhibit 5. This was Exhibit F to  
 25 the subpoena.

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1  
 2 (Magee Exhibit 5, Exhibit F to the Subpoena, Brochure,  
 3 marked for identification. )?  
 4 BY MR. WARDEN:  
 5 Q. I'll ask if you can recall having seen this  
 6 document before.  
 7 MR. SZALA: I have an objection. This  
 8 has a date on the last page of 1989, and Magner may  
 9 have been out of the business at this particular time.  
 10 BY MR. WARDEN:  
 11 Q. Okay. You can go ahead and answer if you  
 12 know.  
 13 A. I believe I've seen this before. Referring  
 14 to one of your earlier questions if I'd ever seen the  
 15 machine, I believe this is all I've ever seen of the  
 16 machine, was a brochure advertisement.  
 17 Q. Okay. And do you recall having --  
 18 MR. SZALA: Let me correct the record  
 19 with one respect, since I didn't see that it was the  
 20 420, obviously they were never in the 420 business, so  
 21 I'll amend my objection in that regard.  
 22 MR. WARDEN: I'm sorry. You'll amend  
 23 your objection?  
 24 MR. SZALA: I'll amend the objection,  
 25 just the fact that I thought you were looking at the

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1 400. This is the 420, and his testimony is that the  
 2 Magner Corporation company has never been in the area  
 3 of the CF-420.  
 4 BY MR. WARDEN:  
 5 Q. Do you recall when you have seen a brochure  
 6 like this Exhibit 5?  
 7 A. It would have to be in the eighties.  
 8 Q. You mentioned you've never actually seen a  
 9 CF-420 product?  
 10 A. I don't believe I've ever seen them.  
 11 Q. Do you know whether Mosler was ever trying  
 12 to sell CF-420 products?  
 13 A. I think they were selling, trying to sell  
 14 them or sold it.  
 15 Q. What leads you to believe that they were  
 16 trying to sell the CF-420 product?  
 17 A. Because I heard it gave a lot of trouble.  
 18 Q. You heard that the product --  
 19 A. This was my decision, I decided not to take  
 20 this product on because of my relationship with  
 21 Mosler, so I never took it on. I never saw it, but I  
 22 know that Mosler took it on, and it gave a lot of  
 23 trouble, so I was very pleased.  
 24 Q. All right. In what respect did it give  
 25 Mosler trouble?

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1 A. The 400 worked perfectly and this one was  
 2 awful.  
 3 Q. Really. Do you remember in what respect?  
 4 A. They had a lot of technical difficulty with  
 5 the product.  
 6 Q. Let's turn back to Exhibit number 3, which  
 7 was Exhibit D to the subpoena, and look at page 25  
 8 marked down there at the bottom with I0025.  
 9 Do you recall whether the CF-400 had a  
 10 printout?  
 11 MR. SZALA: Hang on a second. What  
 12 page are you on again?  
 13 MR. WARDEN: 25.  
 14 A. Yes, it did, I believe.  
 15 MR. SZALA: You said you think?  
 16 THE WITNESS: I think it did.  
 17 BY MR. WARDEN:  
 18 Q. Do you recall whether or not you've actually  
 19 seen a printout from a CF-400?  
 20 A. I'm trying to remember. I believe it had a  
 21 printer. I don't know that we sold it that way. I  
 22 think we sold it hooked to one of our own terminals,  
 23 but I don't remember.  
 24 Q. When you say "terminal," what do you mean by  
 25 terminal?

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1 A. Like a teller machine, interface.  
 2 Q. Would it have a display on it of some sort?  
 3 A. Yes.  
 4 Q. Like an LED display or something else?  
 5 A. An LED? Probably was nixie tubes then.  
 6 To answer your question clearly, the unit  
 7 did have an internal printer, but it was limited in  
 8 the data that it would print, and that's why we used  
 9 the terminal.  
 10 Q. If we look at some of the pictures in the  
 11 right-hand side of this page 25, that top right  
 12 picture there, that says "Count" at the top.  
 13 Do you see that?  
 14 A. Yes.  
 15 Q. Do you recall ever having seen printouts  
 16 that look like this, this top photograph there?  
 17 A. No, I can't say that I do.  
 18 Q. And it's really a drawing, isn't it? It's  
 19 not a photograph; is that correct?  
 20 A. It's -- I don't know. It's tough to decide.  
 21 It probably is a drawing.  
 22 Q. Now, this drawing or photograph, whichever  
 23 it is here, in the left side, it's got a column that  
 24 says \$1, \$2, \$5, \$10, \$20, \$50 and \$100. And it's got  
 25 a middle column starting with the number 40 and then

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1 zero and then 9 and continuing.  
2 A. Correct.  
3 Q. It's got a right-hand column that starts  
4 with 40 and zero and then 45.  
5 A. Yes.  
6 Q. Do you have any idea what that is depicting?  
7 A. Yes.  
8 Q. Can you --  
9 MR. SZALA: Are you asking him to  
10 speculate? Because he's said he's never seen this  
11 before.  
12 MR. WARDEN: I'm sorry, I thought he  
13 did say that he had seen printouts before.  
14 A. I can't recall if I've seen the printout  
15 from it, but it's a typical printout for doing what  
16 it's doing, so I know what a tape like this does  
17 whether it's from this or from other machines.  
18 BY MR. WARDEN:  
19 Q. Can you tell me what that depicts then?  
20 A. The left column is the denomination, the  
21 center column is the quantity, and then the extended  
22 number to the right is the actual dollar value.  
23 Q. Okay. Now, at the bottom, the bottom  
24 right-hand side there under "Total," it says 915.  
25 Do you see that?

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1 A. Yes.  
2 Q. Do you know what that 915 would represent?  
3 MR. SZALA: Same objection.  
4 A. Total dollar amount.  
5 BY MR. WARDEN:  
6 Q. Okay. The sum of all those different  
7 denominations?  
8 A. Yes.  
9 Q. Now, when you said that the CF-400s that you  
10 actually sold, that Magner actually sold had a  
11 display, do you know if this information would have  
12 been displayed on the display?  
13 A. It would have been on our tape probably.  
14 The display was only one line at that point.  
15 Q. And what do you mean when you refer to the  
16 tape?  
17 A. We printed the tape also out of the  
18 terminal, the same tape.  
19 Q. And would that tape depict this same  
20 information, denomination --  
21 A. Exactly.  
22 MR. WARDEN: All right. I'll pass.  
23 CROSS EXAMINATION BY MR. SZALA:  
24 Q. Mr. Magee, I have several questions for you.  
25 Let me start with, there were several questions by

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1 Mr. Warden in which you responded by saying "I assume"  
2 or "I have to assume." Is that because the events are  
3 sometimes 20 years ago, and you don't have a personal  
4 recollection as you sit here today?  
5 MR. WARDEN: Objection to form.  
6 A. In most cases.  
7 BY MR. SZALA:  
8 Q. Now, you stated you were not aware of the  
9 Mosler 420, but you said that Magner sold the CF-400  
10 product; correct?  
11 A. No, I was aware of the 420, I've just never  
12 seen one.  
13 Q. You've never seen it personally. I agree  
14 with that testimony.  
15 Let me go back for a second then. Dealing  
16 with Magee Exhibit 2, if you could take a look at the  
17 brochure, and I just want to go over some points here.  
18 You referenced the CF-400, and you said it  
19 was a big machine; correct?  
20 A. We should define large machine. If we go  
21 back, we can look at the specifications.  
22 Q. That's what I was coming to there. The last  
23 page has the Bates label Exhibit G4.  
24 A. Yes.  
25 Q. It shows it had a weight of 193 pounds;

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1 correct?  
2 A. Yes.  
3 Q. It showed that its dimensions were  
4 approximately 16-and-a-half inches in width, so that's  
5 more than a foot and a third; correct?  
6 A. Correct.  
7 Q. It also had a depth of 26 inches, so that  
8 was more than a couple of feet; correct?  
9 A. Correct.  
10 Q. And then it had 23 inches high, so that was  
11 almost 2 feet tall; is that correct?  
12 A. Yes.  
13 Q. So that was not a desktop currency  
14 denominator machine, as Cummins came out with, with  
15 the JetScan; isn't that correct?  
16 MR. WARDEN: Objection, form.  
17 A. Well, it raises an interesting question  
18 because the machine was almost too big to be on a  
19 desktop and too small to be on the floor, so it was  
20 cumbersome to use. So some people put it on a desktop  
21 and some people put it on a pedestal raised off the  
22 floor because there was no happy medium.  
23 BY MR. SZALA:  
24 Q. And it had three stackers?  
25 A. Correct.

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1 Q. So you were familiar with the JetScan  
 2 product that Cummins invented; is that correct?  
 3 MR. WARDEN: Objection to form.  
 4 BY MR. SZALA:  
 5 Q. Were you familiar with the Cummins JetScan  
 6 machine?  
 7 A. Yes.  
 8 Q. And the Cummins JetScan machine had two  
 9 pockets, did it not?  
 10 A. Yes -- to my knowledge, there's various  
 11 models of the Cummins JetScan.  
 12 Q. That's fair enough, so let me withdraw that  
 13 and start again here.  
 14 Have you specifically seen a JetScan model  
 15 in person?  
 16 A. Yes.  
 17 Q. And have you seen the JetScan where it is a  
 18 desktop model that can fit on a desk?  
 19 A. Yes.  
 20 Q. Turning now to Magee Exhibit 2, as far as  
 21 the specifications, the speed that the CF-400 could go  
 22 was 600 bills per minute; is that correct?  
 23 A. That's what it states on the specifications  
 24 page, yes.  
 25 Q. Do you have any reason to believe that it

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1 wasn't only 600 bills per minute?  
 2 A. I assume that's what it is.  
 3 Q. Did you ever find out, for example,  
 4 regarding the -- strike that.  
 5 When you learned of the CF-420, did you ever  
 6 learn that the CF-420 for the Toshiba product also  
 7 only processed the notes at 600 bills per minute?  
 8 A. No, I didn't know.  
 9 Q. If you look at what Mr. Warden has  
 10 identified as Magee Exhibit 5, and if you look at the  
 11 third page of that exhibit after the first cover  
 12 sheet, and in the middle column where it says 1 in a  
 13 million accuracy.  
 14 Do you see that?  
 15 A. Yes.  
 16 Q. It says "Even while operating at the rate of  
 17 600 notes per minute."  
 18 Do you see that?  
 19 A. I do.  
 20 Q. Did you ever have any discussion with  
 21 anybody at Toshiba regarding the fact that the banks  
 22 to which you sold the CF-400 wanted a speed greater  
 23 than 600 bills per minute?  
 24 MR. WARDEN: Objection, form.  
 25 A. I never had any discussions with Toshiba

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1 about it.  
 2 BY MR. SZALA:  
 3 Q. Who, if anyone, at Magner had any  
 4 conversations with Toshiba?  
 5 A. It would have been either myself or Paul  
 6 Brunner.  
 7 Q. But you did not have any such discussions?  
 8 A. We didn't handle the product.  
 9 Q. When --  
 10 A. Sorry, just to clarify, you are talking  
 11 about the 420?  
 12 Q. No, I was talking about the CF-400.  
 13 A. Processing speed on that, I don't remember  
 14 if we did, no.  
 15 Q. Just so I understand, when Magner would buy  
 16 the products from Toshiba, would they come already  
 17 labeled with the Magner label on them, or would you  
 18 have to open up the box, take off the Toshiba label,  
 19 put on the Magner label and then rebox them?  
 20 A. I don't recall.  
 21 Q. Did there come a time when Magner explored  
 22 the possibility of selling desktop currency  
 23 denominating machines?  
 24 A. I'm sorry.  
 25 Q. Sure. Did there come a time when Magner

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1 explored the possibility of selling desktop currency  
 2 denominating machines?  
 3 MR. WARDEN: Objection, form.  
 4 A. Yes.  
 5 BY MR. SZALA:  
 6 Q. And when did Magner undertake those efforts?  
 7 A. I don't remember all the dates.  
 8 Q. I noticed in certain e-mails that we have,  
 9 not in the documents that Mr. Warden has provided you,  
 10 but there was someone at Magner or some entity at  
 11 Magner which goes by info@magner.com.  
 12 Do you know that website?  
 13 A. That would be anybody inquiring from us.  
 14 Q. Are you familiar with a Bob Allexon at  
 15 Magner?  
 16 A. Allexon. He no longer works in the company.  
 17 Q. For what period of time did he work at the  
 18 company?  
 19 A. I believe he left four years ago, and he was  
 20 there for either eight or twelve years.  
 21 Q. What was his title?  
 22 A. Director of marketing, I believe.  
 23 Q. Did he leave under amiable circumstances?  
 24 A. Yes.  
 25 Q. Now, during the 1990s, did -- let me back

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1 up.  
 2 You told us during the mid-1980s, you were  
 3 the chairman and CEO of Magner.  
 4 A. Yes.  
 5 Q. And when did you start at Magner and when  
 6 did you become the chairman and CEO?  
 7 A. Magner was started in 1983, and that was my  
 8 title from when I started.  
 9 Q. And were you a shareholder at that time?  
 10 A. Yes.  
 11 Q. Were you the sole shareholder?  
 12 A. No.  
 13 Q. During the mid-1980s, approximately how many  
 14 folks did Magner employ?  
 15 A. Forty. No, I'm sorry, let me correct that.  
 16 Probably 20.  
 17 Q. And at some later point, did you expand and  
 18 add more employees?  
 19 A. Yes.  
 20 Q. What is the most number of employees Magner  
 21 ever had?  
 22 A. Forty.  
 23 Q. Now, I believe in response to a question by  
 24 Mr. Warden, you said that your current title is  
 25 president of Magner?

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1 A. Yes.  
 2 Q. Are you still --  
 3 A. And chairman and CEO.  
 4 Q. So you took over those additional  
 5 responsibilities?  
 6 A. Yes.  
 7 Q. When did that take place?  
 8 A. In 2000.  
 9 Q. Now, in the year or during the early or  
 10 during the year 2002, was Magner aware of certain  
 11 litigation between Cummins-Allison and the Glory  
 12 entities?  
 13 A. Yes.  
 14 Q. And at that time, there was a lawsuit that  
 15 was pending in Texas; is that correct?  
 16 A. Yes.  
 17 Q. At a later point during the decade of the  
 18 2000s there was a lawsuit of Cummins versus Glory in  
 19 Chicago; correct?  
 20 A. Correct.  
 21 MR. SZALA: Now let me show you what we  
 22 will mark as Exhibit 6.  
 23 (Magee Exhibit 6, E-mail string,  
 24 Document No. SBM03569, marked for  
 25 identification. )

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1 BY MR. SZALA:  
 2 Q. If you could look at Exhibit 6, and it's an  
 3 e-mail from a Mr. SeungWoo, S-e-u-n-g, Woo, W-o-o,  
 4 space, Y-o-u, and it has a date on it of October 12,  
 5 2002, and it's from a follow-up e-mail or apparently a  
 6 fax that was sent then, but the original message was  
 7 from info@magner.com to Mr. SeungWoo You dated  
 8 October 11, 2002.  
 9 I asked you about the info@magner.com. Who  
 10 would necessarily be sending it from the entity at  
 11 Magner?  
 12 A. In the year 2002, I would have to believe it  
 13 was probably Bob Allexon.  
 14 Q. And then that e-mail says, from Mr. Allexon,  
 15 that the GFR, which is the Glory 100, has been in the  
 16 market since 1995 or 1996, to the best of my  
 17 knowledge, and it goes on to state that we understand  
 18 from our contacts at Glory that they intend to fight  
 19 Cummins on this.  
 20 Do you see that?  
 21 And that's Mr. Allexon writing to Shinwoo  
 22 and this gentleman by the name of Mr. You; correct?  
 23 A. I'm sorry, I'm on the wrong paragraph.  
 24 MR. WARDEN: Objection, form.  
 25 A. What was the question?

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1 BY MR. SZALA:  
 2 Q. Mr. Allexon is writing back to Mr. You  
 3 informing them about the GFR-100 and his understanding  
 4 that Glory intends to fight Cummins on this, whatever  
 5 "this" is.  
 6 A. I've never seen this. I have no knowledge  
 7 of it.  
 8 Q. Let's go back to the message that Mr. You  
 9 wrote to Mr. -- you don't have any reason to doubt  
 10 that this is a document that Mr. Allexon sent to  
 11 communicate with Mr. You, do you?  
 12 A. No.  
 13 Q. So Mr. You writes Mr. Allexon, thanking him  
 14 for the fax and his hospitality, and it says "Thank  
 15 you for your hospitality and we will deeply review the  
 16 patent. If you have further notice or news regarding  
 17 the complain" -- maybe complaint -- "please kindly let  
 18 me know." And it goes on with some other items in  
 19 that particular regard.  
 20 Did you have a discussion with Mr. Allexon  
 21 in or around October regarding the fact that he was  
 22 following the Glory/Cummins potential litigation or  
 23 litigation?  
 24 A. I have no recollection that we did.  
 25 Q. And do you recall any discussions with

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1 Mr. Allexon at any point regarding the GFR-100?  
 2 A. No.  
 3 MR. SZALA: The next one.  
 4 (Magee Exhibit 7, Fax from  
 5 Mr. Allexon, dated October 11, 2002, to  
 6 Mr. You, Document No. SBM03570, marked  
 7 for identification. )  
 8 BY MR. SZALA:  
 9 Q. This is from Mr. Allexon dated October 11,  
 10 2002 to Mr. You, and this is apparently the fax that  
 11 was sent by Mr. Allexon to Mr. You of that date,  
 12 October 11, 2002.  
 13 Do you recall any discussion with  
 14 Mr. Allexon regarding this particular fax that he sent  
 15 Mr. You?  
 16 MR. WARDEN: Objection, form.  
 17 A. No. This is just public knowledge.  
 18 BY MR. SZALA:  
 19 Q. But do you recall any discussion you had  
 20 with Mr. You or Mr. Allexon regarding this fax?  
 21 A. There is nothing to discuss. There is  
 22 nothing to it.  
 23 (Magee Exhibit 8, E-mail string,  
 24 Document No. SBM03573, marked for  
 25 identification. )

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1 BY MR. SZALA:  
 2 Q. I hand you this next document which is Magee  
 3 Exhibit 8, and at the top here it shows a date of  
 4 November 14, 2002, Mr. You is writing and he is  
 5 forwarding the Magner issue. It says SB1000. And the  
 6 message right below the top portion of this document,  
 7 again, is info@magner to Mr. You and it's dated  
 8 November 14, 2002. And it says "Dear You, yes, we are  
 9 happy to hear from you and hear about your progress on  
 10 the SB1000."  
 11 The next paragraph "We would like to receive  
 12 the sample preproduction model you mentioned for our  
 13 review and testing. A meeting with you and Mr. Choi  
 14 would also be welcomed."  
 15 And then the next paragraph he goes on to  
 16 state "We are anxious to know what your thoughts are  
 17 on the Cummins/Glory patent suit. Are you confident  
 18 that your product will not infringe? Also, what is  
 19 your company policy regarding indemnification?"  
 20 Did you have any discussion with Mr. Allexon  
 21 regarding any of the subjects that I just read as part  
 22 of this e-mail from him to Mr. You dated November 14,  
 23 2002?  
 24 MR. WARDEN: Objection, form.  
 25 A. I don't recollect.

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1 BY MR. SZALA:  
 2 Q. And again, you have no doubt that  
 3 Mr. Allexon and Mr. You communicated as of Magee  
 4 Exhibit 8, do you?  
 5 A. No.  
 6 (Magee Exhibit 9, E-mail string,  
 7 Document No. SBM03574, marked for  
 8 identification. )  
 9 BY MR. SZALA:  
 10 Q. I hand you Magee Exhibit Number 9, and let  
 11 me ask this before I get to Exhibit 9.  
 12 Have you ever spoken to anyone from SBM or  
 13 Shinwoo?  
 14 A. I believe I met some of the people at the  
 15 Hanover Fair in Germany.  
 16 Q. That's the CB -- what is it, CB or C --  
 17 A. I don't remember.  
 18 Q. The name of that convention that's there.  
 19 A. Oh, it's CeBIT, C-e capital B-I-T.  
 20 Q. A convention that's in Hanover, Germany in  
 21 November of each year?  
 22 A. In March of each year.  
 23 Q. March of each year, sorry. So you believe  
 24 you've seen or met some representatives from Shinwoo  
 25 at that time?

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1 A. Yes.  
 2 Q. Do you remember a Mr. Choi, C-h-o-i,  
 3 president of the company?  
 4 A. I don't remember.  
 5 Q. Do you remember Mr. You, Y-o-u?  
 6 A. I remember they weren't very nice to me.  
 7 Q. Why is that?  
 8 A. They weren't very friendly.  
 9 Q. Okay. Have you ever met anybody from  
 10 Amro-Asian?  
 11 A. No.  
 12 Q. Does the name Mahbub Siddiqui,  
 13 S-i-d-d-i-q-u-i --  
 14 A. I know the name, never met the person.  
 15 Q. Have you ever communicated with him?  
 16 A. I think he has e-mailed me.  
 17 Q. Okay. Well, Magee Exhibit 9, this one is  
 18 dated November 18, 2002 and again, Mr. You is writing  
 19 Mr. Allexon, and they are trying to set up a schedule,  
 20 and he then goes on to state "I would like -- or I  
 21 believe that Glory will overcome that suit well." And  
 22 it continues "And if not, then we could also be in  
 23 trouble with the same patent." And it goes on to  
 24 state that in his personal opinion he doesn't believe  
 25 that would be a problem.

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1 (Attorney Costas entered the room.)  
 2 BY MR. SZALA:  
 3 Q. In the last paragraph of that e-mail, make  
 4 it the second paragraph of that e-mail, Mr. You writes  
 5 "For the research of intellectual properties, it costs  
 6 more than 20,000 U.S. dollars in Korea. We have  
 7 reviewed the abstractions and claims of some patents,  
 8 but we know that we need assistance from an attorney  
 9 in Korea. Also, I think you can help me to review the  
 10 patents once you test the machine. But by now, I am  
 11 not sure that our machine cannot infringe any patent.  
 12 How much do you think it will cost to examine U.S.  
 13 patents by an attorney?"  
 14 Do you recall any discussion with  
 15 Mr. Allexon regarding the fact that Mr. You had  
 16 expressed some potential problems in his mind with the  
 17 Shinwoo issue dealing with the Cummins patent?  
 18 MR. WARDEN: Objection, form.  
 19 A. I have no recollection.  
 20 BY MR. SZALA:  
 21 Q. The next paragraph, he goes on to state  
 22 "Basically if we deliver the machines with customer's  
 23 brand, we ask them to review the patents in their  
 24 territory and also to do all things to protect  
 25 themselves in the manufacture from all legal

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1 processing. But in the case of a patent suit, both  
 2 companies get in trouble. Thus, most of all, patent  
 3 research is most important thing before launching a  
 4 product. And it is the reason why we try to find good  
 5 partner in United States or U.S.A. Even with  
 6 ill-intended suit, that is, a suit without exact  
 7 evidence, it can threaten our whole system because we  
 8 need large expense to cope with it."  
 9 Did you have any discussion with Mr. Allexon  
 10 regarding that topic as it pertained to Shinwoo or  
 11 later named company SBM?  
 12 MR. WARDEN: Objection to form.  
 13 A. No recollection.  
 14 MR. COSTAS: Gentlemen, are you going  
 15 to work through a lunch hour or what do you want to  
 16 do?  
 17 MR. SZALA: I would prefer to, unless  
 18 Mr. Magee wants to take a break.  
 19 THE WITNESS: No, I'd rather finish.  
 20 (Attorney Costas left the room.)  
 21 (Magee Exhibit 10, Letter from  
 22 Mr. Allexon to Mr. You dated December  
 23 2, 2002, Document Nos. SMB03575 and  
 24 SMB03576, marked for identification. )  
 25 BY MR. SZALA:

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1 Q. I hand you Magee Exhibit 10, and this is a  
 2 letter from Mr. Allexon on Magner Corporation of  
 3 America stationery, letterhead, to Mr. You of Shinwoo  
 4 dated December 2, 2002, showing you as receiving a  
 5 carbon copy as well as Mr. Costas who was just in here  
 6 moments ago.  
 7 A. Uh-huh.  
 8 Q. And you received a copy on or after the date  
 9 this bears, December 2nd, 2002?  
 10 A. I must have, yes.  
 11 Q. Now, the subject is SB1000 due diligence,  
 12 and Mr. Allexon is thanking Mr. You for his letter of  
 13 November 27. And then he goes on to state "Here is  
 14 the latest on the Cummins versus Glory suit, as I  
 15 understand it."  
 16 So at least as of October 2nd, 2002, you  
 17 knew of the then pending Cummins versus Glory lawsuit  
 18 in Texas; isn't that right?  
 19 A. I'm sorry, what was the date of that again?  
 20 Q. Sure, December 2nd, 2002.  
 21 A. Correct.  
 22 Q. And there was an issue there about the court  
 23 hearing arguments regarding an injunction, so at that  
 24 point you knew that there were certain legal  
 25 proceedings going on, Cummins versus Glory.

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1 MR. WARDEN: Objection, form.  
 2 BY MR. SZALA:  
 3 Q. Correct?  
 4 MR. WARDEN: Objection, form.  
 5 A. I have seen this document before, I've read  
 6 it, so my knowledge is limited to what I read here.  
 7 BY MR. SZALA:  
 8 Q. At the time of December 2002, if you read  
 9 this memo, you would have known that there was a  
 10 lawsuit pending between Cummins and Glory?  
 11 A. Correct.  
 12 Q. Mr. Allexon goes on and states in the next  
 13 paragraph "From my own review of Cummins patents, I  
 14 have put together a number of things that should be  
 15 avoided in the development of a denomination  
 16 recognition machine."  
 17 He goes on to state certain factors,  
 18 emphasizing that this wasn't a legal opinion. True?  
 19 A. Are you quoting from here?  
 20 Q. I'm quoting in part and asking a question.  
 21 A. It says it right here. Yes.  
 22 Q. And part of it is Mr. Allexon is telling  
 23 Shinwoo that they shouldn't have counting speeds in  
 24 excess of 800 notes per minute; correct?  
 25 A. That's what it says in item 1 here.

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1 Q. He goes on to list certain other things  
 2 that, for example, Shinwoo should avoid using either  
 3 magnetics or UV in determining the denomination of a  
 4 note.  
 5 Do you see that?  
 6 A. Item number 3.  
 7 Q. Correct.  
 8 A. It is item number 3, yes.  
 9 Q. And he also goes on, for example, it says  
 10 that Shinwoo should avoid the ability to quote,  
 11 "Learn" a note's pattern using optical reflectance.  
 12 That's what it says; correct?  
 13 A. That's what it says.  
 14 Q. And it then says "Obviously things may  
 15 change dramatically based on what happens with the  
 16 Cummins versus Glory lawsuit." True?  
 17 A. That's what it says.  
 18 Q. Now, he then goes on to say, that is,  
 19 Mr. Allexon to Mr. You of Shinwoo, that regarding the  
 20 cost of a patent attorney, he will obtain an estimate  
 21 for those costs; correct?  
 22 MR. WARDEN: Objection, form. Where  
 23 are you at?  
 24 MR. SZALA: Bottom of the first page  
 25 and on to the top of the second.

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1 MR. WARDEN: Objection, form.  
 2 A. It says it here.  
 3 BY MR. SZALA:  
 4 Q. Okay. And it says "While we are willing to  
 5 assist you in reviewing the machine and provide  
 6 Shinwoo access to the attorney that provides patent  
 7 advice to us, we do require indemnification from our  
 8 manufacturers as a matter of policy."  
 9 It states that; correct?  
 10 A. Yes, it does.  
 11 Q. Wasn't Magner's policy at that time, as  
 12 stated by Mr. Allexon, that an indemnification from  
 13 the manufacturer was required?  
 14 A. Yes.  
 15 Q. Then he goes on to state that Magner would  
 16 want to know the specifics for a formal exclusive  
 17 United States and Canadian distributorship as well as  
 18 a confidentiality agreement; correct?  
 19 A. Correct.  
 20 Q. Now, the fact that Mr. Allexon copies  
 21 yourself, does that indicate or -- strike that.  
 22 Did he talk to you before he -- did  
 23 Mr. Allexon talk to you before he wrote this memo  
 24 letter to Mr. You dated December 2nd, 2002, Magee  
 25 Exhibit 10?

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1 A. I don't recall if he talked to me before,  
 2 before the document was written.  
 3 Q. Well, since Peter Costas, the attorney, is  
 4 listed as receiving a carbon copy on this, would that  
 5 indicate to you that Mr. Allexon would have talked to  
 6 you before showing Mr. Costas as receiving a carbon  
 7 copy on this letter?  
 8 MR. WARDEN: Objection, form.  
 9 A. Not necessarily.  
 10 BY MR. SZALA:  
 11 Q. Was it commonplace for Mr. Allexon to talk  
 12 to Mr. Costas on legal matters?  
 13 A. Yes.  
 14 Q. And what was the reason?  
 15 A. Course of business.  
 16 (Magee Exhibit 11, Three-page  
 17 document dated December 20th, 2002,  
 18 addressed to the Magner Corporation,  
 19 attention Mr. Allexon, Document Nos.  
 20 SBM03602 through SBM03604, marked for  
 21 identification. )  
 22 BY MR. SZALA:  
 23 Q. I hand you Magee Exhibit 11, and it's a  
 24 three-page document, and on the first page, it's dated  
 25 December 20th, 2002, addressed to the Magner

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1 Corporation, attention Mr. Allexon, and it's regarding  
 2 a nondisclosure agreement between Shinwoo and Magner  
 3 Corporation. And in the last page, it shows  
 4 signatures, including Mr. Choi from Shinwoo and  
 5 Mr. Allexon on behalf of Magner; is that correct, sir?  
 6 A. Yes.  
 7 Q. And did you have discussion with Mr. Allexon  
 8 about entering into a nondisclosure agreement between  
 9 Shinwoo and Magner Corporation as reflected on Magee  
 10 Exhibit 11?  
 11 A. No.  
 12 Q. Mr. Allexon did this on his own?  
 13 A. We sign these with everybody all the time,  
 14 nobody ever discusses it.  
 15 (Magee Exhibit 12, E-mail string,  
 16 Document No. SBM03577, marked for  
 17 identification. )  
 18 BY MR. SZALA:  
 19 Q. I hand you Exhibit 12, and this is dated as  
 20 of December 7, 2002, where Mr. Allexon writes Mr. You  
 21 and informs him that the injunction proceeding down in  
 22 the Glory versus Cummins case in Texas had been  
 23 postponed.  
 24 Did you have any discussion with Mr. Allexon  
 25 in this regard?

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1 MR. WARDEN: Objection, form.  
 2 A. The Cummins/Glory lawsuit was general  
 3 industry knowledge. Everyone discussed it as a  
 4 general topic over coffee.  
 5 BY MR. SZALA:  
 6 Q. And you have no reason to doubt that  
 7 Mr. Allexon wrote this e-mail to Mr. You, do you?  
 8 A. No.  
 9 Q. But do you recall specifically discussion  
 10 regarding the injunction proceeding being postponed?  
 11 A. No.  
 12 Q. At some point, did Magner acquire an SB1000  
 13 from Shinwoo?  
 14 A. They sent us a machine at some point.  
 15 Q. And what was the purpose for Shinwoo sending  
 16 an SB1000 machine to Magner?  
 17 A. They wanted our evaluation of the operation  
 18 of the machine.  
 19 Q. And how was Magner going to evaluate the  
 20 SB1000?  
 21 A. We ran the machine and made comments as to  
 22 the operation.  
 23 Q. And what kind of test did Magner do on the  
 24 SB1000 machine that it acquired from Shinwoo?  
 25 A. I believe they just did basic operational

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1 tests.  
 2 Q. And did those occur here in Connecticut?  
 3 A. Yes.  
 4 Q. Did Magner ever take the SB1000 machine to a  
 5 bank for a testing?  
 6 A. I don't believe so.  
 7 (Magee Exhibit 13, Memorandum from  
 8 Bob Allexon and Tim Moore to Mr. You,  
 9 dated February 25, 2003, Document  
 10 Nos.SBM03579 through SBM03581, marked  
 11 for identification. )  
 12 BY MR. SZALA:  
 13 Q. I handing you Magee Exhibit 13, and this is  
 14 from Bob Allexon and Tim Moore to Mr. You at Shinwoo,  
 15 a memorandum dated February 25, 2003 showing you as  
 16 recipient of a carbon copy.  
 17 Did you receive a carbon copy of this  
 18 memorandum on or after the date that it bears,  
 19 February 25th, 2003?  
 20 A. Apparently I did.  
 21 Q. And who was Mr. Tim Moore?  
 22 A. A technician.  
 23 Q. And in the first line, it thanks him for a  
 24 prompt -- it thanks Mr. You for a prompt response and  
 25 under "Customer Testing," it says "We will consider

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1 putting the sample SB1000 out for a few days at a bank  
 2 site nearby our office. However, we must take great  
 3 care not to reveal this product prematurely,  
 4 especially to the competition. We will test the unit  
 5 in a cash vault or an active bank branch doing  
 6 commercial deposits for a few days and have input for  
 7 you by March 7."  
 8 Now, does this refresh your recollection  
 9 that Magner did in fact take out the SB1000 for  
 10 testing at a bank?  
 11 A. I don't know that we ever did.  
 12 Q. Now, it says here under "Currency Batching  
 13 and mixed mode," it says "With our experience in the  
 14 area of currency discrimination machines, we have not  
 15 encountered any situation where a customer needed to  
 16 batch mixed notes."  
 17 What does batched mixed notes mean?  
 18 MR. WARDEN: Objection, form.  
 19 A. I'm not sure.  
 20 BY MR. SZALA:  
 21 Q. Because he then says, is it possible to  
 22 disable the batching function in the mixed mode of  
 23 operation for machines shipped to the United States  
 24 market."  
 25 Does that help you at all?

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1 A. No.  
 2 Q. So you have no idea. And do you know if  
 3 Shinwoo ever decided to eliminate the mixed mode from  
 4 its SB1000 machine?  
 5 A. No idea.  
 6 Q. Now, if you look at the third paragraph,  
 7 it's talking about defining terms. It has the term  
 8 "no ID," abbreviation for "No identification," and it  
 9 then goes on to say "Cummins uses the term," in bold  
 10 letters, "NO CALL for this situation. I suggest that  
 11 we avoid using the term NO CALL," in bold letters, "so  
 12 that no one will think we copied them in any way."  
 13 Did you have any discussions with  
 14 Mr. Allexon regarding that subject matter?  
 15 MR. WARDEN: Objection, form.  
 16 A. No.  
 17 BY MR. SZALA:  
 18 Q. If you look at the last page of this  
 19 document, it deals with, in paragraph 6, that Magner  
 20 was recommending the following course of action  
 21 "Potential testing of the SB1000 at the U.S. Currency  
 22 Technology Office (arranged by Magner) to determine  
 23 the efficiency of the counterfeit detection  
 24 capabilities of the unit."  
 25 Did that ever take place?

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1 A. I don't believe so.  
 2 (Magee Exhibit 14, Document from  
 3 Mr. You to Mr. Allexon dated February  
 4 25, 2003, Document Nos. SBM03582  
 5 through SBM03584, marked for  
 6 identification. )  
 7 BY MR. SZALA:  
 8 Q. I hand you Magee Exhibit 14, and because  
 9 again the difference in time between Korea and the  
 10 United States, these two documents, Exhibits 14 and  
 11 13, are both dated the same date, February 25th, 2003,  
 12 but one may not necessarily be tracking the other one  
 13 in all respects.  
 14 This document was sent from Mr. You to  
 15 Mr. Allexon, and it was "Summary of reviewing your  
 16 test reports." And so Mr. You at Shinwoo is informing  
 17 Mr. Allexon "Thank you so much for your effort on  
 18 evaluation of the SB1000."  
 19 Do you recall having a discussion with  
 20 Mr. Allexon or anyone else within Magner regarding the  
 21 evaluation of the SB1000 that Magner had acquired from  
 22 Shinwoo?  
 23 A. I had a demonstration of the machine once,  
 24 and they said it was a nice machine, and that was the  
 25 extent of my knowledge on the machine.

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1 Q. Who did the demonstration?  
 2 A. I think Bob Allexon.  
 3 Q. Was that the only time that you've seen a  
 4 demonstration of the SB1000 in any location?  
 5 A. At that time, yes.  
 6 Q. Have you seen a demonstration of the SB1000  
 7 at some later point?  
 8 A. Yes.  
 9 Q. When?  
 10 A. They are all over in the marketplace right  
 11 now.  
 12 Q. And when you say "all over in the  
 13 marketplace," throughout the United States?  
 14 A. I can see them at banking conventions. I  
 15 can see them at multiple places.  
 16 Q. Okay, banking conventions. Where else?  
 17 A. Customer offices.  
 18 Q. What customer offices have you seen them in?  
 19 A. I wouldn't be able to tell you. I don't  
 20 remember exactly.  
 21 Q. But you do remember having seen them at  
 22 customer offices?  
 23 A. Yes.  
 24 Q. Any other ones besides banking conventions,  
 25 customer offices?

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1 A. Not that I recall.  
 2 Q. Have you seen the SB1000 or other Shinwoo  
 3 products with the tabletop currency denominating  
 4 machines operated at these banking conventions?  
 5 A. I'm sorry. I didn't follow the question.  
 6 Q. Have you seen the SB1000 or other Shinwoo  
 7 products such as the SB1100 or 1800 operated at  
 8 banking conventions?  
 9 A. I'm not even aware of an 1100 or 1800.  
 10 Q. Let's stay with the SB1000 then.  
 11 Have you seen the SB1000 operated at banking  
 12 conventions?  
 13 A. I would assume I've seen it. I don't know  
 14 if I saw it operated.  
 15 Q. Same thing at customer offices, have you  
 16 seen the SB1000 -- you told us you saw the SB1000 at  
 17 customer offices. Have you seen it operated at  
 18 customer offices?  
 19 A. I don't recall.  
 20 Q. You mentioned the convention, the CeBIT  
 21 convention in Hanover, Germany in March.  
 22 A. Yes.  
 23 Q. Have you seen the SB1000 operated at that  
 24 convention?  
 25 A. I don't recall.

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1 Q. Have you seen the machine though at the  
 2 convention?  
 3 A. Yes.  
 4 Q. Let me ask this: The purpose of  
 5 demonstrating products at either banking conventions  
 6 or the CeBIT convention, is that so that a customer  
 7 will ultimately buy that product?  
 8 A. I would have to assume it is.  
 9 Q. Did Magner ever go to conventions and give  
 10 demonstrations?  
 11 A. Yes.  
 12 Q. And was the purpose by demonstrating the  
 13 product so that some customer would buy the product  
 14 from Magner?  
 15 A. That could be one of the purposes.  
 16 Q. What are some of the other purposes?  
 17 A. To educate the customer.  
 18 Q. And by educating the customer, would it be  
 19 more likely that the customer might buy the product  
 20 that Magner was selling?  
 21 A. It's a possibility.  
 22 (Recess taken from 12:55 p.m. to 1:07 p.m. )  
 23 MR. SZALA: Back on the record.  
 24 BY MR. SZALA:  
 25 Q. Mr. Magee, did you ever see any -- strike

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1 that.  
 2 (Magee Exhibit 15, Letter from  
 3 Mr. You of Shinwoo to Magner  
 4 Corporation, attention Mr. Allexon,  
 5 dated April 10, 2003, Document No.  
 6 SBM03585, marked for identification. )  
 7 BY MR. SZALA:  
 8 Q. I hand you Exhibit 15, which is a letter  
 9 from Mr. You of Shinwoo to Magner Corporation,  
 10 attention Mr. Allexon, dated April 10, 2003 and this  
 11 is after the CeBIT, so that would have been March  
 12 2003. As you mentioned, this takes place in March.  
 13 And Mr. You tells him "It has already been a long time  
 14 since we met in Hanover. I received your fax as to  
 15 the field test of the SB1000 and thank you very much  
 16 for that. But I did not answer you and I was just  
 17 waiting for another comments on the agreement and the  
 18 patent issue. We were told that you would give us an  
 19 opinion about termination of the agreement and the  
 20 attorney's review result on the patent and almost  
 21 exact cost for further research. And also if you let  
 22 us know the attorney's question about our technology  
 23 for his patent search, we will send you the related  
 24 documents."  
 25 Do you recall having any discussion in or

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1 around April 2003 with Mr. Allexon regarding any of  
 2 those subject matters that I just read?  
 3 A. Not exactly specific to this, but I do  
 4 recall having discussions with regards to spending the  
 5 money for an attorney opinion.  
 6 Q. And what do you recall specifically, as you  
 7 are sitting here now?  
 8 A. I didn't want to spend the money.  
 9 Q. There was also a question or a statement  
 10 made by Mr. You in Magee Exhibit 15 where he is  
 11 talking about a company called See-Tech and the fact  
 12 that apparently Magner was also in some type of  
 13 relationship with See-Tech, S-e-e hyphen Tech. And  
 14 the letter ends by Mr. You stating "I am sorry that I  
 15 am making the atmosphere heavy, but please understand  
 16 my stand. I will look forward to your kind reply."  
 17 Do you recall any discussion in or around  
 18 April of 2003 at Magner regarding the See-Tech issue  
 19 as it pertains to Mr. You's letter to Mr. Allexon?  
 20 A. I don't recall anything specific to this,  
 21 but there is a misunderstanding here. When he  
 22 referenced -- and I'm referring to his paragraph 2 --  
 23 and said, "In the latter half of the exhibition, I  
 24 have heard from some of our customers that See-Tech  
 25 was demonstrating their 1.5 pocket machine in your

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1 stand," we did not have a stand at CeBIT. He is  
 2 referencing Magner International, a different company.  
 3 (Magee Exhibit 16, Memo from  
 4 Mr. Allexon to Mr. You of Shinwoo dated  
 5 June 5, 2003, Document Nos. SBM03586  
 6 and SBM03587, marked for  
 7 identification. )  
 8 BY MR. SZALA:  
 9 Q. Magee Exhibit 16, or this document Exhibit  
 10 16, is a memo from Magner, from Mr. Allexon, to  
 11 Mr. You of Shinwoo dated June 5, 2003 showing a copy  
 12 to Mr. Magee and Mr. Costas.  
 13 Did you receive a copy of Mr. Allexon's memo  
 14 on or after the date that it bears, June 5, 2003?  
 15 A. I must have, yes.  
 16 Q. And again, he is copying both you and  
 17 Mr. Costas, and so it's not unusual for Mr. Allexon to  
 18 communicate both to you directly as well as to  
 19 Mr. Costas; correct?  
 20 A. Correct.  
 21 Q. Now, in this subject, which is the SB1000  
 22 preliminary due diligence study and other issues,  
 23 Mr. Magner says --  
 24 A. Mr. Allexon.  
 25 Q. I'm sorry, Mr. Allexon says, I apologize,

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1 says to Mr. You, "Thank you for your patience awaiting  
 2 my response."  
 3 He then goes on to certain testing of the  
 4 new \$20 bills and says "We still extend the offer to  
 5 come here for testing if you are not able to obtain  
 6 the NEXGEN," in capital letters N-E-X-G-E-N, "notes in  
 7 Korea."  
 8 What were the NEXGEN?  
 9 MR. WARDEN: Objection, form.  
 10 A. Next generation of currency, I assume.  
 11 BY MR. SZALA:  
 12 Q. And Mr. Allexon goes on to state that Magner  
 13 only has a small number of the 1990 through 1995  
 14 series \$20 notes because they had been taken out of  
 15 circulation effectively.  
 16 Do you recall any discussion regarding the  
 17 testing of the \$20 bills with Mr. Allexon in or around  
 18 June of 2003?  
 19 A. No. I have no recollection.  
 20 Q. And Mr. Allexon does go on to state "If you  
 21 still need to test a large quantity of all other notes  
 22 in circulation, perhaps we could arrange for you to do  
 23 that in a bank or armored money center near our  
 24 headquarters."  
 25 Do you know if Shinwoo ever took up the

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1 invitation from Mr. Allexon to test these \$20 bills?  
 2 A. No. I don't.  
 3 Q. Or other bills, for that matter?  
 4 A. No.  
 5 Q. Mr. --  
 6 A. To interject something at this point, we are  
 7 always testing coin-counting machines and currency  
 8 machines at all times. I don't get involved in most  
 9 of them unless we decide we are going forward with it.  
 10 So this is one of maybe 20 machines that may have been  
 11 looked at, and so I would not -- at certain points, I  
 12 get copied, but the rest of the time, I don't need to  
 13 know.  
 14 Q. And you have no reason to believe that  
 15 Mr. Allexon isn't truthful and accurate with his  
 16 statements in all these exhibits?  
 17 A. I would assume anything he says is correct.  
 18 Q. You found him to be a credible person?  
 19 A. Very.  
 20 Q. There is a -- it does say, this is the third  
 21 full paragraph "I have completed my revisions to the  
 22 proposed agreement you sent earlier this year. It has  
 23 been submitted for final review to our president."  
 24 That would have been you at that time?  
 25 A. Yes.

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1 Q. And so was that the nondisclosure agreement  
 2 or was it some other type agreement?  
 3 A. I don't recall.  
 4 Q. And the next paragraph says "In speaking  
 5 with our attorney, we now have the estimates to  
 6 initiate the necessary due diligence to hopefully  
 7 avoid patent problems in the future."  
 8 That patent attorney would have been Peter  
 9 Costas?  
 10 A. Correct.  
 11 Q. Next paragraph says "Our attorney has agreed  
 12 to a preliminary effort that will cost approximately  
 13 \$6,000. He would compile a preliminary study of the  
 14 SB1000 and identify the Cummins' patents that may be  
 15 problematic. From this study, we will both know more  
 16 about the scope and the effort and additional costs  
 17 required moving forward."  
 18 Did you have any discussion with Mr. Allexon  
 19 about Mr. Costas performing a preliminary study for  
 20 \$6,000 and identifying Cummins' patents that might be  
 21 problematic?  
 22 MR. WARDEN: Objection, form.  
 23 A. Yes.  
 24 BY MR. SZALA:  
 25 Q. What was discussed in that particular

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1 regard?  
 2 A. Going back to one of my earlier answers  
 3 where I said I didn't want to spend the money.  
 4 Q. But in this particular case, you are  
 5 informing Shinwoo about spending the money; correct?  
 6 MR. WARDEN: Objection, form.  
 7 BY MR. SZALA:  
 8 Q. Strike that.  
 9 According to Magee Exhibit 16, initially  
 10 this is a cost estimate provided to Shinwoo; correct?  
 11 A. This was the first time I was aware what the  
 12 price was going to be. When I gave the answer  
 13 earlier, I was two months ahead. In June, when I  
 14 learned what it was going too cost, we had too many  
 15 other projects going on, and I wasn't going to spend  
 16 the money. This is the first time I learned of it.  
 17 Q. If Shinwoo wanted to pay the whole thing,  
 18 would you have gone through with the project?  
 19 A. What project?  
 20 Q. This review by the attorney.  
 21 A. That would have been Shinwoo's, I didn't  
 22 have to make it. Shinwoo would have paid the whole  
 23 thing themselves. They can certainly hire any  
 24 attorney they want. They did. There is one right  
 25 across the table from me.

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1 Q. And a good one.  
 2 A. A very good one.  
 3 Q. The next paragraph says "If we mutually  
 4 decide to move beyond the preliminary study, the  
 5 additional cost to complete the legal opinion would be  
 6 a minimum of \$30,000. During this phase of the  
 7 process, more detailed examination would be completed  
 8 on the potentially problematic patents and  
 9 recommendations would be made as to any revisions  
 10 necessary to the operation of the SB1000 to avoid  
 11 infringement."  
 12 Do you recall any discussion with  
 13 Mr. Allexon regarding that subject matter in or around  
 14 June of 2003?  
 15 MR. WARDEN: Objection, form.  
 16 A. Not specifically, no.  
 17 BY MR. SZALA:  
 18 Q. It then goes on to say "If we decide to move  
 19 ahead with the preliminary study, there is no  
 20 obligation to go further with the legal opinion  
 21 portion. Therefore, we are recommending that together  
 22 we proceed with the preliminary study, sharing  
 23 expenses at the rate of 50 percent for each company."  
 24 Did Mr. Allexon have to get your  
 25 authorization to split the \$6,000 50/50?

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1 MR. WARDEN: Objection, form.  
 2 A. I don't think he needed my permission for  
 3 that.  
 4 BY MR. SZALA:  
 5 Q. And then "If you agree with our  
 6 recommendation," meaning Magner's recommendation,  
 7 there are then several points that will take place,  
 8 including, number 1, a description of how the SB1000  
 9 actually scans and denominates the notes; 2, they have  
 10 an English version of the technical and functional  
 11 specifications; and 3, a sample machine with the  
 12 software.  
 13 Do you know if Shinwoo ever decided to go  
 14 forward with the proposal as set forth by Mr. Allexon  
 15 in Magee Exhibit 16?  
 16 MR. WARDEN: Objection, form.  
 17 A. No, I don't.  
 18 BY MR. SZALA:  
 19 Q. Do you recall any further discussions  
 20 that -- strike that.  
 21 During 2003, do you recall any other  
 22 discussions you might have had with Mr. Allexon  
 23 regarding this issue about due diligence by Shinwoo  
 24 and the testing of its product so as not to infringe  
 25 Cummins' patents?

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1 MR. WARDEN: Objection, form.  
 2 A. I don't recall.  
 3 (Magee Exhibit 17, Two e-mails,  
 4 Document No. SBM19109, marked for  
 5 identification. )  
 6 BY MR. SZALA:  
 7 Q. Magee Exhibit 17 involves two e-mails  
 8 involving Mr. Gu of Shinwoo, G-u, and Mr. Siddiqui of  
 9 Amro-Asian, and if you look at the one on the bottom,  
 10 and the Bates stamp number on this document is SBM  
 11 19109, Mr. Siddiqui is writing Mr. Gu as of August 4,  
 12 2005, and it says See-Tech catalog and Cummins  
 13 lawsuit.  
 14 It says "See See-Tech catalog in color.  
 15 Magner International will be selling this model in  
 16 U.S.A. from now on and they already started marketing  
 17 it. Magner U.S.A. will not be selling this model  
 18 because they are worried about the Cummins V Glory  
 19 lawsuit and future outcome."  
 20 Do you know, even though this is not  
 21 addressed to you, do you know what See-Tech catalog  
 22 might be involved here?  
 23 MR. WARDEN: Objection, form.  
 24 A. No, I don't.  
 25 BY MR. SZALA:

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1 Q. When it says "Magner U.S.A. will not be  
 2 selling this model because they are worried about the  
 3 Cummins and Glory lawsuit and future outcome," do you  
 4 have any information as of August 2005 within Magner  
 5 what that might be referring to?  
 6 MR. WARDEN: Objection to form.  
 7 A. No.  
 8 BY MR. SZALA:  
 9 Q. Let me show you something that you have  
 10 received. This should be Magee number 19, I believe.  
 11 MR. WARDEN: 18.  
 12 MR. SZALA: 18, I'm sorry.  
 13 (Magee Exhibit 18, Two e-mails,  
 14 Document Nos. SBM20699 and SBM20700,  
 15 marked for identification. )  
 16 BY MR. SZALA:  
 17 Q. This is a two-page document, and it involves  
 18 two e-mails, the top one is from Amro-Asian to Mr. Gu  
 19 at Shinwoo, and it's from Mr. Siddiqui to Mr. Gu. The  
 20 second one, which is about a third of the way down on  
 21 the first page, is from Billy Donahue at Magner  
 22 Corporation of America, the director of dealer sales,  
 23 to Amro, which is Mr. Siddiqui's company, showing you  
 24 receiving a carbon copy of this, dated April 2nd,  
 25 2007, and the subject is SB1000.

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1 "Dear Siddiqui: As a result of the Cummins  
 2 versus Glory litigation settlement, we are not going  
 3 to proceed in marketing any denomination recognition  
 4 currency products. Doug and I both thank you for your  
 5 time and effort in working with us in this potential  
 6 opportunity. We are sorry that it did not work out.  
 7 Thank you again. Bill Donahue."  
 8 You received a copy of this e-mail on or  
 9 about the date that it bears, April 2nd, 2007?  
 10 A. Yes.  
 11 Q. And had you become aware that in late March  
 12 2007 the Cummins versus Glory lawsuit in Chicago was  
 13 settled?  
 14 A. Yes.  
 15 Q. And was there some discussion at Magner at  
 16 that time that as a result of that settlement that  
 17 Magner would not get involved in the marketing of any  
 18 denomination recognition currency products?  
 19 A. Yes.  
 20 Q. What was the discussion in that regard?  
 21 A. I didn't want to spend the money doing the  
 22 due diligence.  
 23 Q. And did you tell that to Mr. Donahue?  
 24 A. Yes.  
 25 Q. And then Mr. Donahue in turn related that to

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1 Mr. Siddiqui?  
2 A. Correct.  
3 Q. And Mr. Siddiqui in turn related that to  
4 SBM, Mr. Gu?  
5 MR. WARDEN: Objection to form.  
6 A. I don't know.  
7 BY MR. SZALA:  
8 Q. It appears to be that from --  
9 A. I have no idea.  
10 Q. And you have no reason to doubt that  
11 Mr. Donahue sent this document to Mr. Siddiqui, do  
12 you?  
13 A. No.  
14 Q. That's Exhibit 18; correct?  
15 A. Yes.  
16 Q. Just out of curiosity, an economics degree  
17 from where?  
18 A. Fairfield University.  
19 Q. What year?  
20 A. 1970.  
21 MR. SZALA: No further questions at  
22 this time.  
23 MR. WARDEN: I've got just a couple of  
24 follow-up questions, Mr. Magee.  
25 REDIRECT EXAMINATION BY MR. WARDEN:

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1 Q. When did you first see one of Cummins'  
2 JetScan machines?  
3 A. That's a really difficult question to  
4 answer. I can't accurately -- when they first came on  
5 the market, but I don't remember what year that would  
6 have been.  
7 Q. Do you know whether it was quite some time  
8 after you stopped selling the CF-400s?  
9 A. I don't remember.  
10 Q. Do you know who Pat Sanamito is?  
11 A. Yes, I do.  
12 Q. Can you tell me about what type of work he  
13 is in?  
14 A. What type of work he is in?  
15 Q. Yes.  
16 A. He is a poor-performing dealer of Magner  
17 Corporation of America, and I believe he distributes  
18 Billcon machines in a limited area, but I'm not --  
19 it's someone I don't have any interface with.  
20 Q. So he is a former dealer?  
21 A. No, I believe he still buys from us. I see  
22 the name come up on a printout.  
23 Q. Do you know if he was ever a dealer for  
24 CF-400 products?  
25 A. Very likely could have been. He's been a

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1 dealer of Magner for over 25 years, so it's very  
2 likely he could have sold the machine, yes.  
3 Q. We looked at a couple of pictures of a Glory  
4 GFR-100 product.  
5 Did Magner ever distribute those products?  
6 A. No.  
7 Q. Are you familiar, actually familiar with the  
8 GFR-100 product?  
9 A. I'm familiar with the 80. The 100 I'm not  
10 really familiar with.  
11 Q. Do you recall -- we talked about a prior  
12 deposition with Mr. Rudisill.  
13 A. Yes.  
14 Q. Do you remember whether the CF-400 was  
15 discussed in that prior deposition at all?  
16 MR. SZALA: Objection. Beyond the  
17 scope.  
18 You may answer.  
19 A. Well, I had several opportunities to meet  
20 Mr. Rudisill. So I'm trying to remember. I don't  
21 believe it was, no.  
22 BY MR. WARDEN:  
23 Q. Mr. Rudisill has deposed you on more than  
24 one occasion?  
25 A. I believe so.

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1 Q. What were the circumstances of those  
2 depositions?  
3 A. Well, Cummins sued me, I sued Cummins,  
4 Cummins sued me, and I think I sued Cummins again.  
5 Q. Okay. We won't go down that long road  
6 again.  
7 A. But it was mostly related to coin, and we  
8 did have a settlement on denomination recognition, but  
9 we never went this far.  
10 Q. Do you know what product was involved in the  
11 settlement on denomination recognition?  
12 A. With Magner?  
13 Q. Yes.  
14 A. It was our Chip 50, C-h-i-p 50.  
15 Q. Do you recall about what period of time that  
16 was?  
17 A. I think it was a little late -- it was maybe  
18 2000 possibly. It was either '99 or 2000.  
19 Q. Did I hear correctly that Magner requires  
20 all its manufacturers to indemnify Magner on the  
21 machines?  
22 A. We attempt to, yes.  
23 Q. Are you familiar with any Billcon currency  
24 discriminators?  
25 A. I'm aware that they offer one.

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1 Q. Have you ever seen one?  
 2 A. No, I've never seen one.  
 3 MR. WARDEN: All right. Well, thank  
 4 you, Mr. Magee. Definitely appreciate it.  
 5 MR. SZALA: Just one second.  
 6 Will you mark this as the next exhibit.  
 7 (Magee Exhibit 19, Copy of the  
 8 Stipulated Dismissal Without Prejudice  
 9 and Consent Order, dated as of December  
 10 30, 1999, marked for identification. )  
 11 RECROSS EXAMINATION BY MR. SZALA:  
 12 Q. I hand you Magee Exhibit 19 and ask if this  
 13 is a copy of the Stipulated Dismissal Without  
 14 Prejudice and Consent Order that was entered into  
 15 between Cummins-Allison, G&D America as well as Magner  
 16 Corporation dated as of December 30, 1999?  
 17 A. Did you ask me a question, I'm sorry? What  
 18 was the question?  
 19 MR. SZALA: Could you read it back.  
 20 (Record read by the court reporter. )  
 21 A. Correct.  
 22 MR. SZALA: Thank you. No further  
 23 questions.  
 24 FURTHER REDIRECT BY MR. WARDEN:  
 25 Q. I'm sorry, Mr. Magee, did you say that this

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1 document is in fact the stipulated dismissal with  
 2 prejudice?  
 3 A. Yes.  
 4 MR. SZALA: Without prejudice.  
 5 MR. WARDEN: Without prejudice. Okay.  
 6 Thanks.  
 7 MR. SZALA: You are going to read and  
 8 sign?  
 9 THE WITNESS: I'll read it and sign it.  
 10 MR. SZALA: Could you get it back to us  
 11 within --  
 12 THE WITNESS: How soon will you have it  
 13 to me?  
 14 THE REPORTER: Thursday of next week.  
 15 THE WITNESS: That will be good because  
 16 I've had a change of schedule, and I will be around  
 17 next week, and then I'll be gone for quite a while at  
 18 that point, so if you can have it to me by Thursday  
 19 next week, it will be good. I will look at it and  
 20 sign it before I leave.  
 21 MR. SZALA: Okay. We appreciate it.  
 22 Thank you.  
 23 (Whereupon, the witness was excused and  
 24 the deposition concluded at 1:37 p.m.)  
 25

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1  
 2 JURAT.  
 3  
 4 I, DOUGLAS R. MAGEE, JR., do hereby certify  
 5 that the foregoing testimony given by me on APRIL 9,  
 6 2009, is true and accurate, including any corrections  
 7 noted on the corrections page, to the best of my  
 8 knowledge and belief.  
 9  
 10  
 11 \_\_\_\_\_  
 12 DOUGLAS R. MAGEE, JR.  
 13 At \_\_\_\_\_ in said County of  
 14 \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2009, personally  
 15 appeared DOUGLAS R. MAGEE, JR., and he/she made oath  
 16 to the truth of the foregoing corrections by him/her  
 17 subscribed.  
 18 Before me, \_\_\_\_\_, Notary Public.  
 19 My Commission Expires: \_\_\_\_\_  
 20  
 21  
 22  
 23  
 24  
 25

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1 TRANSCRIPT CORRECTIONS  
 2 REPORTER: SANDRA V. SEMEVOLOS, RMR/CRR  
 3 CASE NUMBER: 9:07-CV-196-RHC  
 4 CASE STYLE:  
 5 CUMMINS-ALLISON CORP.,  
 6 VS.  
 7 SBM CO., LTD., et al.  
 8 PAGE LINE CORRECTION REASON  
 9 \_\_\_\_\_  
 10 \_\_\_\_\_  
 11 \_\_\_\_\_  
 12 \_\_\_\_\_  
 13 \_\_\_\_\_  
 14 \_\_\_\_\_  
 15 \_\_\_\_\_  
 16 \_\_\_\_\_  
 17 \_\_\_\_\_  
 18 \_\_\_\_\_  
 19 \_\_\_\_\_  
 20 \_\_\_\_\_  
 21 \_\_\_\_\_  
 22 \_\_\_\_\_  
 23 \_\_\_\_\_  
 24 NAME: \_\_\_\_\_  
 25 DATE: \_\_\_\_\_

1 CERTIFICATE

2 STATE OF CONNECTICUT

3 I, SANDRA V. SEMEVOLOS, a Registered Merit  
4 Reporter/Notary Public within and for the State of  
5 Connecticut, do hereby certify that I reported the  
deposition of DOUGLAS R. MAGEE, JR. on APRIL 9, 2009,  
6 at the offices of PEPE & HAZARD, LLP, Goodwin Square,  
225 Asylum Street, Hartford, Connecticut.

7  
8 I further certify that the above-named  
deponent was by me first duly sworn to testify to the  
truth, the whole truth and nothing but the truth  
9 concerning his/her knowledge in the matter of the case  
of CUMMINS-ALLISON CORP., vs. SBM CO., LTD., et al.,  
10 now pending IN THE UNITED STATES DISTRICT COURT, FOR  
THE EASTERN DISTRICT OF TEXAS, LUFKIN DIVISION.

11  
12 I further certify that the within testimony  
was taken by me stenographically and reduced to  
typewritten form under my direction by means of  
13 COMPUTER ASSISTED TRANSCRIPTION; and I further certify  
that said deposition is a true record of the testimony  
14 given by said witness.

15 I further certify that I am neither counsel  
for, related to, nor employed by any of the parties to  
16 the action in which this deposition was taken; and  
further, that I am not a relative or employee of any  
17 attorney or counsel employed by the parties hereto,  
nor financially or otherwise interested in the outcome  
18 of the action.

19 WITNESS my hand and seal this 14th day of  
April, 2009.

20  
21  
22

Sandra V. Semevolos, RMR/CRR  
Notary Public

23 My Commission Expires: September 30, 2010  
24 License Registration Number: 74

25