

DISTRICT COURT BOULDER, COLORADO 1777 6th St. Boulder, CO 80302	
Petitioner: CHARLES BELL V. Co-Petitioner: ALYSON BELL	<div style="text-align: right; color: blue;"> DATE FILED April 10, 2024 3:34 PM CASE NUMBER: 2022DR30458 </div> <div style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;"> ▲ COURT USE ONLY ▲ </div>
For the Petitioner: Kathryn Goff, Esq., R/N. 019116 Goff & Goff, LLC 6800 North 79th Street Suite 206 Niwot, CO 80503 Phone: (303) 816-3171 For the Co-Petitioner: Carol Glassman, Esq., R/N. 011321 Carol Glassman P.C. 1790 38th Street Suite 300 Boulder, CO 80301 Phone: (720) 773-6668 Fax: (303) 442-0742 For the Co-Petitioner: Nelissa Milfeld, Esq., R/N. 040753 Milfeld Law, LLC 1650 38th Street Suite 201E Boulder, CO 80301 Phone: (303) 990-1953	Case Number: 2022DR30458 Courtroom S VOLUME I OF II
The matter came on for hearing on Wednesday, August 23, 2023, before the HONORABLE NANCY W. SALAMONE, Magistrate of the District Court, and the following proceedings were had.	

I N D E X

	<u>PAGE</u>
TABLE OF EXHIBITS	3
TESTIMONY OF JEREMY C. HARKNESS	
Direct Examination By Ms. Goff	13
Cross-Examination By Ms. Milfeld	30
TESTIMONY OF JAY FREEDBERG	
Direct Examination By Ms. Glassman	43
Cross-Examination By Ms. Goff	69
Redirect Examination By Ms. Glassman	71
TESTIMONY OF CHARLES BELL	
Direct Examination By Ms. Goff	73
Cross-Examination By Ms. Milfeld	116
Redirect Examination By Ms. Goff	167
TESTIMONY OF ALYSON BELL	
Direct Examination By Ms. Glassman	172
CERTIFICATE OF COURT TRANSCRIBER	194

TABLE OF EXHIBITS

	Offered for	Admitted
	<u>Identification</u>	<u>Into Evidence</u>
1		
2		
3		
4	PETITIONER'S EXHIBIT 13	11
	PETITIONER'S EXHIBIT 14	11
5	PETITIONER'S EXHIBIT 15	11
	PETITIONER'S EXHIBIT 16	11
6	PETITIONER'S EXHIBIT 17	11
	PETITIONER'S EXHIBIT 18	11
7	PETITIONER'S EXHIBIT 19	11
	PETITIONER'S EXHIBIT 20	11
8	PETITIONER'S EXHIBIT 22	11
	PETITIONER'S EXHIBIT 23	11
9	PETITIONER'S EXHIBIT 24	11
	PETITIONER'S EXHIBIT 26	11
10	CO-PETITIONER'S EXHIBIT A	11
	CO-PETITIONER'S EXHIBIT B	11
11	CO-PETITIONER'S EXHIBIT C	11
	CO-PETITIONER'S EXHIBIT D	11
12	CO-PETITIONER'S EXHIBIT G	11
	CO-PETITIONER'S EXHIBIT H	11
13	CO-PETITIONER'S EXHIBIT K	11
	CO-PETITIONER'S EXHIBIT L	11
14	CO-PETITIONER'S EXHIBIT M	11
	CO-PETITIONER'S EXHIBIT N	11
15	CO-PETITIONER'S EXHIBIT P	11
	CO-PETITIONER'S EXHIBIT Q	11
16	CO-PETITIONER'S EXHIBIT S	11
	CO-PETITIONER'S EXHIBIT T	11
17	CO-PETITIONER'S EXHIBIT U	11
	CO-PETITIONER'S EXHIBIT V	11
18	CO-PETITIONER'S EXHIBIT X	11
	CO-PETITIONER'S EXHIBIT Y	11
19	CO-PETITIONER'S EXHIBIT BB	11
	CO-PETITIONER'S EXHIBIT CC	11
20	CO-PETITIONER'S EXHIBIT FF	11
	CO-PETITIONER'S EXHIBIT GG	11
21	CO-PETITIONER'S EXHIBIT HH	11
	CO-PETITIONER'S EXHIBIT II	11
22	CO-PETITIONER'S EXHIBIT JJ	11
	CO-PETITIONER'S EXHIBIT KK	11
23	CO-PETITIONER'S EXHIBIT NN	11
	CO-PETITIONER'S EXHIBIT OO	11
24	CO-PETITIONER'S EXHIBIT RR	11
	CO-PETITIONER'S EXHIBIT SS	11
25	CO-PETITIONER'S EXHIBIT TT	11



TABLE OF EXHIBITS (CONTINUED)

		Offered for	Admitted
		<u>Identification</u>	<u>Into Evidence</u>
4	CO-PETITIONER'S EXHIBIT WW	10	11
	CO-PETITIONER'S EXHIBIT XX	10	11
5	CO-PETITIONER'S EXHIBIT YY	10	11
	CO-PETITIONER'S EXHIBIT ZZ	10	11
6	CO-PETITIONER'S EXHIBIT AAA	10	11
	CO-PETITIONER'S EXHIBIT BBB	10	11
7	CO-PETITIONER'S EXHIBIT CCC	10	11
	CO-PETITIONER'S EXHIBIT EEE	10	11
8	CO-PETITIONER'S EXHIBIT FFF	10	11
	CO-PETITIONER'S EXHIBIT GGG, page 16	193	193
9	CO-PETITIONER'S EXHIBIT III	10	11
	CO-PETITIONER'S EXHIBIT JJJ	10	11
10	CO-PETITIONER'S EXHIBIT LLL	11	11
	CO-PETITIONER'S EXHIBIT MMM	10	11
11	CO-PETITIONER'S EXHIBIT NNN	10	11
	CO-PETITIONER'S EXHIBIT OOO	10	11
12	CO-PETITIONER'S EXHIBIT PPP	10	11

1 BOULDER, COLORADO; WEDNESDAY, AUGUST 23, 2023

2 (Call to Order at 9:01 a.m.)

3 THE COURT: Good morning. We are on the record at
4 this time in 22DR30458, the Bell matter.

5 Could I have entries of appearance, starting with Mr.
6 Bell?

7 MS. GOFF: Kathryn Goff, 19116, entering my
8 appearance on behalf of Charles Bell, who's present in the
9 courtroom with me this morning, Your Honor.

10 THE COURT: Good morning, Mr. Bell.

11 THE PETITIONER: Good morning.

12 THE COURT: It's nice to see you, Ms. Goff.

13 And you as well, Ms. Glassman.

14 MS. GLASSMAN: Good morning. Carol Glassman,
15 attorney registration 11321, and Nelissa Milfeld, attorney
16 registration 40753, appearing on behalf of Alyson Bell, who is
17 at counsel table. We are ready to proceed.

18 THE COURT: Good morning.

19 And good morning, Ms. Bell.

20 THE CO-PETITIONER: Good morning.

21 THE COURT: So we have a permanent orders hearing
22 this morning. I have read the joint trial management
23 certificate pretty closely, so I think I know where we're
24 going. I have a handful of questions that I'm sure the parties
25 will answer during the hearing, and if you don't, I'll pepper

1 you with those questions as we get towards the end.

2 We're set for a full day, and I kind of hate running
3 the chess clock, in all honesty, but sometimes, it comes to
4 that because folks sometimes bite off more than they can chew.

5 Do either of you have any concerns that I ought to
6 run a clock because we might endanger 5:00? If I were to run
7 the clock, it would be about three hours for each side's full
8 presentation.

9 MS. GLASSMAN: Your Honor, we think, on behalf of Co-
10 Petitioner, that we're well within three hours, we think. So
11 we don't think you need to run the clock, but I don't know
12 what -- Ms. Goff and I have not talked about this.

13 THE COURT: All right. So I think what I'll do is
14 I'll ask Mr. Collins (phonetic) to run it, but I won't taunt
15 you with it constantly until and unless we get in trouble
16 around time.

17 Anything preliminarily from either party?

18 MS. GOFF: Yes, Your Honor. I've discussed this with
19 Ms. Glassman. So I would like -- we're going to call Mr.
20 Harkness to the stand first, and I'm going to cross him first,
21 and then Ms. Glassman will cross, and then she'll call Mr.
22 Friedberg because they're both in the courtroom. And my
23 client -- Mr. Harkness, not Ms. -- not my client. Mr. Harkness
24 is going to stay in the courtroom while Mr. Freedberg
25 testifies.

1 And I would like the option to recall Mr. Harkness to
2 address anything that Mr. Freedberg says if it needs
3 addressing. I'm not saying that I'm going to call him, but I
4 may, and I would like permission to do so because -- yes.

5 THE COURT: Any objection to that process?

6 MS. GLASSMAN: Your Honor, we stipulated to the
7 report being used as his direct. So the procedural posture
8 would be, the report is used as the direct, both parties would
9 have the opportunity to cross-examine Mr. Harkness, and then
10 that would conclude his testimony. I believe that Ms. Goff
11 could theoretically call him under sort of a redirect
12 examination, but there's no procedural pathway for him to be
13 used as a surrebuttal, especially because he's a joint expert.

14 THE COURT: Okay. Why don't we get it started with
15 the stipulation that you all made, and let's hope we don't burn
16 time arguing about a thing that might not even become a thing.
17 So you're going to start with the cross-examination of -- and
18 I'm sorry. I don't remember whose experts are whose. So
19 I'm --

20 MS. GOFF: Well --

21 THE COURT: -- in danger of using the wrong name.

22 MS. GOFF: Mr. Harkness is the --

23 THE COURT: Mr. --

24 MS. GOFF: -- joint expert.

25 THE COURT: -- Harkness is the joint expert, and he

1 is the individual whose report has been agreed to serve as
2 direct examination?

3 MS. GOFF: That's correct.

4 THE COURT: And so you're going to cross him, and
5 then Ms. Bell will also cross him?

6 MS. GOFF: Yes.

7 THE COURT: And if we get past that, I'll make
8 rulings as needed.

9 MS. GOFF: Okay.

10 THE COURT: Okay.

11 MS. GOFF: So I can ask you, then, if I want Mr.
12 Harkness to testify after Mr. Freedberg's testimony -- if I
13 want him to, I'll ask you, and then you'll make a ruling?

14 THE COURT: That's right.

15 MS. GOFF: Okay.

16 THE COURT: Okay?

17 MS. GOFF: Thank you.

18 THE COURT: Anything else preliminarily?

19 MS. GLASSMAN: Yes. We have stipulated to the vast
20 majority of exhibits.

21 Does the Court want us still to admit reference and
22 admit stipulated exhibit? Some of the judges want them for the
23 record.

24 THE COURT: Yup. So if you have a stipulation that
25 covers some or all of the exhibits, just tell me now which ones

1 are stipulated. And I'm glad you brought this up because this
2 is pretty important.

3 Know that, in a record that contains something like
4 50 or 60 or more exhibits -- that if you don't reference them,
5 either testimony or in argument, I am unlikely to hunt them up
6 on my own when I'm writing the order and try to figure out how
7 they fit into either party's position. So for the purpose of
8 the record, let's just have you all tell me which ones are
9 stipulated, and I'll admit them now, and then you won't have to
10 do anything foundational or even referential during the hearing
11 itself. But know that if you didn't mention them in the JTMC,
12 and you don't mention them in argument, and no witness talks
13 about them, I will probably not even look at them.

14 So do you want to tell me which exhibits are
15 stipulated to?

16 MS. GLASSMAN: I can tell you what I believe. I
17 believe that in terms of Co-Petitioner's exhibits. A, B, C, D,
18 G, H, K, L, M, N, P, Q, S, T, U, V, X, Y, BB, CC, FF, GG, HH,
19 II --

20 THE COURT: Okay. Slow down for just a second
21 because I'm writing while you're talking, and so is Mr.
22 Collins. I think I'm with you so far.

23 MS. GLASSMAN: Last one was II.

24 THE COURT: Yes.

25 MS. GLASSMAN: Okay? JJ, KK, NN, OO, WW, XX, YY, ZZ,

1 AAA, BBB, CCC, DDD, EEE, FFF, III, JJJ, MMM, NNN, OOO, PPP.

2 And then, Your Honor, we had, on behalf of Co-Petitioner, three
3 exhibits for demonstrative purposes that I assume there's no
4 objection to, and those are RR, SS, TT.

5 THE COURT: Okay. I wrote them all down.

6 Ms. Goff, do you agree that those exhibits are Co-
7 Petitioner's stipulated exhibits?

8 MS. GOFF: Yes.

9 THE COURT: Okay. And do you also have a list of
10 Petitioner's stipulated exhibits?

11 MS. GLASSMAN: I do.

12 THE COURT: And if you are okay, Ms. Goff, with
13 letting Ms. Glassman tell me, I'm good with that too.

14 MS. GOFF: Okay. Sure, she can tell you, but -- all
15 right. I got them too.

16 MS. GLASSMAN: 13, 14, 15, 16, 17, 18. She has
17 proposed child support and maintenance worksheets. There would
18 be no objection for demonstrative purposes for 19.

19 THE COURT: That's demonstrative 19?

20 MS. GLASSMAN: Yes.

21 THE COURT: Okay. Just 19?

22 MS. GLASSMAN: I believe --

23 MS. GOFF: 19 is the child support and the
24 maintenance --

25 THE COURT: Okay.

1 MS. GOFF: -- worksheets together.

2 THE COURT: Great.

3 MS. GLASSMAN: 20, 22. 23 is a spreadsheet, and I'm
4 assuming that's demonstrative.

5 MS. GOFF: Yes.

6 MS. GLASSMAN: And Your Honor, you should note -- I
7 didn't say it -- that Co-Petitioner's exhibit LLL is a marital
8 balance sheet and it, too, is demonstrative.

9 THE COURT: I'm sorry. Okay. So among the list of
10 demonstratives in Co-Petitioner's case, you had earlier given
11 me RR, SS, TT, and you want to add LLL?

12 MS. GLASSMAN: Correct. I had said it as if it were
13 not demonstrative. Didn't put it in the group.

14 So getting back to Petitioner's list. 24 and 26.

15 THE COURT: Got it.

16 Ms. Goff, do you agree that that's the list of
17 Petitioner's stipulated exhibits?

18 MS. GOFF: I agree, Your Honor.

19 THE COURT: Okay. So I've got those.

20 (Petitioner's Exhibits 13, 14, 16 through 20, 22 through
21 24, 26 and Co-Petitioner's Exhibits A through D, G, H, K
22 through N, P, Q, S through V, X, Y, BB, CC, FF through KK, NN,
23 OO, RR through TT, WW through ZZ, AAA through CCC, EEE, FFF,
24 III, JJJ, LLL through PPP admitted into evidence)

25 THE COURT: There is no need to lay foundation for

1 them or anything for the purpose of admission. Really
2 understand what I indicated before -- is that I'll need you to
3 reference them either in testimony or argument if you want me
4 to consider them substantial.

5 Anything else preliminarily?

6 MS. GLASSMAN: Nothing for Co-Petitioner.

7 THE COURT: Looks like we're done with preliminaries.
8 And so the parties agreed that the first witness will be Mr.
9 Harkness?

10 MS. GLASSMAN: Yes. Thank you.

11 THE COURT: Perfect. Is Mr. Harkness here?

12 Good morning.

13 MR. HARKNESS: Good morning.

14 THE COURT: And are you all agreeing that there's no
15 one else in the courtroom who is subject to a sequestration
16 order that the Court ought to enter?

17 MS. GLASSMAN: On behalf of Co-Petitioner, no one
18 else other than Mr. Freedberg is here.

19 THE COURT: And he's listening on purpose because
20 their testimony is directly relational? Got it.

21 MS. GOFF: Just a second.

22 THE COURT: I'm going to swear Mr. Harkness while you
23 talk with your client.

24 JEREMY C. HARKNESS, PETITIONER'S WITNESS, SWORN

25 THE COURT: Thank you.

1 And so that I can have it open during Mr. Harkness's
2 testimony, Mr. Harkness's report that serves as his
3 cross-examination -- or sorry -- his direct examination is
4 which exhibit, please?

5 MS. GOFF: Is Exhibit 13, 14, and 15.

6 THE COURT: And those are admitted exhibits, so I'm
7 ready to go.

8 DIRECT EXAMINATION

9 BY MS. GOFF:

10 Q So do you have those exhibits in front of you, Mr.
11 Harkness?

12 A I believe so.

13 Q All right.

14 THE COURT: Anybody know where that's coming from?
15 You.

16 MS. GLASSMAN: Yeah. I know. The better question is
17 can anyone stop that?

18 THE COURT: Hopefully, yes.

19 BY MS. GOFF:

20 Q So Exhibit 14, Mr. Harkness, is your initial report,
21 so can you turn to that document, please?

22 A Yes. I'm here.

23 Q Okay. So on your first evaluation in February of
24 2023, what did you value the company at?

25 A My conclusion of value in the -- as of 2023, was

1 \$276,000 on a investment value basis, and \$262,000 on a fair
2 market value basis.

3 Q And what documents did you review in order to come up
4 with that evaluation?

5 A The documents that I utilize are listed in the
6 appendix that doesn't appear to be in 14. It was --

7 Q It's in 14 maybe.

8 A I don't think -- let's see. Maybe it's on the back
9 side or something.

10 MS. GLASSMAN: Your Honor, if I could help the Court
11 and the witness? In the black book, GG is a complete report.
12 I think there may be some omitted pages from the Petitioner's
13 exhibit, but it's the same exhibit.

14 THE COURT: Okay.

15 MS. GOFF: Thank you.

16 THE COURT: GG is 14 or some that overlaps with 14?

17 MS. GOFF: Well, Your Honor, I --

18 THE COURT: This is where the fun starts.

19 MS. GOFF: I think that --

20 MS. GLASSMAN: Yes. Yes.

21 MS. GOFF: -- what happened with that I just didn't
22 quite have all -- the entire exhibit. So Mr. Harkness can look
23 for -- look at GG, which is the entire --

24 THE WITNESS: Oh, I did find it in 14 too. Sorry.

25 MS. GOFF: All right.

1 THE WITNESS: Page 3 of 14.

2 MS. GOFF: Okay.

3 THE COURT: If the parties agree that GG is the
4 complete document, can we --

5 MS. GLASSMAN: Yes.

6 THE COURT: -- all use GG as Mr. Harkness talks? If
7 it's not -- if that's not in agreement, I'm fine with 14,
8 but --

9 MS. GOFF: Just makes it easier for --

10 THE COURT: It makes it easier.

11 MS. GOFF: We can --

12 THE COURT: And you've got to understand that I'm
13 jumping into the decision-maker role without a lot of history,
14 and so when you draw my attention to bits and parts of
15 something, I might not understand how they fit into the whole.

16 BY MS. GOFF:

17 Q So we're going to use Exhibit GG. So --

18 A Okay.

19 Q -- if you want to look at that document as we go
20 through this testimony, that will be the one that you should
21 look at, okay? So --

22 A Got you.

23 Q -- you did fine, then. The documents you listed are
24 on page 3, I -- well, now it -- now, it's not this page 3. So
25 maybe you should look at GG and just tell the Court what

1 documents you look at when you did this --

2 A So on page 6 of GG, page 3 of my report, there's a
3 list of documents that I reviewed, which were ToolStudios
4 financial statements for 2018 through '22. And as of February
5 28, 2023, five years of tax returns; the parties' personal
6 individual income tax returns; a depreciation schedule, which
7 is a schedule of fixed assets; accounts receivable for the
8 company as of February 28, '23; general ledgers for four years;
9 and an analysis of personal expenses, prepared by Alyson Bell;
10 ToolStudios' rent agreement --

11 THE COURT: Will you slow down a little bit, Mr.
12 Harkness?

13 THE WITNESS: Sure.

14 THE COURT: Thanks.

15 A And the DealStats database of business transactions,
16 ERI, Economic Research Institute, salary survey, the IBISWorld
17 industry report, and I interviewed the parties.

18 BY MS. GOFF:

19 Q Okay. And you'd looked at the tax returns -- just to
20 confirm what you've just testified to. That you looked at
21 their tax returns for both ToolStudios and their individual
22 returns for the five years, right?

23 A That's correct. Or I believe ToolStudios' 2022
24 return wasn't completed when I did mine, so I looked at 2021.

25 Q Okay. Did you find anything in the tax returns that

1 concerns you?

2 A I did. I made several adjustments regarding the
3 reporting of income, particularly in 2020.

4 Q Okay. And did you make any adjustments to their
5 individual tax returns?

6 A No. No, I don't --

7 Q And the individual tax returns would be both of the
8 parties' income stated in the adjusted gross income on that
9 return, correct?

10 A That's correct.

11 Q What has been the range of earnings for Mr. Bell?

12 A The range of earnings? From ToolStudios, I assume.
13 I don't -- GG, my -- well, so the business has earned -- you
14 know, but like -- between 36- and \$72,000 in '18, \$371,000 in
15 2020, and then it lost 18,000 and \$6,000 in '21 and '22. To
16 that, you have to add reasonable compensation for Mr. Bell,
17 which is approximately \$115,000 a year.

18 Q But in those years, he didn't receive that 115,000,
19 correct?

20 A That's right. That's a provision for reasonable
21 compensation.

22 Q Right. Was this a complicated valuation?

23 A Well, they're all complicated on some level, I like
24 to think, but I -- I -- not particularly.

25 Q Okay. Did you see ToolStudios' QuickBooks? Did you

1 look at their books?

2 A I did.

3 Q When you were working on this --

4 A Or well -- sorry.

5 Q I'm sorry. I didn't mean to interrupt.

6 A I -- no. I did not look at a copy of their
7 QuickBooks file. I looked at the general ledger which is, I
8 think, what you're indicating, which is a -- or getting at,
9 which is a listing of all of the accounting transactions in a
10 given year.

11 Q Okay. And when you were working on this
12 evaluation -- what you did see of the books -- how did you find
13 the books?

14 A There was adjustments to be made for sure. There --
15 you know, particularly as it related to 2020. I -- you know,
16 they earned a lot of income in that year, and did some creative
17 things to, you know, pay as little tax on the income in 2020 as
18 they could. I'll put it that way.

19 Q Would you say that the books were pretty much a mess?

20 A There was -- I would. There was definitely a lot of
21 adjustments to be made. There was lots of personal expenses.
22 There was things on the balance sheet that didn't belong on
23 there. It was -- there was a lot of adjustments to be made to
24 determine the value.

25 Q Were the books compliant with generally accepted

1 accounting principles?

2 A No. But I would say that, really, no small business
3 keeps, like, gap-compliant books. It's very complicated, it's
4 expensive, and it's just not -- it's beyond the needs of a
5 business like this, to do that.

6 Q Let's talk about 2020. What happened in that year?

7 A So in 2020, there was a global pandemic, which we all
8 remember. But to this business, they secured a extremely large
9 client that was in a hurry to -- to get into the e-commerce
10 space, and they essentially more than doubled their revenue,
11 and pretty much tripled their income that they had been
12 reporting historically, due to that large client.

13 Q Do you remember what the large client's product was?

14 A I believe they were in the cannabis space, but I -- I
15 don't exactly recall.

16 Q Okay. Now, what did you -- so did you -- in the
17 books -- what you reviewed, did you see any other clients that
18 came close to that client that they had in 2020?

19 A No, I didn't.

20 Q So what did you do with that 2020 income?

21 A I excluded it from the weighting of historical
22 earnings in order to determine what the business could earn if
23 it went forward. It's not something that I typically do, to
24 exclude a year in my -- I'm generally -- you know, you take the
25 good and the bad when I do these types of things. I have a lot

1 of experience in this. But in this particular instance, the
2 client was so large, the situation seemed so unique, that I
3 determined that it was appropriate to exclude it from my
4 historical earnings when trying to determine what this business
5 is likely to earn going forward.

6 Q So I think I've asked you this, but in the years that
7 you looked at, you did not see another year like 2020 in the
8 books of this company, correct?

9 A I did not. I mean, a good illustration of that -- if
10 you look at GG-24, is the historical income statement of the
11 business. And you can -- you can see on the top line, the
12 total revenues. You know, just the money coming in is, you
13 know, 663,000 in '18, 692 in '19, a million-four in 2020, and
14 then it's kind of right back down to 630, and then 501 for
15 2022.

16 So when we're doing the analysis, you look for
17 outliers. Like I said, if -- you know, if somebody has a
18 particularly good year or a particularly bad year, I usually
19 just leave them in because businesses experience good and bad
20 years. And -- but not like that. I mean, that is just
21 something you don't see every day, and so I -- it was worth
22 researching and determining what I wanted to do with it in my
23 valuation.

24 Q When you were preparing your valuation, did you look
25 to see if there were any similar companies for sale?

1 A I did.

2 Q And were there any similar companies for sale?

3 A I didn't find any sufficiently comparable sales to --
4 that would be reliable enough to utilize.

5 Q Isn't it true that the value of ToolStudios is now
6 what Mr. Bell can generate as sole proprietor of this company?

7 A Well, in my determination of value, really, it -- the
8 value ended up being the value of the stuff on the balance
9 sheet plus a component of going concern value, which was
10 \$15,000. So --

11 THE COURT: I'm sorry. A component of what -- did
12 you say?

13 THE WITNESS: Of going concern value. I'm sorry.
14 It's in my report.

15 A Of \$15,000 which is essentially an amount above and
16 beyond the value of the assets for the assemblage of them as a
17 revenue-generating enterprise. You know, customer
18 relationships and processes that are in place, and
19 relationships with, you know, vendors, people that he uses to
20 help run his business. That sort of a thing. That has value,
21 I think. And it's not really captured if you're -- you know,
22 you look at the cash and you minus the liabilities, and you
23 know, you look at the computers, that's not in there. And so
24 we added a component for going concern value of \$15,000.

25 BY MS. GOFF:

1 Q Now, you did another valuation for this company,
2 correct?

3 A I did.

4 Q And when would -- when did you do that?

5 A I believe it was as of April 30th. I don't remember
6 exactly when I sent that, but it was as of April 30th.

7 Q And what was the value of the company on April 30th?

8 A We're at Exhibit HH, by the way.

9 THE COURT: Thank you.

10 MS. GOFF: Okay. Thank you.

11 A On page 7 of HH, my conclusion of value at that date
12 was 218,000 for investment value and 207,000 as the fair market
13 value.

14 BY MS. GLASSMAN:

15 Q And what was the reason that the company came from
16 276 to 207?

17 A It was primarily due to the -- a little bit of a
18 decrease in cash and a little bit of increase in retainers,
19 which are, you know, work to be performed. That cash has
20 already been received. So a little increase in liabilities and
21 a little decrease in the assets.

22 Q Do you think that it's a correct assumption that with
23 Ms. Bell leaving the company now, and this divorce going to be
24 final today, that Mr. Bell would not be able to earn as much
25 money as he did in the past?

1 MS. GLASSMAN: Objection. Lack of foundation. And
2 not relevant.

3 THE COURT: Could you lay some foundation in terms of
4 what he understands about the changes in the business moving
5 forward? I think I can take judicial notice of the fact that
6 the divorce is going to become one.

7 BY MS. GOFF:

8 Q Okay. What would be your analysis of the business
9 going forward?

10 A Well, going --

11 MS. GLASSMAN: Objection, as far as calls for
12 speculation. Mr. Harkness and Mr. Freedberg are using
13 historical earnings as a proxy for what the business will do,
14 but they -- I think Mr. Harkness will admit that he can't
15 predict the future of what will happen with ToolStudios.

16 THE WITNESS: Certainly.

17 THE COURT: Overruled as to the legal objection. And
18 I'm sure you'll point that out in cross. So I forgot the
19 question.

20 You can ask a narrower question since it is a
21 cross-examination. I think where you were going was Mr.
22 Harkness as some reason to believe that Ms. Bell will no longer
23 work for the business.

24 MS. GOFF: Right.

25 THE COURT: What does that mean?

1 BY MS. GOFF:

2 Q Right. And what does that mean, then, when Ms. Bell
3 is no longer in the business?

4 THE COURT: Well --

5 MS. GOFF: First of all --

6 THE COURT: I think we need a --

7 MS. GOFF: -- what was your --

8 THE COURT: -- foundation about his understanding of
9 what's going to happen.

10 BY MS. GOFF:

11 Q Okay. Okay. So you've looked at the books. What is
12 your understanding based on what you've seen as to how the
13 business will run when Ms. Bell is longer a part of the
14 business?

15 MS. GLASSMAN: Your Honor, same objection as far as
16 lack of foundation.

17 THE COURT: Sustained.

18 So I think what we're getting at is it's not clear to
19 me what's going to happen with Ms. Bell. And if Mr. Harkness
20 knows, where did he get that idea? The foundational objection
21 is around -- we've assumed for the purpose of your questions
22 that Ms. Bell is leaving, but I don't know where we got the
23 idea that Ms. Bell is leaving, and I don't know anything about
24 when or how he knows it or why he thinks it.

25 MS. GOFF: Okay. I'll just pass on this question.

1 BY MS. GOFF:

2 Q So could you turn to Exhibit -- well, it would be my
3 Exhibit 13. We're going to be talking about Mr. Bell's income.

4 A Sure.

5 Q So I don't know what exhibit that is in your book.
6 It's FF in their book.

7 A FF -- my FF is just my CV.

8 Q Well, let's look at Exhibit -- it's our Exhibit 13.
9 Before I ask you that, I have a question. When you appraised
10 the company in February for 276, how much money was in the
11 bank?

12 A \$211,209.

13 Q And then turning to our Exhibit 15, when you did the
14 next valuation in April, how much money was in the bank?

15 A 203,854.

16 Q And would you turn to Exhibit 26?

17 A I'm there.

18 Q And how much money is in the bank now?

19 A This statement says 109,125.

20 Q So all things being equal on the balance sheet, if
21 ToolStudios has 50,000 less cash, would that reduce the April
22 30th, '23 value?

23 A It would. It's directly -- I mean, cash is a
24 component of our value. Of course, you know, it doesn't take
25 into account all of the other things on the balance sheet, but

1 if everything else was completely static, less cash would equal
2 less value.

3 Q Okay. So in April, the had 203, now they have 109?

4 A I think they have two bank accounts. Now, they have
5 109, which is the first page of 26, plus -- I think you would
6 have to add about halfway through 26, there's another statement
7 with a balance of 60,009. I don't know if everybody sees that.
8 I think you would have to add those two. I think that's the
9 cash balance of \$170,000.

10 Q Okay. So based on all things being equal, if we use
11 the 207 number, then it would reduce it by -- we had 203. We
12 now have 150/160. We'd reduce it by about 40,000?

13 A Yes, that's right, if everything else were static.

14 Q So would you agree that the value of the company
15 today, then, is the 207 less the 40, which would be about
16 150/160?

17 MS. GLASSMAN: Objection, as far as lack of
18 foundation.

19 THE COURT: Overruled.

20 A The "all things being equal" is a pretty humongous
21 stipulation, so I wouldn't say that I -- I would say that
22 that's the value. I would say, in this hypothetical scenario
23 where the liabilities are the same, the receivables are the
24 same, and the cash went down by \$50,000, yes, that would
25 decrease the value by \$50,000. I wouldn't say that that's the

1 value today.

2 BY MS. GOFF:

3 Q Regarding Mr. Bell's earnings, where you state that
4 he has 115,620, in Exhibit -- our Exhibit 13, did you happen to
5 go back and -- you did not look at any of the books for 2023,
6 correct?

7 A That's correct.

8 Q And did you look at his income for 2022?

9 A 2021 and 2022.

10 Q Okay.

11 A Is what I --

12 Q Even though the tax return wasn't complete?

13 A That's right.

14 Q Okay. And I believe that, when you started out, you
15 testified that Mr. Bell has not earned 115,620. He didn't --
16 he had -- that's an average. He hasn't earned that amount of
17 money for, well -- since -- well, in 2020, he earned more,
18 correct? But what about the other years?

19 A So in my income analysis, I only included 2021 and
20 2022. Obviously, with knowledge of what has happened in the
21 past because I did the business valuation. I included '21 and
22 '22 because I thought that was a good representation of what
23 his current income is, in accordance with the statute. In
24 2022, he earned \$115,620, and in 2021, he earned \$93,620. And
25 ultimately, I didn't average them. I just used 2022. I don't

1 believe I averaged them as his earnings. The 115,620.

2 Q But it would not be out of line if you averaged those
3 two years, correct?

4 A No. I mean, you can -- you know, you can make
5 whatever determination you think is appropriate. I did -- I
6 thought 2022 was appropriate.

7 Q Okay. Have you had an opportunity to review the
8 rebuttal report?

9 A I have.

10 Q Did Mr. Freedberg discuss his rebuttal report with
11 you?

12 A We didn't talk about it, no.

13 Q Okay. And did he request any documents from you?

14 A I believe I produced a copy of my file.

15 Q What would you say is the main difference between
16 your report and Mr. Freedberg's report?

17 A Really the main difference between our two
18 conclusions of value is that Mr. Freedberg included 2022 in his
19 analysis of historical income in order to determine what he
20 thought the business could afford going forward. And I --

21 THE COURT: 2022 or 2020?

22 THE WITNESS: Oh, I'm sorry. 2020. I misspoke.

23 A And I excluded it. He -- he didn't fully weight it.
24 He weighted it at half of the other years but included it
25 nonetheless, and I excluded it completely.



1 BY MS. GOFF:

2 Q And do you think that that's the main difference,
3 then, in the two valuations that each of you came up with?

4 A At the end of the day, yes. He -- including it made
5 his -- you know, made one of the methods more relevant than --
6 than mine, so we ended up utilizing different methods, but more
7 as -- that's more of a product of including 2020 than a
8 difference in, you know, methodology. I would have used his
9 method had I included 2020.

10 Q And I -- how -- what does it mean when you talk about
11 weighting the income of what -- what exactly does that mean?

12 A So both Mr. Freedberg and I looked at five years of
13 historical income of the business in order to determine what we
14 think the earnings of the business are going to be going
15 forward. It's -- and when you do that, it's up to the
16 valuator. I mean, it's your experience. You use your, you
17 know, knowledge and experience and judgment in order to
18 determine what you think is most appropriate. And that's the
19 money that ends up getting capitalized. That's the earnings of
20 the business that go into the valuation model. And when you do
21 that, like I said, it's not subjective, but it's definitely the
22 opinion of the valuator whether to include years, exclude
23 years, do a five-year average, do a three-year average, do only
24 last year, do a weighted average. You can do whatever --
25 whatever you think is appropriate.

1 And I complete -- and in that analysis, I completely
2 excluded 2020. He included it, but he only weighted it at half
3 of the other years. I would assume. I don't want to speak for
4 Mr. Freedberg, but I would assume to recognize that he saw that
5 it was an outlier, and you know, therefore give it less weight
6 than the other years. And that's -- you plug that into the
7 valuation model, and essentially, that's the difference in our
8 value.

9 MS. GOFF: Okay. I have nothing further.

10 THE COURT: Cross-examination, Ms. Milfeld?

11 MS. MILFELD: Thank you.

12 CROSS-EXAMINATION

13 BY MS. MILFELD:

14 Q Mr. Harkness, you conducted two evaluations in this
15 case, correct?

16 A Yes. I only issued one report, but yes, I updated it
17 at the request of one of the parties.

18 Q In conducting these two valuations, you did not have
19 any restrictions or limitations in the scope of your work?

20 A That's correct. I ended up with everything I needed.

21 Q You didn't have any restrictions or limitations in
22 the data that was available to you for analysis?

23 A That's correct.

24 Q You testified that the books were a bit of a mess.
25 You agree that you've conducted many business valuations?

1 A That's right.

2 Q You've reviewed books of many companies, including
3 small companies like ToolStudios?

4 A Correct.

5 Q You've seen books that are better than ToolStudios?

6 A Yes.

7 Q You've seen books that are far worse than
8 ToolStudios?

9 A Yes.

10 Q The condition of the ToolStudios books did not
11 prevent you from issuing your opinion of value?

12 A That's correct.

13 Q In your evaluations, as you testified, you make
14 adjustments for personal expenses?

15 A I do.

16 Q As you said, you typically make these kinds of
17 adjustments in valuing small companies?

18 A When it's necessary.

19 Q You asked Ms. Bell to provide you with additional
20 information regarding personal expenses?

21 A I did.

22 Q Ms. Bell reviewed the general ledger?

23 A Um-hum. Yes.

24 Q She highlighted personal expenses on the general
25 ledger?

1 A Yes.

2 Q Ms. Bell gave you the information regarding personal
3 expenses that you had requested?

4 A That's right.

5 Q You used this information to make the appropriate
6 adjustments for personal expenses?

7 A Yes, that's right.

8 Q You talked about how you used an average of four
9 years to determine the business value of ToolStudios, correct?

10 A I believe it was five, but -- or well -- five --
11 four, excluding 2022. Yes. Or 2020. I keep doing that.

12 Q You are unable to predict what will happen with the
13 future of ToolStudios?

14 A I'm sorry say that -- say that again?

15 Q You are unable to predict what will happen with the
16 future of ToolStudios?

17 A Within -- yes. Correct. I don't know the future.
18 Yeah.

19 Q In business valuations, you used past earnings as a
20 proxy for what can reasonably be expected in the future?

21 A That's right.

22 Q You talked about excluding 2020. You excluded 2020
23 based on two main reasons, correct?

24 A Yes.

25 Q You --

1 A Well, I'm -- I don't know what your two main reasons
2 are, sorry.

3 Q You opined that the company had not demonstrated the
4 ability to secure similarly large projects, correct?

5 A Correct.

6 Q You also opined that the processes and systems of the
7 company were not equipped to handle a similarly large project?

8 A That's correct.

9 Q When you opined that the company didn't have the
10 ability to secure large projects, you were not aware that
11 ToolStudios had previously obtained six large clients before
12 the 2020 client, Trulieve, correct?

13 A No, that's not true. I would say that, in my
14 analysis, you know -- it's the definition of "large". And this
15 is where, you know, as valuers, you know, you have to decide,
16 okay, what's a large client? You know, is a large client a
17 \$300,000 client who pays all his bills, and it's great, and you
18 have a good year and -- and you know, do you exclude those?
19 No, I wouldn't. Is a client three times the size of your -- of
20 your large client -- your largest other clients an outlier that
21 likely won't happen again? I think it is. So it's -- the
22 definition of large is --

23 Q Let me ask you this a different way. When you
24 interviewed Mr. Bell, he did not tell you himself that he had
25 represented six to seven large clients over 21 years, correct?

1 A I don't recall that, but I would assume there's going
2 to be, in a service business like this that's been in business
3 for a long time, there's -- the good clients are going to come
4 along.

5 Q You were not aware that Telerx, this new client in
6 2023, was from the same referral source as Trulieve in 2020,
7 were you?

8 A I didn't look at 2023.

9 Q You weren't aware that, in the process of this
10 valuation, that Mr. Bell had actually obtained a very large
11 client, Telerx, correct?

12 MS. GOFF: Your Honor, the -- he testified that he
13 didn't look at 2023, so how would he know that answer? That
14 client was acquired in 2023. She just said it.

15 THE COURT: Overruled.

16 You can answer.

17 A I'm sorry. Repeat the question?

18 BY MS. MILFELD:

19 Q You were not aware that ToolStudios had obtained a
20 large client, Telerx, in 2023, correct?

21 A Define "large".

22 Q Well, you weren't even aware --

23 A Uh-huh.

24 Q -- about Telerx, correct?

25 A No.

1 Q You were not aware, from your interviews with Mr.
2 Bell, that he had actually assembled large teams for previous
3 projects, correct?

4 A No, I was aware of that.

5 Q You weren't aware that --

6 A I mean particularly in 2020.

7 Q You weren't aware that he frequently assembled teams
8 ranging from 1 to 14 people, correct?

9 A Yeah, I'm -- I was.

10 Q But you just testified that it was your opinion that
11 ToolStudios didn't have the systems and processes to handle a
12 large client, but Mr. Bell had told you that, actually, he had,
13 right?

14 A I understand that he's done it in the past. I don't
15 think that that's going to be a regular part of their business
16 going forward, was my conclusion with the totality of the
17 information that I had.

18 Q But you agree that one thing you do as a valuator is
19 you look at the past to help predict what the company will do
20 in the future, correct?

21 A Yup.

22 Q So if a company has scaled their business such that
23 they frequently assemble teams, that would be a good indicator
24 they're able to do that in the future, correct?

25 A Yes. Not to that -- they just haven't shown the

1 ability to secure a huge job like that in the past. Or you
2 know, except for that one time. And so I mean, do I understand
3 it could be possible? I suppose, but I mean, you know, the --
4 the feeling that I got was this was a, you know, really not --
5 would not want to do this again due to the toll that it took on
6 the company and on Mr. Bell.

7 Q I guess what's wrong is I'm not asking that about the
8 feeling you got, but more of an opinion. In doing your
9 valuation, you weren't aware that Mr. Bell was currently
10 assembling a team of five people which include offshore
11 employees for current project, were you?

12 A No. I -- my understanding is he employs people --
13 you know, contractors as needed.

14 Q In determining the fair market value, you applied a
15 five percent discount for lack of marketability or lack of
16 control, correct?

17 A Marketability.

18 Q You agree that Mr. Bell holds the controlling
19 interest of the company?

20 A I do.

21 Q He is the hundred percent owner of ToolStudios?

22 A Yes.

23 Q He's the only owner of ToolStudios?

24 A Correct.

25 Q You cited the case Thornhill in your February 28th,

1 2023 report, which is Exhibit GG. You cited Thornhill for the
2 proposition that a court -- it's not abuse of discretion to
3 apply a discount in fair market principles, correct?

4 A That's right.

5 Q In Thornhill, the husband owned shares in a closely
6 held oil company?

7 A Um-hum.

8 Q Is that yes?

9 A Yes.

10 Q The husband owned about 70 percent of the shares?

11 A Um-hum.

12 Q Correct?

13 A I believe so.

14 Q The husband was not the hundred percent equity owner
15 like Mr. Bell, correct?

16 A That's right.

17 Q You provided the investment value in addition to the
18 fair market value as part of your valuations, correct?

19 A Correct.

20 Q The investment value does not have a discount?

21 A Correct.

22 Q You do not opine, and you cannot opine on which
23 standard valuation is more appropriate, right?

24 A I typically do not.

25 Q When you say typically you do not, what you're

1 meaning is a joint expert -- you typically do not render
2 opinion about which is more appropriate, to use the fair market
3 value or the investment value?

4 A That's correct.

5 Q You used different methodology for the business and
6 income valuations, correct?

7 A Do you mean year -- looking at the years?

8 Q Yes.

9 A Because methodology is sort of a different thing.
10 Yes, I only looked at two years during -- for the income,
11 rather than five years for the business.

12 Q For example, for the business valuation, you used a
13 historical period of five years, and you excluded 2020?

14 A Correct.

15 Q For the parties' income, you looked at 2021 and 2022?

16 A That's right.

17 Q You testified about Mr. Freedberg's method of
18 weighting 2020 as half. And you said and agreed that if you
19 were to have included 2020, you would have used a similar
20 process, right?

21 A No. Well, I didn't. So not quite. I said he
22 weighted it half relative to the other years, presumably
23 because it looks like an outlier.

24 Q What you meant by that is if you had included 2020,
25 you believe it is appropriate to give it different weight,

1 correct?

2 A If I would have -- well, I gave it a weight of zero,
3 so I'll let that speak for itself.

4 Q But if you had included 2020, you agree that it is
5 appropriate for Mr. Freedberg to give it the weight that he
6 did, correct? As an outlier?

7 A No, I don't agree with his weighting on 2020. I
8 weighted it zero. He weighted it at .5.

9 Q In business valuations, you said that it is actually
10 not typical to exclude one year, correct?

11 A I said I typically do not

12 Q Right. So for you, in your own valuations, you
13 typically do not throw out an entire year?

14 A Not typically.

15 Q And it's not unusual to normalize earnings based on a
16 weighted average methodology like Mr. Freedberg did, right?

17 A That's correct.

18 Q Developing a weighted average is a common technique
19 that you, as business valuers, use to normalize earnings,
20 right?

21 A That's right.

22 Q What that means is, when you normalize earnings -- is
23 you're adjusting profits to remove the impact of unusual
24 revenues or outliers, correct?

25 A Yes. Well, there's more to it, but yes.

1 Q There are many factors that go into valuing a
2 business, correct? For example, the money in the bank alone
3 does not determine how much a business is worth?

4 A That's correct.

5 Q How much money is in the bank is just one of many
6 factors that you use in valuing a business?

7 A That's correct.

8 Q An ongoing business is not static as to excess
9 earnings?

10 A I don't quite understand the question.

11 Q An ongoing business is not static, correct?

12 A Correct.

13 Q As part of your evaluation, you reviewed the revenues
14 of ToolStudios, right?

15 A Yes.

16 Q In your review, you found that there was variability
17 from year to year?

18 A Yes.

19 Q You found that the net revenues, in your own words,
20 fluctuated significantly during years reviewed?

21 A Correct.

22 Q The variability of the net revenue impacts the income
23 to owner, for example, Mr. Bell?

24 A Usually. It did in this case.

25 Q You also found fluctuation in Mr. Bell's own income,

1 correct?

2 A Yes.

3 Q You determined Mr. Bell's income, for example, in
4 2021, to be \$93,620?

5 A Yes.

6 Q You determined Mr. Bell's income in 2022 to be
7 \$115,620?

8 A That's correct.

9 Q In calculating Mr. Bell's income, you followed
10 statutory guidance?

11 A Yes.

12 Q You added the reported income from ToolStudios,
13 correct?

14 A Adjusted.

15 Q You adjusted back tax basis depreciation?

16 A Yes.

17 Q You added personal expenses?

18 A Correct.

19 Q You followed the statutory definition of income, as
20 set forth in 14-10-114?

21 A Yes.

22 Q That requires you -- the statute requires you to add
23 personal expenses and all the other things that we discussed,
24 correct?

25 A Yes.

1 MS. MILFELD: Okay. Nothing further. Thank you.

2 THE COURT: Any follow up, cross-examination?

3 MS. GOFF: I have no cross-examination.

4 THE COURT: All right. So Mr. Harkness is going to
5 step down at this point, but he is not yet excused.

6 Do I understand that correctly? This goes back to, I
7 think, the issue of whether Ms. Goff can necessarily recall
8 him.

9 MS. MILFELD: Well, Your Honor, I think that Ms. --
10 we provided some leeway that Ms. Goff was able to ask Mr.
11 Harkness his opinion about what Ms. -- Mr. Freedberg wrote in
12 his report. So I think, at this time, based on the expanded
13 scope of her cross, that it would be inappropriate for Mr.
14 Harkness to be recalled.

15 THE COURT: So Mr. Harkness, I don't think I'm going
16 to direct you to stay. There's obviously an issue surrounding
17 the question of whether you will or will not be -- to be
18 recalled, and it's going to depend on some things that I don't
19 think I can forecast right now. So I'm not going to direct
20 that you stay.

21 I understand that Ms. Goff would like you to do so,
22 but you are released from your obligations in so far as the
23 Court's orders.

24 MR. HARKNESS: Okay. Thank you, Your Honor.

25 THE COURT: Thank you.

1 And at this point, is it right that the parties agree
2 I will hear from Mr. Freedberg?

3 MS. GLASSMAN: Yes. We've agreed that he will be
4 called out of order.

5 THE COURT: Okay. And he is to be direct examined?

6 MS. GLASSMAN: Yes, Your Honor.

7 THE COURT: With no report serving as the necessary
8 basis for anything up to now?

9 MS. GLASSMAN: That is correct.

10 THE COURT: I understand.

11 MS. GLASSMAN: Just a regular --

12 THE COURT: Witness.

13 Good morning.

14 MR. FREEDBERG: Good morning.

15 JAY FREEDBERG, CO-PETITIONER'S WITNESS, SWORN

16 THE COURT: Thank you.

17 DIRECT EXAMINATION

18 BY MS. GLASSMAN:

19 Q Mr. Freedberg, I will be referring to the black book,
20 which are the lettered exhibits. And we're going to do some
21 flipping around, so --

22 A Okay.

23 Q -- put your seatbelt on. For the record, please
24 state your name.

25 A Jay Freedberg.

1 Q And Mr. Freedberg, what is your occupation?

2 A I am a consultant and certified public accountant.

3 Q And as part of your work as a public accountant and
4 consultant, do you do business valuations?

5 A Yes, I do.

6 Q And for how long have you been engaged as an
7 accountant, consultant, and business evaluator?

8 A Since 2004.

9 Q Is the focus of your consulting practice business
10 valuation and forensic accounting for Colorado divorce cases?

11 A Yes.

12 Q And if you turn to Exhibit II? Is this a copy of
13 your CV and your C.R.C.P. Rule 26 disclosures?

14 A Yes.

15 Q And does it set forth your education and your
16 training, your experience, and the multiple jurisdictions in
17 which you have testified and offered opinions as an expert?

18 A It does.

19 MS. GLASSMAN: We have stipulated, Your Honor, in the
20 JTMC, that Mr. Freedberg is qualified as an expert to render
21 opinions. And I will be asking him to render opinions
22 regarding the value of Mr. Bell's 100 percent ownership
23 interest in ToolStudios, LLC, and Mr. Bell's income and Ms.
24 Bell's income in accordance with the Colorado Revised Statutes
25 Title 14 definition of income.

1 BY MS. GLASSMAN:

2 Q Mr. Freedberg, after the issuance of Mr. Harkness's
3 ToolStudios valuation report, valuating the business as of
4 February 28th, 2023 and April 30th, 2023, and his income
5 analysis of both parties, dated March 28th of 2023, did I ask
6 you to review his reports?

7 A Yes, you did.

8 Q And do you agree with Mr. Harkness's valuation of Mr.
9 Bell's 100 percent ownership interest of ToolStudios as of
10 February 28th, 2023, or April 30th, 2023?

11 A No, I do not.

12 Q Do you agree with Mr. Harkness's analysis of Mr.
13 Bell's income?

14 A No, I do not.

15 Q And do you agree with Mr. Harkness's analysis of Ms.
16 Bell's income?

17 A No, I do not.

18 Q In addition to Mr. Harkness's report, what
19 documentation did you review to formulate the opinions that you
20 will testify to today?

21 A I was provided with income tax returns for
22 ToolStudios, as well as Mr. Bell and Ms. Bell's personal income
23 tax returns from 2018 through 2022. And then I was also
24 provided with a copy of Mr. Harkness' file that they --
25 including his notes of -- regarding the valuation.



1 Q Did you interview either one of the parties?

2 A I did. I interviewed Ms. Bell and had a bit of email
3 correspondence asking questions and getting confirmations.

4 Q And did you review portions of Mr. Bell's deposition
5 testimony -- the transcript of his deposition testimony -- the
6 deposition which was taken on July 6th, 2023?

7 A Yes, I did.

8 Q Did you issue a rebuttal report dated July 17th,
9 2023, regarding the value of Mr. Bell's 100 percent ownership
10 interest of ToolStudios, which is in the black exhibit book as
11 Exhibit JJ?

12 A Yes, I did.

13 Q And did you issue a rebuttal report dated July 17th,
14 2023, regarding Mr. and Mrs. Bell's incomes, which is in the
15 exhibit book as Exhibit OO?

16 A Yes, I did.

17 Q And Mr. Freedberg, can you give an estimate of what
18 your fees are for the totality of the work you've done in this
19 case? The issuance of the two rebuttal reports, based on the
20 review of documentation you've just described, and the
21 preparation and for your appearance and appearance today.

22 A It -- approximately \$9,000.

23 Q Regarding the valuation of ToolStudios, are you and
24 Mr. Harkness' findings and schedules substantially similar with
25 respect to the company's historic balance sheets?

1 A Yes.

2 Q So here's where we're going to start jumping around.
3 If you look at Exhibit JJ and you turn to page 10. And the
4 pages are numbered at the bottom next to the exhibit stamp.

5 A I'm there.

6 Q This is your Schedule 1, is it not?

7 A It is.

8 Q And it's captioned historic balance sheet?

9 A Correct.

10 Q And then if you flip over to Exhibit GG, this is Mr.
11 Harkness' valuation report. And you go to page 23, again,
12 looking at the pages that are stamped with the exhibit stamp.
13 That's Mr. Harkness' Schedule 1, also captioned historic
14 balance sheet. Are they the same schedules?

15 A They are, essentially, the same, yes.

16 Q And are your findings substantially similar with
17 respect to the company's historic income statements?

18 A So our income statement being?

19 Q So I'm going to take you to -- go back to JJ. This
20 is your report and go to page 11.

21 A I'm there.

22 Q And that's captioned -- this is your schedule for
23 five years, historic income statements. And then if you go to
24 GG. That's Mr. Harkness' report and you go to page 24, that's
25 his schedule captioned historic income statements. And the

1 question is, are they substantially similar?

2 A Yes, they are.

3 Q And then are your findings substantially similar with
4 respect to the company's adjusted balance sheet? And I'll have
5 you turn to Exhibit JJ. That's your report, page 13. This is
6 your schedule for -- captioned adjusted balance sheet and
7 compare that to Exhibit GG, Mr. Harkness' report and then go to
8 page 25, his schedule 3, also captioned adjusted balance sheet.

9 A They are substantially similar.

10 Q So with respect to the company's income statements,
11 adjustments, and normalized earnings, are your schedules and
12 Mr. Harkness' schedules substantially similar? And we'll do
13 the same thing. Go to Exhibit JJ. That's your report, page
14 12. And that's your Schedule 3 captioned income statement
15 adjustments and normalized earnings. And compare that to Mr.
16 Harness' report, Exhibit GG, page 26. That's his Schedule 4
17 captioned income statement adjustments. Substantially similar?

18 A Yes, they are.

19 Q So since you and Mr. Harkness reached different
20 conclusions of value, what is the difference between the
21 methodologies and assumptions?

22 A The -- the difference was the weighting of the
23 results of the year 2020. Results of operation for the year
24 2020.

25 Q And Mr. Harkness just testified. You sat through his

1 testimony. Is it correct that Mr. Harkness applied a zero
2 weight and just completely excluded the company's results of
3 operations for the year ending December 31st, 2020, in his
4 calculation of weighted average adjusted net income on his
5 Schedule 5?

6 A Yes. That is correct.

7 Q And turn to your report, Exhibit GG, page 27. Oops,
8 excuse me. This is Mr. Harkness' report. On the top line --
9 so we're at GG, page 27 -- is that what Mr. Harkness did in his
10 weighting factors? That the schedule of what he's testified to
11 and what you've just testified to?

12 A Yes.

13 Q And that reflects that year 2020 has a zero for its
14 weighting factor?

15 A That is correct.

16 Q And does it reflect that in the years 2018, 2019,
17 '21, and '22, they all got the same weight by Mr. Harness, but
18 2020 got a zero?

19 A That is correct, yes.

20 Q And that's what's reflected on Exhibit GG, page 27?

21 A Yes.

22 Q So in giving the year 2020 zero, in essence, did Mr.
23 Harkness' valuation of February 28 and April 30th, which was
24 his schedule, completely ignore the company's performance for
25 year 2020?

1 A Yes. By giving it a zero weight, it's as if it never
2 occurred.

3 Q So what is your understanding as to what happened
4 with this company in 2020?

5 A It's my understanding that ToolStudios received a
6 significant amount of income from one client, being Trulieve.

7 Q And based on Mr. Harkness' report, what is your
8 understanding as to why he completely ignored the company's
9 performance in 2020?

10 A In Mr. Harkness' report, he stated that he did not
11 believe that the -- the company would be able to secure a
12 similarly large client in the future, nor did it have the
13 processes in place to handle such a large client in the future.

14 Q So do you agree with that approach of just like
15 looking at the history of a company, seeing what it actually
16 did, and then looking forward and saying oh, that could just
17 never happen again?

18 A No, I do not.

19 Q And why don't you agree with that approach?

20 A Well, 2020 obviously, it happened and it's reasonable
21 that -- it's a valid data point to -- for an evaluator to
22 consider.

23 Q And in your opinion, would it be inappropriate to
24 just eliminate one out of five years, based upon this idea that
25 it could never, ever happen again?

1 A No.

2 Q Are you able to predict the future?

3 A I am not.

4 Q And do you agree with what Ms. Milfeld asked Mr.
5 Harkness that business valuation -- I mean, the heartbeat of
6 this valuation, as you look at the history, to predict the
7 future?

8 A Yes. That is correct.

9 Q Within the context of this valuation for marital
10 dissolution purposes, do you always look back to establish
11 value?

12 A Yes.

13 Q And is it your testimony that, since you can't
14 predict the future, you have to rely on the past?

15 A Yes. That's all that we have.

16 Q So in doing business valuations, is it, in your
17 experience, more common to exclude a year where there's a spike
18 in revenues or to give it a lower weight?

19 A My approach is to give it a lower weight.

20 Q And is that what you've always done through the
21 history of your experience?

22 A No. In -- in the old days, what we used to do was
23 throw out the highest and the lowest and then --

24 Q And how come you don't just throw out the highest and
25 the lowest currently?

1 A Primarily, from technology, we're able to calculate
2 averages much easier now with the use of spreadsheets, as
3 opposed to putting in a bunch of numbers into a calculator.

4 Q So did Mr. Harkness kick out the top and the bottom?
5 I mean, did he get that subset in the middle by excluding the
6 high and excluding the low?

7 A No.

8 Q So am I correct that he only excluded the top?

9 A He excluded 2020 which was the largest income.

10 Q Year of the five?

11 A Yeah.

12 Q In Mr. Harkness' report, he stated that 2020 was an
13 outlier. In your opinion, when he kicked it out, when he
14 ignored it, did he treat it as an outlier?

15 A No. He treated it as if did not exist.

16 Q Please turn to Exhibit GG. This is Mr. Harkness'
17 report and please go to page 24. Is this Mr. Harkness'
18 Schedule 2 that is titled historic income statements?

19 A Yes.

20 Q And what does Schedule 2 reflect?

21 A In my opinion, that the -- the company is capable of
22 scaling its operations to meet the needs of all of its clients,
23 both large and small.

24 Q And is that apparent from the line midway through
25 under expenses where it's consultants, where you see that the

1 company, in fact, does have a business expense for outsourced
2 labor?

3 A Yes.

4 Q Is this conclusion supported by Mr. Harkness'
5 conclusion that the company could never have the ability to
6 scale up, as it's demonstrated in the past? Is that conclusion
7 supported by Mr. Bell's own statement when you reviewed his
8 deposition testimony?

9 A Yes. Mr. Bell indicated in his deposition testimony
10 that he assembled a team of individuals to help him provide
11 services to a current client, including the use of offshore
12 personnel to provide those services.

13 Q Did Mr. Bell further testify that in 2023 the same
14 client, who had referred him this Trulieve client, also
15 referred him Telerx, which is substantially larger than his
16 regular client base?

17 A That is consistent with Mr. Bell's testimony.

18 Q So when a client that -- when a historic client
19 refers you one, two more new clients, is that goodwill at work?
20 I mean, is that that going concern piece of a business' value?

21 A Yeah. It's certainly illustrative of, you know, your
22 name in the -- the community in which you are engaged.

23 Q And so with six to seven -- did Mr. Bell testify that
24 he had six or seven big clients over the course of 21 years?

25 A Yes, he did.

1 Q And on average, is that one bigger client every three
2 years?

3 A Approximately, yes.

4 Q And has that been true for the last three years?

5 A Yes. Considering Trulieve in 2020 and Telerx in
6 2023.

7 Q Now, did Mr. Bell testify in his deposition that
8 Telerx paid him a \$50,000 retainer?

9 A Yes, he did.

10 Q And based upon the deposition testimony that you
11 reviewed, how did that \$50,000 -- how did Mr. Bell report that
12 compared to a typical client?

13 A That it was substantially larger.

14 Q And did Mr. Bell testify in his deposition that he --
15 that ToolStudios, in fact, has scaled up to accommodate the
16 needs of Telerx's work?

17 Q Yes. Again, that he's been able to assemble a team
18 of individuals to provide services to Telerx.

19 Q Since approximately every three years ToolStudios has
20 a large client, what is your opinion about how 2020 should be
21 treated?

22 A It's my opinion that 2020 should be included in the
23 calculation of a weighted average.

24 Q And for -- I'm sorry.

25 A It's just that that year shouldn't be given as much

1 weight as the other years, recognizing that it is an outlier in
2 the data that's presented.

3 Q And so for the reasons you just stated, did you
4 conclude that it was not appropriate to just ignore 2020 but to
5 just give it the appropriate weight as a database point, so
6 that it is part of that historic lookback of the business for
7 valuation purposes?

8 A It's my opinion that it's appropriate to include 2020
9 in the development of a normalized income.

10 Q And how did you weigh 2020 compared to 2018, 2019,
11 '21, and '22?

12 A It received approximately one-ninth of the weight in
13 our methodology.

14 Q So if you turn to Exhibit JJ. This is your valuation
15 report. And if you go to page 14.

16 A I'm there.

17 Q And this is your Schedule 5. Does this reflect the
18 different weighting factors on the income valuation approach as
19 you've just described?

20 MS. GLASSMAN: And I'll just point everyone's
21 attention to the second numbered row.

22 A Yes, it does.

23 BY MS. GLASSMAN:

24 Q And what valuation -- so it looks like from that
25 second numbered row, every other year got two but 2020 giving

1 it appropriate weight, as you just described, for the reasons
2 you just described, got a one?

3 A Yes, that's correct.

4 Q So in the big scheme, it's contribution to your
5 findings as one-ninth?

6 A That is correct, yes.

7 Q What valuation approaches and methods did you
8 consider when you were asked to value the company?

9 A We considered the -- the same methodologies that were
10 included in Mr. Harkness' report.

11 Q And he said that because you included 2020 the
12 methodologies started veering a bit. Can you explain a little
13 bit more about that?

14 A Certainly. So I'll start with our methods. So we
15 use the capitalization of earnings and the capitalization of
16 excess earnings. Both of those -- well, one of those amounts
17 returned an amount that was less than the net tangible assets
18 of the business, as adjusted, and one was greater. You know,
19 we took an average of those two to arrive at our opinion about
20 it.

21 Q So if you turn to page 15 of your report, are these
22 your valuation schedules?

23 A Yes.

24 Q And this is based on everything we've looked at. All
25 the other schedules, which are substantially similar to Mr.

1 Harkness' schedules, with the difference being the treatment of
2 2020, correct?

3 A That is correct, yes.

4 Q And based upon that, did you conclude that the
5 investment value of the business was \$325,000, compared to Mr.
6 Harkness' \$276,000 as of February 28th, 2023?

7 A Yes, that is correct.

8 Q Now, there's been some suggestion by Mr. Bell that
9 the books of ToolStudios are a mess. Do you agree with that
10 conclusion?

11 A I mean, mess is sort of a subjective term. Certainly
12 not one that I would use as an accountant.

13 Q Were the books comparable to -- or the state of the
14 books comparable to books you regular review for business
15 valuation purposes?

16 A Yes.

17 Q No better, no worse?

18 A No better, no worse.

19 Q And in your experience, do the books of companies
20 require adjustments for business valuation purposes?

21 A Yes.

22 Q So when you are tasked with valuing a business, is it
23 very typical that you're going to make adjustments to bring
24 those books into accordance with what you need in order to
25 value the company?

1 A Correct. I mean, even gap-base books, we're making
2 adjustments for valuation purposes.

3 Q And with those adjustments, you were able to proceed
4 in valuing ToolStudios, just as Mr. Harkness testified he was
5 able to do?

6 A Yes.

7 Q Mr. Harkness stated in his report he had no
8 restrictions or limitations in the scope of his work or the
9 data available to him for analysis. Do you agree with that,
10 that you too did not have any restrictions or limitations,
11 based on the data you looked at?

12 A That is correct.

13 Q So of that \$325,000 of value as of February 28th,
14 compared to Mr. Harkness' valuation of \$276, how much goodwill,
15 that going concern value, did you ascribe to the company?

16 A So on Exhibit JJ, page 14, down at the bottom under
17 the excess screenings method, we calculated goodwill in the
18 amount of \$137,455.

19 Q And what we're talking about there, that intangible
20 value, that's the client referrals. That's one part of
21 intangible value, right?

22 A Yeah. It -- it's representative of the 21 years of
23 existence of ToolStudios.

24 Q Now, based upon your valuation, because Mr. Harkness
25 then went ahead and gave us a schedule for April 30th, 2023,

1 did you also value ToolStudios as of that same date, April
2 30th, 2023?

3 A Yes.

4 Q And what was your conclusion of value as of that
5 date?

6 A \$305,000.

7 Q And that would be compared with Mr. Harkness'
8 valuation of \$218,000?

9 A Yes.

10 Q And of that \$305,000, how much did you ascribe to
11 goodwill?

12 A So in Exhibit JJ, page 17, we calculated the \$156,242
13 applicable to goodwill.

14 Q Now, Mr. Harkness testified \$15,000 for the going
15 concern component of his valuation. Do you know how he arrived
16 at that \$15,000?

17 A I do not.

18 Q Do any of his schedules support how he arrived at
19 \$15,000?

20 A There was no narrative description, only the amount
21 in his calculation.

22 Q Did the money in the bank, which is part of the
23 tangible assets of the company, account for the decrease in
24 value between February 28th, 2023, of \$325,000 to April 30th,
25 2023, of \$305,000?

1 A Not in and of itself.

2 Q So can you expound upon that?

3 A Certainly. So both Mr. Harkness and I identified, as
4 of February 28th, 2023, tangible net assets of the business of
5 \$267,555. As of April 30th, 2023, we determined the tangible
6 assets totaling \$269,002.

7 Q So the tangible assets, which the money in the bank
8 is a part of, actually went up between February 28th, 2023 and
9 April 30th, 2023; am I getting that right?

10 A That is correct, yes.

11 Q So what accounts for the fact that the valuation of
12 the business came down?

13 A It -- it was primarily the recognition of client
14 retainers that were recorded as liabilities.

15 Q So does that mean that, if on that very day that you
16 value a company, if you have retainer money in your business
17 account, haven't yet worked it off, that's a liability?

18 A Yes.

19 Q And did Mr. Harness, when his valuation came down
20 from \$276 to \$218 on those two dates, was it because of this
21 \$50,000 liability?

22 A Primarily, yes.

23 Q Because the money in the bank went up?

24 A I mean, the money in the bank wasn't substantially
25 different. And as we've seen, the -- the tangible assets were

1 actually greater at April 30th than at February 28th. But
2 the -- the net tangible, once you take into consider -- into
3 consideration these retainers and the liability associated with
4 them, that was the driver of that change.

5 Q So on those -- on that particular day, February 28th,
6 that money had not yet been earned and booked as a liability?

7 A Correct.

8 Q Now, assume that the ToolStudios' bank account
9 balances are lower today than they were at date of valuation.
10 Does that factor alone change the value of the business?

11 A No.

12 Q What are the other factors that contribute to the
13 value of a business?

14 A Well, you would look at the assets that it controls,
15 the liabilities that it owes, so you'd want to know accounts
16 receivable. You would want to know work in process. You would
17 want to know current liabilities for employment taxes, any
18 personal property taxes that the business may owe as of that
19 date. It --

20 Q Would you be considering your accounts receivables,
21 your work in progress, all those factors, in addition to your
22 tangible assets?

23 A Correct.

24 Q So are you able to formulate a conclusion of value
25 based on the money -- the balance of the money in the bank

1 alone?

2 A No.

3 Q And if one suggested that that -- or there was some
4 sort of one-to-one ratio without taking into account all these
5 other factors -- one-to-one ratio of how much money there was
6 on a particular date, how much money there is on another
7 particular date -- would that be a legitimate approach to
8 business valuation?

9 A No.

10 Q Now, Mr. Harkness, as the joint expert, gave us two
11 numbers for each point in time for the value of the business,
12 the fair market value which was discounted five percent, and an
13 investment value which was not discounted. Did you apply a
14 discount to your conclusion of value?

15 A Well, it's my opinion that it would be inappropriate
16 to apply a discount to Mr. Bell's subject ownership.

17 Q And why is that?

18 A Because he's the 100 percent owner. He controls the
19 cashflows of the business and the assets of the business.
20 There's no reason to -- to discount those.

21 Q And certainly, in the course of your experience, you
22 do find times when you conclude it is appropriate to apply a
23 discount?

24 A Yes.

25 Q But not in this case?

1 A Not in this case.

2 Q If you turn to Exhibit JJ, page 18, is this your
3 Schedule 9? Is this the synthesis of your calculation of value
4 as of April 30th, 2018, which supports \$305,000?

5 A Yes. That is correct.

6 Q Mr. Freedberg, do you agree that all business
7 valuations are a snapshot of a point in time?

8 A Yes.

9 Q And to your knowledge, has a business valuation been
10 done for ToolStudios as of today, August 23rd?

11 A Not that I have seen.

12 Q In a divorce case, is it your experience -- in your
13 experience, is it typical that business valuations lag behind
14 the actual court date?

15 A Yes. I mean, that they're -- oftentimes, we're
16 relying on a December 31st valuation.

17 Q And so in your opinion, is the valuation of April
18 30th still valid today?

19 A Yeah. It's the -- the best information that we have
20 as of today.

21 Q And would you expect that it would -- the April 30th,
22 which isn't that long ago in business valuation world, would
23 approximate the value of the company today?

24 A Without substantial changes to the business, yes.

25 Q And if the funds of a business bank account are used

1 for nonbusiness-related expenses, does that impact the
2 profitability of a business?

3 A No.

4 Q Does it, in and of itself, impact the value of a
5 business?

6 A No.

7 Q So in summary, is it your position that the value of
8 ToolStudios, as of February 28th, 2023, was \$325,000 and as of
9 April 30th was \$305,000?

10 A That is correct.

11 Q And since April 30th is the most current valuation we
12 have, is that your opinion today of the value of the company?

13 A It's my opinion as of April 30th.

14 Q So if you turn to Exhibit OO --

15 THE COURT: Ms. Glassman, whenever it's logical, can
16 you look for our morning breaktime?

17 MS. GLASSMAN: This would be an excellent time.

18 THE COURT: Perfect. Let's take a little more than
19 ten which would put us back at 10:45 in the courtroom. Thank
20 you.

21 (Recess at 10:32 a.m., recommencing at 10:46 a.m.)

22 THE COURT: We back on the record at this time in the
23 Bell matter. And Mr. Freedberg, you're still under the oath I
24 administered earlier.

25 THE WITNESS: Yes, Your Honor.

1 THE COURT: If you could restart whenever you're
2 ready, Ms. Glassman.

3 MS. GLASSMAN: Thank you.

4 RESUMED DIRECT EXAMINATION

5 BY MS. GLASSMAN:

6 Q Mr. Freedberg, please turn to Exhibit OO. Is this
7 your income analysis rebuttal report dated July 17th, 2023?

8 A Yes, it is.

9 Q And does your business valuation and Mr. Harkness'
10 business valuation -- so your other reports, JJ and GG -- do
11 they include the incomes of Mr. Bell embedded in the business
12 valuation?

13 A Somewhat. It depends on how you approach your
14 schedules. With the way Mr. Harkness initially approached his,
15 I followed his lead on this one, being a rebuttal. It's not
16 exactly clear from the business valuation reports, so it's sort
17 of necessary to do these other calculations for the purposes of
18 calculating income.

19 Q But typically, would a business valuation have the
20 income of the owner embedded in its data?

21 A Yes. By its very nature.

22 Q Are the parties' incomes fixed or variable year-to-
23 year?

24 A They've been variable year-to-year.

25 Q And is that reflected in both your report and Mr.

1 Harkness' report?

2 A Yes.

3 Q And did Mr. Harkness use that four-year lookback
4 period -- I know he says it's five years but he excluded
5 2020 -- so did he use a four-year lookback period for his
6 income valuation?

7 A No, he did not.

8 Q Did he only, ultimately, use 2022?

9 A Yes, that is correct.

10 Q Do you agree with that approach?

11 A No, I do not.

12 Q In your opinion, is Mr. Harkness using one year for
13 Mr. Bell's income determination inconsistent with his business
14 valuation?

15 A It is inconsistent.

16 Q And why is that?

17 A Because he used one year in his income valuation and
18 used four years average in his business valuation.

19 Q And why do you think a four- -- or if you include
20 2020 -- a five-year lookback period to determine Mr. Bell's
21 income is appropriate?

22 A The purpose of using a longer lookback period, when
23 the parties' incomes are variable, is to capture that
24 variability for the purposes of -- of calculating both the --
25 the business valuation and income.

1 Q And if you turn to page 5 of Exhibit 00.

2 A Okay.

3 Q Using Mr. Harkness' four-year lookback period -- I
4 know you used five but in essence, his was four -- what is your
5 opinion of Mr. Bell's average income? And I believe you state
6 that on the last line of the report.

7 A Yeah.

8 Q On page 5.

9 A Yeah. The last line is the monthly amount which is
10 \$12,148 which is --

11 Q And that would be excluding 2020?

12 A That does exclude 2020, yes.

13 Q And in your rebuttal business valuation, you use a
14 five-year lookback period because you gave 2020 less weight but
15 you included it. Did you formulate an opinion of Mr. Bell's
16 income using a five-year average?

17 A Yes. A weighted average using the same methodology
18 that we used in the business valuation, we determined a monthly
19 income of \$16,433.

20 Q And so when you say we used the same approach, are
21 you saying that 2020 was one-ninth of the calculation of his
22 income when you looked over a five-year period?

23 A Yes, that's correct.

24 Q Please turn to page 6, the very next page of Exhibit
25 00. Is this the same exercise -- the four-year and the five-

1 year period for Ms. Bell?

2 A Yes, it is.

3 Q And for Ms. Bell on the five-year lookback, do you
4 weight her -- did you weigh 2020 differently?

5 A I used a straight average for the calculation of Ms.
6 Bell's income.

7 Q And why is that?

8 A There wasn't as much variability as there was with
9 Mr. Bell's income.

10 Q And so for the four-year lookback, her monthly income
11 would be \$1,845; is that correct?

12 A That is correct.

13 Q And for the five-year straight average \$1,776 a
14 month?

15 A Yes. That is correct.

16 Q And does her income, did it include, not just her
17 work for ToolStudios, but her contract work for Rebecca Folsom
18 and for the Left Hand Courier newspaper?

19 A It did, yes.

20 Q Assume that Ms. Bell's been offered a job at \$50,000
21 a year. Does that salary exceed what she had been earning on
22 your findings at ToolStudios, with Rebecca Pepin and the Left
23 Hand Valley Couriers?

24 A Yes, it does.

25 Q So in summary, Mr. Bell's average monthly income for

1 the four-year lookback is \$12,148 a month; is that right?

2 A Correct.

3 Q And the five-year lookback weighted with that one-
4 ninth contribution for 2020 average income is \$16,433 a month?

5 A Yes, it is.

6 MS. GOFF: Thank you.

7 THE COURT: Cross-examination, Ms. Goff.

8 CROSS-EXAMINATION

9 BY MS. GOFF:

10 Q You testified that you talked to Aly prior to issuing
11 your rebuttal report?

12 A That is correct, yes.

13 Q But you never talked to Mr. Bell did you?

14 A That is correct.

15 Q And so while he's the sole proprietorship and owner
16 of this business, which we've heard frequently this morning,
17 you never -- you decided not to talk to the sole proprietor and
18 owner of the business, but rather talk to Ms. Bell?

19 A So generally, when we're engaged as a solo expert, we
20 have dialogue and communication with our client but not with
21 the opposing client. When we're a joint, it's - it's
22 different.

23 Q They, in 2020, Tele -- Tele -- or the client that
24 they had, Telerx, was --

25 A Trulieve.

1 Q Or Trulieve, rather. Sorry.

2 A That's Okay.

3 Q Trulieve brought in \$1.4 million, correct?

4 A I believe that that was the total. I don't know if
5 that was entirely attributable to -- to Trulieve or not. But I
6 know that Trulieve did provide the majority of the revenues is
7 my understanding.

8 Q And isn't it true that that's a very large client?

9 A That -- yeah. That is a very large client, yes.

10 Q And ToolStudios has never had another client that
11 large; isn't that correct?

12 A That I do not know for sure. All I -- the basis
13 for -- for my opinions were based on Mr. Bell's deposition
14 testimony, which indicated that he had had six or seven large
15 clients over his 21 years.

16 Q But you don't know whether those were \$1.4 million
17 clients or not do you?

18 A No. And we considered that in the development of our
19 weighted average by applying lesser weight to 2020 than we did
20 to the other years that were under analysis.

21 Q But you didn't give it a significant discount?

22 A I -- in my opinion, a one-ninth weighting is a
23 significant discount.

24 Q Okay. Would you agree that there's a difference
25 between a \$1.4 million client, once in a lifetime, and a

1 \$200,000 client?

2 A I guess, so --

3 Q Would agree there's a difference between those two
4 clients?

5 A There is a -- a dollar difference between those two.

6 Q So if you have a \$1.4 million client, a \$200,000
7 client really isn't a large client, right?

8 A Well, you would need seven of them to -- to make up
9 the difference under that analysis.

10 Q Okay. Do you know -- you talked about Telerx. This
11 is the client that Mr. Bell landed in 2023. Do you know how
12 large of a client that is?

13 A I believe, again, based on his deposition testimony,
14 he anticipated \$180,000 of revenues through August.

15 Q Would you agree that there's a major difference
16 between \$1.4 million and \$180,000?

17 A There is a -- a dollar difference, yes.

18 MS. GOFF: I have nothing further.

19 THE COURT: Any redirect?

20 MS. GLASSMAN: Just one.

21 REDIRECT EXAMINATION

22 BY MS. GLASSMAN:

23 Q Mr. Freedberg, there's no ability, based on the data
24 you've received, that the gross revenues in 2020 of \$1.4
25 million represents one client. It would seem to be the

1 totality of the revenues the business earned that year?

2 A That is the total of the revenues. I do not know if
3 it was solely attributable to one client.

4 MS. GLASSMAN: Okay. Nothing further.

5 THE COURT: May Mr. Freedberg be excused at this
6 time? That seems to be the question.

7 MS. GLASSMAN: Yes.

8 THE COURT: Ms. Goff, do you agree?

9 MS. GOFF: I agree.

10 THE COURT: Thank you, Mr. Freedberg.

11 THE WITNESS: Thank you.

12 THE COURT: You are excused at this time.

13 And so now, we are going back to Petitioner's next
14 witness; is that right?

15 MS. GOFF: Right.

16 MS. GLASSMAN: Yes.

17 THE COURT: All right. You may call your next
18 witness.

19 MS. GOFF: It will be Charlie Bell.

20 THE COURT: And set down what you have, if you'd
21 like, but remain standing so I can swear you in.

22 THE PETITIONER: Sure.

23 CHARLES BELL, PETITIONER, SWORN

24 THE COURT: And if you could just go ahead and close
25 the binder there and put it back up to a place where it's

1 accessible but not to be looking at it, unless and until we get
2 to a point where you say that you need something in it.

3 Thanks.

4 Go ahead, Ms. Goff.

5 DIRECT EXAMINATION

6 BY MS. GOFF:

7 Q State your name for the Court.

8 A Charles Robert (phonetic) Bell.

9 Q How many children do you have?

10 A Three. Three.

11 Q And where do you work?

12 A ToolStudios.

13 Q Explain to the Court what ToolStudios does.

14 A We're a brand and web development company. And we do
15 websites and we do logos and we do email stuff.

16 Q Explain how you -- how long have you been running
17 this business?

18 A We've been running it 21 -- yeah. We -- 2001 so 22
19 years, I guess.

20 Q And who's been your helper in the business?

21 A It's been Aly and I, primarily.

22 Q Have you had other full-time employees through the
23 years?

24 A Yeah, off and on. Yep.

25 Q Do you have any full-time employees now?

1 A No. Just Aly for part-time, I guess.

2 THE COURT: So Mr. Bell --

3 THE WITNESS: I'm sorry.

4 THE COURT: I'm going to have you talk a little
5 closer to the --

6 THE WITNESS: Okay. I'm trying --

7 THE COURT: -- microphone and keep your voice up as
8 much as you can.

9 THE WITNESS: Okay.

10 THE COURT: We have a recording system that's running
11 and when I can't hear you, it can't either.

12 BY MS. GOFF:

13 Q So explain how you operated ToolStudios for 21 years.

14 A You know, we started out just, you know, running it
15 like employees and then, you know, a typical business.
16 Everybody had different salaries and -- and we just ran it that
17 way. You know, real traditionally.

18 Q Did you use -- how did you share the work?

19 A Ask the question again, please.

20 Q How -- when you operated the business -- when you
21 started out the business --

22 A Uh-huh.

23 Q -- how did you share the work? How did you and Ms.
24 Bell share the work?

25 A Oh. So Aly was, you know, kind of the bookkeeper but

1 then also account support person. She would do print buying,
2 she would help with interviews, she would, you know, talk to
3 clients. She would go on location. She would do, you know,
4 pretty much everything, other than, you know, sales and
5 creative. But she did -- she had -- yeah.

6 Q How old are you?

7 A 62. 62.

8 Q Okay. And do you have any health issues?

9 A So recently I -- I'm due for MRIs in my back and my
10 neck to try to rule out MS. And I'm also recently diagnosed
11 with ADHD and that makes this very hard.

12 Q Where are your offices for ToolStudios?

13 A They're in Niwot. Downtown Niwot.

14 Q And how much rent do you pay?

15 A \$3,000 -- I think, \$3,200.

16 Q And how long is your lease on that building?

17 A We have, I think, two and a half years left. Three
18 years -- maybe three years.

19 Q Do you have any of the space in that space that you
20 have rented subleased?

21 A Yeah. I got -- I have one office and I have two
22 subleasees right now to -- to offset the, you know, expense.

23 Q When you and Ms. Bell worked together in ToolStudios,
24 and you've done that for the 21 years, was she also the
25 bookkeeper?

1 A Yeah. Yes.

2 Q What are your concerns now that Ms. Bell will no
3 longer be working for the company?

4 A You know, we -- we had this clear division of labor,
5 you know, and our company was intertwined, both personally and
6 professionally. And it's just how it worked and Aly would do
7 everything and I would just sell. And mow the lawn on the
8 weekend and try to take small projects on but she handled the
9 books, the finances, the kids. She handled everything. So
10 now, I'm slowly trying to offset that somehow and I've been
11 trying different things. And then the ADHD, it -- it's -- I'm
12 just creative. That's what I do; that's what I've always done.
13 And you know, for the longest time it was this Yin and Yang.
14 That's just what it was.

15 Q During the years that you worked in the company
16 together, what would happen when you had challenging financial
17 times?

18 A We would stop paying ourselves. Cut back on
19 everything and you know, I think like every Mom-and-Pop shop.

20 Q Currently, are you getting a salary?

21 A Yes.

22 Q Now, you've testified that you don't have any full-
23 time employees. Do you have anybody working for you at the
24 moment under a contract basis?

25 A Well, I have contractors. None of them are -- are

1 physically contracted. They're just freelancers that I hire.
2 You know, that I work with.

3 Q You heard Mr. Freedberg talk to you about they're a
4 line item as consultants?

5 A Yeah.

6 Q And in 2020 you had quite a few consultants, correct?

7 A Consultants? I had contractors.

8 Q Or --

9 A Yeah, yeah. Contractors in what year?

10 Q In 2020.

11 A Yeah. In 2020 I had a lot of contractors.

12 Q Okay. How many do you have now?

13 A It fluctuates but right now I have -- there's two --
14 wait, three -- the full-time contractors, I have two. And
15 part-time contractors, I have three.

16 Q And those part-time contractors, how many hours a
17 week do they work?

18 A One works 20 and the other one, just lately, it works
19 three or four.

20 Q Okay. Explain to the Court what happened in 2020.

21 A Do you mind? Can I get a piece of paper that I put
22 some notes on over on --

23 Q Yeah.

24 A -- right there. On the desk.

25 THE COURT: So there are specific rules --

1 THE WITNESS: Okay.

2 THE COURT: -- about when you can use paperwork to
3 refresh your testimony. You can bring it to him if you like.

4 But Mr. Bell, the rule is, basically, Ms. Goff has to
5 ask you a question and you need to indicate that you can't
6 remember the answer without looking at something. And then, if
7 she goes through that process, I can let you --

8 THE WITNESS: Okay.

9 THE COURT: -- look at it for a particular question.
10 So --

11 THE WITNESS: Yeah.

12 THE COURT: You can bring the paper but why don't you
13 ask a narrower question because I don't want to get a narrative
14 off of paper.

15 MS. GOFF: Okay. So well, I need to ask him first,
16 explain to you what happened in 2020.

17 THE COURT: Yep.

18 BY MS. GOFF:

19 Q So you can do that without a piece of paper, correct?

20 A Okay. So in 2020 we got a big project from a company
21 called Trulieve that's in the cannabis space. And that was --
22 ended up being 69.3 percent of our business that year. And it
23 generated, you know, the income that we have and that -- that
24 they've stated.

25 Q Did Trulieve generate the \$1.4 million?

1 A Yes.

2 Q And then the other clients were the rest; is that
3 what you're testifying to?

4 A Yes. Trulieve, yeah. It was 69.8 percent of all
5 revenues.

6 Q When did Trulieve retain you?

7 A In 2018.

8 Q And why the spike in 2020; what happened?

9 A Okay. Trulieve is a cannabis -- a very large
10 cannabis company. And in 2018 through a referral from another
11 cannabis company I had worked with, I got contacted by one of
12 the big investors of the company. And they brought me in to
13 build their first website -- their first commerce website for
14 Florida -- it was Florida. And then in -- then 2000 -- so we
15 built that and it was \$175 so you know, it was a great -- it
16 was, you know, one of the five to six projects -- large
17 projects.

18 And then in 2019 when the company had just gone
19 public and they had -- obviously, they had really aggressive
20 expansion plans. And then the pandemic started coming and it
21 was real big thing about how you couldn't go into stores
22 anymore. And they got that exemption that would allow, you
23 know, the drive-up pickups. And so we were 2018 and a little
24 bit the beginning of 2019, you know, their commerce system
25 would do, like, \$30,000 -- I mean \$30 -- yeah, \$30,000 a month.

1 And then this is when I need that notes. If I -- yeah.

2 THE COURT: So --

3 THE WITNESS: All right. I'm sorry.

4 THE COURT: -- ask a different question.

5 THE WITNESS: Okay.

6 THE COURT: Because I think you've gone beyond what's
7 responsive --

8 THE WITNESS: Yeah, yeah.

9 THE COURT: -- to her question.

10 THE WITNESS: Yep.

11 BY MS. GOFF:

12 Q Okay. So what was the extent of the business that
13 Trulieve brought to you in 2019/2020?

14 A It was to build a very advanced commerce system that
15 would allow people to go online and order from one of a 100
16 different locations and be able to drive up to any of the
17 Trulieve's -- I think at the time it started out as 50 and then
18 by the end of 2020 we had 140 different locations that we were
19 just trying to keep up with the -- you know, the demand.
20 Because the pandemic hit and everybody had to go online and
21 they had to go order online and then pick up. They couldn't
22 walk into a store anymore, so they had no way of doing it. So
23 they -- they said, Charlie, can you do it and I -- you know, I
24 took it on.

25 Q So when the pandemic ended and people could go into

1 stores, what happened to the cannabis business?

2 A Well, at the end of 2020 --

3 MS. MILFELD: Objection, as far as relevance with the
4 overall cannabis business industry.

5 THE COURT: Sustained.

6 BY MS. GOFF:

7 Q So what happened to Trulieve once the pandemic no
8 longer was --

9 A I would -- yeah.

10 Q -- happening and people could go into stores again?

11 A I can't really -- I'm not sure what happened to
12 Trulieve. We -- we --

13 MS. MILFELD: Objection, as far as now this -- I
14 think the further answer would be speculative, based upon his
15 response.

16 THE COURT: So --

17 MS. GLASSMAN: He's not sure what happened to
18 Trulieve.

19 THE COURT: Overruled from what he said so far. I
20 think that, essentially, what we're talking about is try to not
21 to guess if you don't know.

22 THE WITNESS: Yeah. No, it --

23 THE COURT: And I think you said you didn't know.

24 THE WITNESS: No, I know. I'm sorry.

25 THE COURT: And so, Ms. Goff, go ahead and ask

1 another question.

2 BY MS. GOFF:

3 Q Okay. So what happened to Trulieve when people could
4 start going back into the stores?

5 MS. MILFELD: Objection. Lack of foundation.

6 THE COURT: I think he just said he didn't know.

7 THE WITNESS: No, I didn't.

8 MS. GOFF: I don't think he said that. I think he
9 knows what happened to Trulieve.

10 BY MS. GOFF:

11 Q Is Trulieve still a client?

12 A No.

13 Q All right. Why are they no longer a client?

14 A They fired us.

15 Q Okay. And why did they fire you?

16 A Because I -- I made, personally, three major mistakes
17 and -- and caused their system to crash and so it was over.

18 Q How often in the 21 years that ToolStudios has been
19 in business did you get a client like Trulieve?

20 A Never. Never.

21 Q And do you -- was Trulieve a publicly traded company?

22 A They went public in 2018.

23 Q And have you ever had a publicly traded company as a
24 client before?

25 A No.

1 Q Okay. Can you turn to Exhibit 21?

2 A Is there a letter on that?

3 THE COURT: I think the numbered ones are in the
4 purple book.

5 THE WITNESS: I'm sorry. Thank you. Okay.

6 BY MS. GOFF:

7 Q Can you identify this document?

8 A Yes.

9 Q What is it?

10 A It's our top clients over the last ten years.

11 Q Who generated this document?

12 A I did out of QuickBooks.

13 Q And how did you do that?

14 A I took an export of, you know, sales by client.

15 Q And then what?

16 A And then I took that information and I put it into a
17 spreadsheet.

18 Q And then you printed it?

19 A Yes.

20 MS. GOFF: Okay. I move for the entry of Exhibit 21,
21 Your Honor.

22 THE COURT: Position as to 21?

23 MS. MILFELD: Your Honor, we object to Exhibit 21.

24 First, it's listed as top clients over ten years. And if the
25 Court notices, after the seventh line, there aren't dates for

1 the remaining clients. And so it's -- it doesn't purport to be
2 what it says. In addition, we don't have access to the
3 underlying data. A proper summary under 1006, under the
4 Colorado Rules of Evidence, requires that the person who wishes
5 to submit a summary needs to provide that information to us and
6 we don't have that. We also have concerns about inaccuracies
7 in this document, based on our client's quick review, so we
8 would object pursuant to 401 and 403 of the Colorado Rules of
9 Evidence, as well as an improper summary.

10 THE COURT: I think the Court will find, at this
11 point, that the 1006 foundation hasn't yet been laid. It's not
12 clear to me whether you can, but at at this point, you haven't.
13 And so the Court, at this point, is not admitting 21.

14 MS. GOFF: Okay.

15 BY MS. GOFF:

16 Q Let me ask you this. How often did you get a client
17 like Trulieve?

18 A Never.

19 Q And are you prepared to handle those size of
20 projects?

21 A No.

22 Q How did you manage to handle that client when you got
23 that client?

24 A I tried by hiring different freelancers in order to,
25 you know, rely on their expertise to build a system. I then

1 designed it all and then handed it off to these freelance
2 teams. And along the way, the client started interjecting
3 their own experts, as they saw we were really struggling. And
4 so I attempted to bring all these people together and for a
5 while we did a lot of cool things. But at the end, it was just
6 so overwhelming and I worked seven days a week. I credit it --
7 you know, a big part of why my marriage -- it was just too
8 much. I -- I -- I'll -- I'll never do it again.

9 Q How many clients do you currently have?

10 A I am at four active clients.

11 Q And does Alyson, your wife -- does Ms. Bell have any
12 clients within ToolStudios?

13 A Yes.

14 Q And how many active clients does she have?

15 A She has five, I think.

16 Q Will you be able to retain those clients after today
17 or do you think they'll go with Ms. Bell?

18 A I would assume they would go with Ms. Bell.

19 Q How much of your business is repeat business?

20 A You know, the goal is to try to have an 80-20 split.
21 So repeat business being 80 percent and mine's opposite of
22 that. So I have a very low repeat business customer base.

23 Q Is it true that -- well, who's your -- who's your
24 largest client right now?

25 A Active is NOBO. Active, the large -- well,

1 largest -- largest active client would be, probably, ongoing,
2 Callie's. Callie's probably. Yeah, Callie's and NOBO.

3 Q Okay. What about Telerx?

4 A They are a project-based, so that's, you know, can
5 you build us a website? Yeah. How much would it cost? It'll
6 cost this much and I gave them a proposal that had a range on
7 it. And it went from \$140 to \$180.

8 Q So is that what you're doing for Telerx is building a
9 website for them?

10 A Yes.

11 Q Okay. And the most amount of money you would get out
12 of that project is \$180,000?

13 A Yes.

14 Q About how much revenue does NOBO generate a year?

15 A Well, they used -- they hire -- they recently hired
16 another agency but we're only handling their web work. But
17 large -- over a period of seven years, you know, they were a
18 large client. But no pending projects right now for them.

19 Q So you have no income from NOBO right now?

20 A We have some but it's, maybe, I think, in the last
21 four months \$5,000, \$6,000.

22 Q And what about Callie's?

23 A Callie's is a regular client that we do social media
24 for and they do about anywhere between \$8 and \$11,000 a month.
25 So I consider them a large client. And they're really the kind

1 of client I -- I'm after or I hope to be after again.

2 Q Between about \$8,000 a month?

3 A Yeah. Well, they -- I think the most Callie's -- we
4 had a project in the beginning back in 2017, '16. And then we
5 built their website, so that was the big project. And then it
6 goes to monthly social media and just maintenance of their
7 stuff. And then, you know, packaging design and that kind of
8 stuff. And they've been paying us, you know, \$10 to \$12,000 a
9 month.

10 Q No one has looked -- none of the two experts that we
11 heard this morning looked at the books for 2023. How is the
12 company doing?

13 A Really bad. We're really bad.

14 Q Can you look at Exhibit 26? Can you identify this
15 document?

16 A Yeah. It's our checking -- business checking
17 account.

18 Q And how much money do you have in your business
19 checking account as of July 31st?

20 A We had \$109.

21 Q And has that gone up or down as of today?

22 A It's down to \$68,000.

23 Q And then do you have any money in the savings account
24 at some --

25 A Yeah, we do. We have \$50,000 there.

1 Q Okay.

2 A And part of that's retainer.

3 Q Has anyone approached you and asked to purchase your
4 company?

5 A No.

6 Q Do you agree with Mr. Harkness' value of the company?
7 He gave it two values, \$276 and \$218.

8 A No.

9 Q Why not?

10 A Because we have a lot less cash and he -- he -- him
11 and I discussed it and he said --

12 MS. MILFELD: Objection as to hearsay.

13 THE COURT: Sustained.

14 BY MS. GOFF:

15 Q He can't --

16 A He stated less cash.

17 THE COURT: So --

18 MS. GOFF: He --

19 THE WITNESS: I'm sorry. I'm sorry.

20 THE COURT: No. The reason for the objection is that
21 you're not allowed to repeat what other people have said to you
22 in general.

23 THE WITNESS: Okay. All right. Thank you.

24 BY MS. GOFF:

25 Q Okay.

1 A Because we have less cash than we did in 20 -- when
2 in April or in February.

3 Q And do you have less accounts receivable too?

4 A Yes.

5 Q So basically, has everything gone down on the balance
6 sheet, except --

7 A Yes.

8 MS. MILFELD: Objection as far as lack of foundation.
9 We don't -- we haven't received any of the balance sheets. We
10 don't know what those look like.

11 THE COURT: Overruled.

12 THE WITNESS: Okay.

13 THE COURT: You can answer.

14 A A lot less.

15 BY MS. GOFF:

16 Q Do you agree with Mr. Freedberg's value of the
17 company?

18 A No.

19 Q What do you -- what are you asking the Court today to
20 give the value of your company?

21 MS. MILFELD: Your Honor, we would object to Mr. Bell
22 providing his opinion as to the value of his business. That's
23 702 testimony, unlike a homeowner giving an opinion of the
24 value of a house. This is completely different. I searched
25 for case law to see if a person -- a layperson could provide an

1 opinion of a business value and I wasn't able to find it. And
2 so I think, based on the testimony that we've heard from Mr.
3 Harkness and Mr. Freedberg, the business valuations require
4 different types of methodology that Mr. Bell lacks the training
5 and experience. And so he is a layperson who doesn't have the
6 scope of knowledge to provide this opinion.

7 THE COURT: Response?

8 MS. GOFF: Well, Your Honor, he's owned this company
9 for 21 years. I think that he has a very good idea of what his
10 company is worth and I object to the fact that he can't. I
11 mean, I have no idea why he can't testify as to what his
12 company is worth.

13 THE COURT: Well, Ms. Milfeld, objects to that.

14 MS. GOFF: Yeah. She --

15 THE COURT: Because she thinks it's expert testimony
16 and he's not an expert.

17 MS. GOFF: He's an expert on his own company. You
18 know, I mean --

19 THE COURT: So the --

20 MS. GOFF: -- you own your own company. You know,
21 you're an expert on your company. He's the sole owner.

22 THE COURT: So it's an interesting question because I
23 don't know case law either about whether it is similar or
24 dissimilar to something like a house. I'm going to hear Mr.
25 Bell's estimate but I think there's a strong argument that the

1 Court could discount it for the reasons that you indicate.

2 MS. MILFELD: And I think --

3 THE COURT: So --

4 MS. MILFELD: Oh, I'm sorry, Your Honor.

5 THE WITNESS: I want to answer it, honestly. Is
6 that --

7 THE COURT: So hold on.

8 THE WITNESS: Oh, I'm sorry.

9 THE COURT: A record that you want to make?

10 MS. MILFELD: Yes. I think, in addition, the Court
11 heard testimony from Mr. Bell that Ms. Bell was the primary
12 bookkeeper and she was in charge of finances. So I think that
13 creates a problem for him opining as to a business value when
14 he doesn't even have that information and he doesn't have a
15 foundation.

16 THE COURT: I think it creates an issue as to weight
17 and so the Court's going to hear his estimate but be mindful of
18 your rationale.

19 You may answer.

20 A The value of the company, as Mr. Hartman (sic) was
21 based on the money that we had in the bank --

22 THE COURT: So --

23 THE WITNESS: Okay.

24 THE COURT: So Mr. Bell, I'm sorry.

25 THE WITNESS: Well, the -- a 100 --

1 THE COURT: It's clear to me that you don't get to
2 comment on Mr. Harkness' processes.

3 THE WITNESS: Okay. I'm sorry. I'm sorry. Okay. I
4 get it.

5 THE COURT: But you can say an amount that you think
6 it's worth and why.

7 A Okay. I feel it's worth \$120,000. No, I'm sorry.
8 \$150,000 because I took the amount of cash that we have, I took
9 the amount of receivables that we have, and I took into account
10 the cash on hand. And plus, I also took into account the
11 furniture and that's how I came up with that number.

12 BY MS. GOFF:

13 Q Would you turn to Exhibit 14? Exhibit 4 of that
14 exhibit -- page 4 of that or --

15 A Sorry.

16 Q Schedule 4 of that exhibit.

17 MS. MILFELD: I don't have Schedule 4.

18 MS. GLASSMAN: I'm sorry. Katy (phonetic), did you
19 say Exhibit 14?

20 MS. GOFF: I did.

21 MS. ELLIS: It's page 12.

22 MS. GLASSMAN: There's no page 4.

23 MS. GOFF: It's Schedule 4. What did you say?

24 MS. ELLIS: It's page 12.

25 MS. GOFF: Which is page 12.

1 THE COURT: Of Exhibit --

2 MS. GOFF: Yeah.

3 THE COURT: Which --

4 MS. GOFF: It's page 12.

5 THE COURT: Of exhibit what?

6 MS. GOFF: 14.

7 THE COURT: 14, page 12. Thank you.

8 THE WITNESS: Thank you.

9 MS. GOFF: It's Schedule 4 and towards the back.

10 THE WITNESS: Got it. I'm almost there. Schedule 4?

11 MS. GOFF: Yes. It's page --

12 THE WITNESS: I got it. I got it.

13 MS. GOFF: Okay.

14 THE WITNESS: All right.

15 BY MS. GOFF:

16 Q So in 2021 at the top of the page, what happened to
17 ToolStudios?

18 A '21 at the top of the page.

19 Q The very first line.

20 A Oh, we showed a loss of \$46,000.

21 Q And what happened in 2022?

22 A We showed a loss of \$26,000.

23 Q And if we have the book -- and what would be the
24 books of those numbers for 2023?

25 A A negative \$78,500.

1 Q During years 2021 and 2022 were you working full time
2 for the company during those year?

3 A Very much so.

4 Q And why did the company lose money?

5 A We paid ourselves too much.

6 Q If we --

7 MS. MILFELD: Objection as far as lack of foundation
8 for that answer.

9 THE WITNESS: Okay. We had --

10 THE COURT: Overruled. Overruled for the same
11 reasons.

12 A Okay. We were heavily involved in the cannabis
13 industry. And after the pandemic, the cannabis industry really
14 started to decline and we saw our clients and business
15 referrals go way down. And we didn't have any really -- you
16 know, we had some good projects but nothing, you know, big or
17 large and that's why.

18 BY MS. GOFF:

19 Q Turn to Exhibit 24. Can you identify this document?

20 A Yeah. Yes. It's my financial statement.

21 Q How much is your annual salary this year?

22 A \$98,500.

23 Q And what does that equate to a month?

24 A \$8,208.

25 Q Who set your -- who decided you were going to earn

1 \$98,500 for salary this year?

2 A I don't remember but Aly enters it all, so Aly.

3 Q Okay. So then when you get a salary there's
4 withholding on your check, correct?

5 A I would assume. Yes, yes.

6 Q Okay. Who does your payroll?

7 A Aly.

8 Q Okay. And so what -- looking at page 2 of that
9 document, what is your mortgage payment every month?

10 A \$2,870.

11 Q And do you have an HOA in your community?

12 A Yes. Yes. And --

13 Q And how much is your HOA fees?

14 A I think it was \$29 a month but we pay it one time a
15 year.

16 Q Okay. And then do you -- does this accurately
17 reflect the utilities on the marital home?

18 A Yes.

19 Q Running about \$610 a month? And I see -- did you
20 recently cancel the property care?

21 A Yes.

22 Q And then do the groceries and supplies, do those
23 accurately reflect what you're spending?

24 A I had my son living with me this summer, so they're
25 probably going to drop a little bit but right around that, yes.

1 Q Okay. Which child lived with you?

2 A My middle son Julian.

3 Q Okay. And looking at page 3 of that document, do you
4 still have -- are you still paying the therapist for Camryn?

5 A Yes.

6 Q And are you -- looking at the children's expenses,
7 you listed tuition for Julian at a \$1,000 -- or his rent,
8 rather. Julian's rent. Can you tell Judge Salomone what you
9 intend to do? Have you paid that yet?

10 A The first month was paid through his college fund and
11 I -- I hope that I can, you know, really start contributing to
12 his rent and his college.

13 Q Have you paid his tuition for this first semester?

14 A It came out of his college fund.

15 Q Okay. And where is he going to school?

16 A CSU.

17 Q Okay. And then looking at your miscellaneous
18 expenses, do those accurately reflect your expenses for your
19 miscellaneous expenses for the month?

20 A Yes.

21 Q Turning to page 4 is a list of the debts and these
22 debts are listed in your financial affidavit here. Would you
23 please explain to the Court the debt to Joyce (phonetic) Bell?

24 A When we started ToolStudios, my mom gave us \$50,000
25 in exchange for ten percent of the company and we had been

1 slowly paying her back. And when the company started not doing
2 so great, I -- I didn't want -- and my started to age, I asked
3 her -- you know, I talked to my sister and wanted her out of
4 the company. And at that point, my sister brokered, you know,
5 that we would give her \$500 a month and she would give us back
6 the ten percent. The company paid that \$500 for a while until
7 it became a personal debt on Aly and I. And we've been paying
8 her from our personal account for, I think, over a year and a
9 half \$500 a month. And we agreed to pay her \$500 a month for
10 life.

11 Q Do you believe that that's a marital debt?

12 A Absolutely. We've been paying it.

13 Q How are you asking the Court to pay the marital debts
14 today? From what -- how do you want them paid?

15 A I just want to sell the house, pay off our debts, and
16 split the rest and let us move on.

17 Q Okay. Let's look at page 5 of that document.

18 A Okay.

19 Q Can you explain, "We've agreed that the value of
20 Timothy Place" -- is that the marital home?

21 A Yes.

22 Q Okay. "And we've agreed that it's worth \$990"?

23 A Yes.

24 Q What is the mortgage on that home?

25 A \$519,893 as of the date.

1 Q Okay.

2 A Yeah.

3 Q And have we found out that that mortgage can be
4 assumed?

5 A We have.

6 Q Okay. And then are you driving the Nissan Maxima?

7 A Yes.

8 Q And does Ms. Bell have a vehicle now, as well?

9 A Yes.

10 Q Do you each have a IRA?

11 A Yes.

12 Q And are they about equal in value?

13 A I think they're exactly equal.

14 Q And then do you have -- are these your Chase savings?
15 Are these yours and Ms. Bell's bank accounts?

16 A The first two are the Chase and our -- our personal.
17 And then the other two are my personal savings and checking.

18 Q And those numbers there, at the time you signed this
19 financial affidavit, are those accurate?

20 A Yes.

21 Q And then going down to the bottom, you have a
22 business interest in ToolStudios and how much did you value
23 that at?

24 A Based on the same equation I did today, it was
25 \$150,000.

1 Q Could you turn to Exhibit 16? And can you identify
2 this document?

3 A Yes.

4 Q What is it?

5 A It's our legal fees as of that date.

6 Q And who have -- who's paid the legal fees?

7 A ToolStudios has paid these.

8 Q Okay. Now, can you turn back again to Exhibit 14,
9 Schedule 4. That would be page 12.

10 A Which schedule? 4?

11 Q Yeah. Schedule 4.

12 A I got it. I got it.

13 Q Okay. I just wanted you to look at your ordinary
14 income for ToolStudios.

15 A I got it.

16 Q Okay. So what did ToolStudios earn in 2018?

17 A \$82,000.

18 Q And then 2019?

19 A \$92.

20 Q And then in 2020?

21 A \$303.

22 Q And then in '21 and '22 you've already testified to
23 that loss, correct?

24 A Correct.

25 Q Can you turn to Exhibit 25? And then can you turn to

1 Exhibit 1?

2 A Which section? I'm sorry.

3 Q Look at Exhibit -- turn to Exhibit 1.

4 A Oh, 1. Sorry. I thought you said 25.

5 Q Can you identify this document?

6 A Yes.

7 Q What is it?

8 A Our tax return.

9 Q Which one?

10 A 2017.

11 Q Is this your individual tax return?

12 A It's our joint.

13 Q How much is your adjusted gross income for 2017 for
14 you and Ms. Bell?

15 MS. MILFELD: Your Honor, we object --

16 A \$56 --

17 MS. MILFELD: -- at this time because this exhibit
18 has not been introduced into evidence and we have not
19 stipulated to this.

20 THE COURT: You mean it's not among the stipulated
21 exhibits? Can you --

22 MS. GOFF: It is not. So --

23 THE COURT: Can you lay some foundation for it?

24 MS. GOFF: Yes. I'm laying the foundation right now.

25 So --

1 THE COURT: Well --

2 MS. GOFF: I've asked him what this document is and
3 who prepared --

4 THE COURT: So you have -- so you have to admit it
5 before you can approach your testimony from it.

6 MS. GOFF: Okay. Okay.

7 BY MS. GOFF:

8 Q Who prepared this -- your tax return for 2017?

9 A David Black.

10 Q Okay. And does this accurate -- does this exhibit
11 accurately reflect the first two pages of that tax return that
12 you filed?

13 A Yes.

14 Q And did you file this tax return with the Internal
15 Revenue Service?

16 A Yes.

17 Q And did both of you sign this document?

18 A Yes.

19 MS. GOFF: Okay. I move for the entry of Exhibit 1.

20 THE COURT: Position as to Exhibit 1?

21 MS. MILFELD: Your Honor, we object to Exhibit 1 on a
22 few -- for a few different reasons. The first being, it's not
23 relevant under 401 and 403 because income under 14-10-114 and
24 14-10-115 has a very different definition than what you can
25 submit to the IRS. So it's not relevant and it's not helpful

1 to the Court. This tax return is also incomplete. We only
2 have the first two pages, it's not signed. We are unable to
3 see any of the adjustments that were made, which would be in
4 the accompanying pages. And so the Court should not admit this
5 exhibit just because it's not going to give the Court the
6 information it needs for determining either business income or
7 his own income.

8 THE COURT: Sustained. I think you could ask him
9 certain questions and then he could use a document to refresh
10 his recollection if he doesn't remember. But the objection to
11 the exhibit is also sustained.

12 MS. GOFF: Okay.

13 BY MS. GOFF:

14 Q Do you agree that you had -- that your income in 2017
15 was -- your personal income was around \$56,000?

16 A Your Honor, 2017 tax return, it was \$56,000.

17 Q Okay. And what has been the most money that you and
18 Aly have ever reported on a tax return since you've been
19 married -- you and Ms. Bell have ever reported on a tax return?

20 A 2020.

21 MS. MILFELD: Objection as --

22 THE WITNESS: Sorry.

23 MS. MILFELD: -- far as relevance. What they report
24 on their tax return isn't relevant as far as what their actual
25 income is for under 14-10-114 and 14-10-115.

1 THE COURT: Overruled. It's not perfect but it's
2 somewhat indicative.

3 So you may answer.

4 A 2020.

5 BY MS. GOFF:

6 Q And how much money did you report on your tax return
7 in 2020?

8 A I'm not -- I think it was \$303. I can't --

9 MS. GOFF: Can I have him turn to 25 -- Exhibit 25,
10 Your Honor, to refresh his memory?

11 THE COURT: Ask him if that would help and then --

12 BY MS. GOFF:

13 Q Would that help --

14 A Yes.

15 Q -- if you could --

16 A Yes.

17 Q -- turn to Exhibit 25 to refresh your memory?

18 A \$287.

19 Q Okay. Let's turn to their Exhibit N. Can you
20 identify this document?

21 A Yes. It's our home equity line of credit
22 (indiscernible).

23 Q Is this your universal residential loan application?
24 It's Exhibit N.

25 A Yes.

1 Q Okay.

2 A This is the HELOC.

3 Q No. I don't -- look at it again, Mr. Bell.

4 A Sorry. We're talking M -- M?

5 Q It's your universal residential loan. The amount was
6 \$548,250.

7 A Are we on M you said?

8 Q We're on N.

9 A Oh, N.

10 THE COURT: N, like Nancy.

11 A Oh, N. That's the problem.

12 BY MS. GOFF:

13 Q N, like Nancy. Sorry.

14 A Sorry. There's the problem.

15 Q Okay. So can --

16 A Yes. Yes.

17 Q So this is the loan on your home, correct?

18 A Correct. Correct.

19 Q And turn to page 2.

20 A Yep.

21 Q And on page 2 there's the base employer income at
22 \$13,414.32. Whose income is that?

23 A Aly and I's.

24 Q And that was the income that you reported when you
25 took out your -- when you purchased your home for a month,

1 correct?

2 A Yes. When we refinanced, that was our income on the
3 mortgage.

4 Q Turn to Exhibit 18. Can you identify this document?

5 A We're on 18?

6 Q Yes.

7 A Okay. Sorry. This is my Social Security statement.

8 Q And on page 2, do those numbers accurately reflect
9 your Social Security earnings for the years represented there?

10 A Correct. Yes.

11 Q And what was the highest year that you had for Social
12 Security income?

13 A 2021.

14 Q And is that because the number went up from the IRS?

15 MS. MILFELD: Objection as far as lack of foundation.

16 THE COURT: Sustained.

17 BY MS. GOFF:

18 Q So the \$13,000 income shown on the universal loan
19 application --

20 A Uh-huh.

21 Q -- is that in line with what you and Ms. Bell had
22 been earning consistently for the last few years, about \$13,000
23 a month together?

24 A What we'd been earning is \$98,500 plus \$35,000
25 divided by 12. And that's what we've been living off for over

1 a year and a half until 2023 -- until this time.

2 Q Let's talk about the marital home. What do you
3 think -- what are you asking the Court today to do with the
4 marital home?

5 A I'd like the marital home sold so we have the money
6 then to pay off this debt and you know, try to start new.

7 Q Did you, at one time, send Ms. Bell an email and say
8 that you were offering her the house?

9 A In the beginning, in the first three months, I was
10 sending a lot of emails trying to avoid this. And I was
11 offering -- you know, they live in the house. I was offering
12 \$522,500 with our dogs. I was offering to live in the little
13 house that -- that they live in now. And I offered a lot of it
14 but --

15 Q Have you changed your mind about whether you think --
16 well, clearly, you've testified that you now think the home
17 should be sold?

18 A Six -- six months later and a \$150,000 plus less
19 money, I -- we have no choice.

20 Q Now, you also have a HELOC on this home, correct?

21 A Correct.

22 Q Can you turn to Exhibit M --

23 A Yeah.

24 Q -- in the other book?

25 A Yeah.

1 Q Who's listed on -- who are the people who are
2 securing this HELOC?

3 A Aly and I's -- Aly and I.

4 Q Okay. And how much is the credit limit on the HELOC?

5 A \$132.

6 Q And have you -- did you take \$5,000 off of that or
7 no?

8 A No.

9 Q So does the whole \$132 still remain there?

10 A Yes.

11 Q What is the term of this HELOC note?

12 A I think, if I remember correctly -- I mean, I can
13 read it probably. It's -- I think it's ten years interest only
14 and then you refi after that. Or no, you then have to pay
15 principals.

16 Q So you have a draw period of 10 years and a loan term
17 of 20, correct?

18 A Correct.

19 Q And when did you take this out?

20 A When we refinanced.

21 Q And can you look at the date on that? It's on the
22 first page.

23 A April 1st, 2021.

24 Q Now, what is the co-petitioner proposing regarding
25 the house?

1 A That they assume the loan and --

2 MS. MILFELD: Objection as far as --

3 THE WITNESS: Oh.

4 MS. MILFELD: -- lack of foundation, at this point.

5 THE COURT: Overruled. You can answer.

6 A In their documents they want to keep my name on the
7 mortgage and assume the loan. And take my name --

8 MS. MILFELD: Your Honor, I --

9 A -- off of it after 90 days, I think it was.

10 MS. MILFELD: Your Honor, as far -- our objection is,
11 based on his responses for a settlement communication, it's
12 unclear if he's discussing what's in the JTMC or if he's
13 talking about some other type of offer that was made.

14 MS. GOFF: Well --

15 THE COURT: I think it's appropriate that that be
16 clarified.

17 THE WITNESS: Yeah.

18 BY MS. GOFF:

19 Q What was the offer in the JTMC?

20 A Is there a reference page for me?

21 THE COURT: I mean, I can take judicial notice of the
22 JTMC.

23 MS. GOFF: Okay. Why don't we do that.

24 THE COURT: Okay.

25 MS. GOFF: That's a good idea. Thank you, Your

1 Honor.

2 BY MS. GOFF:

3 Q Are you in agreement that your name would remain on
4 the HELOC until such time as until we don't when?

5 A Correct.

6 Q Are you in agreement with that or do you think that
7 that would cause you trouble?

8 A Having my name on anything -- that anything that
9 would accumulate debt is not a good thing and keeps me from
10 being able to buy something myself.

11 Q So are you asking that your name be removed from the
12 HELOC --

13 A Yes.

14 Q -- if she were to assume it? So she would have to
15 assume it in order to get your name off of the HELOC --
16 correct -- or refinance?

17 A Refinance, yes.

18 Q Okay. Would you like your son Camryn to attend Niwot
19 High School?

20 A Absolutely.

21 Q And is it your belief that your wife and Camryn have
22 to live in the marital home in order for this to happen?

23 A No. No.

24 Q Look at Exhibit 24, page 2. And we've looked at this
25 before. I was just going to go over the payment on the house.

1 What is the total payment on the house?

2 A \$28,070.

3 Q And if there's borrowing against the HELOC, will that
4 increase the payment?

5 A It would be a separate payment, yes.

6 Q Does the home need maintenance right now?

7 A We got two appraisals for air conditioning. One said
8 it needs to be replaced, the other one said it's on its last
9 leg.

10 MS. MILFELD: Objection as far as hearsay.

11 THE COURT: Sustained.

12 THE WITNESS: It does need --

13 BY MS. GOFF:

14 Q Are there --

15 THE COURT: It's also nonresponsive.

16 THE WITNESS: Okay. Sorry.

17 BY MS. GOFF:

18 Q Are there any pressing maintenance issues on the home
19 right now?

20 A Air conditioning, heater, hot water heater, and --

21 MS. MILFELD: Objection as far as lack of foundation
22 because he's basing all this information on hearsay.

23 THE COURT: Can you lay a little foundation so I
24 know?

25 MS. GOFF: He has --

1 BY MS. GOFF:

2 Q Do you live in the marital home?

3 A Yes.

4 Q Is your air conditioning working well?

5 A No.

6 Q Do you need a new air conditioner?

7 A Yes.

8 Q Is the hot water heater working well?

9 A No.

10 Q Do you need a new hot water heater?

11 A Yes.

12 Q Could you turn to Exhibit Y? It's in their book.

13 A Yeah. Okay.

14 Q I would just -- would you please explain to Judge
15 Salomone what this document is?

16 A It's an option agreement.

17 MS. MILFELD: Your Honor, just -- I don't know if Ms.
18 Goff received this information but we do stipulate to this
19 exhibit.

20 THE COURT: I had it in my list of stipulated.

21 MS. MILFELD: And we do -- we also stipulate to the
22 disposition of this in the JTMC.

23 THE COURT: Okay. I think -- I understood that to be
24 a stipulated issue in the JTMC but I'm not sure if you want to
25 talk about it for a different reason.

1 MS. GOFF: I just wanted to point out to the Court
2 that he received the stock options and he didn't pay \$138,000
3 for them. That was my only purpose in that document. That
4 document shows \$138,000 as the value. And he received the
5 stock options because NOBO is his client and they just gave
6 them to him because he sits on the board.

7 THE COURT: Okay. So I think the only thing that I
8 understood to be stipulated was the disposition of the stock
9 options. So if there's another purpose for which you want me
10 to consider the stock options, then go ahead and ask him
11 questions about that.

12 MS. GOFF: Yeah. I think that that -- that, as long
13 as we follow the stipulation, that we're fine then. We'll just
14 forget that question for right now.

15 THE COURT: Okay.

16 MS. GOFF: Give me a moment, Your Honor. I have
17 nothing further, Your Honor.

18 THE COURT: This seems like a logical time for a
19 lunch recess. If I take until 1:15, do the parties think that
20 we're, basically on track, in terms of where you assumed that
21 we would be?

22 MS. MILFELD: Yes.

23 THE COURT: I do that too. Agree, Ms. Goff?

24 MS. GOFF: Yeah, I agree.

25 THE COURT: Okay. So let's take a recess until 1:15

1 and we'll resume with cross-examination of Mr. Bell. We're in
2 recess at this time. Thank you.

3 (Recess at 11:59 a.m., recommencing at 1:16 p.m.)

4 THE COURT: We are back on the record in the Bell
5 matter.

6 Mr. Bell, could you go back up to the witness stand
7 for me, please? I'm not going to give you a new oath. You're
8 still under the same one that I administered earlier.

9 THE WITNESS: Thank you, Your Honor.

10 THE COURT: And Ms. Milfeld, cross-examination.

11 MS. MILFELD: Thank you.

12 MS. GOFF: Your Honor, could I just ask Mr. Bell two
13 questions? The attorney fee affidavit just came in yesterday
14 and I missed it.

15 THE COURT: Is that okay with you, Ms. Milfeld?

16 MS. MILFELD: That's fine. Thank you.

17 THE COURT: Okay.

18 MS. GOFF: Thank you.

19 THE WITNESS: I forgot my glasses.

20 THE COURT: Okay.

21 MS. GOFF: Oh, here.

22 THE WITNESS: Sorry.

23 THE COURT: And feel free to get your water too, if
24 you'd like.

25 THE WITNESS: Thank you.

1 THE COURT: Or there's also water in the pitcher
2 there.

3 THE WITNESS: Thank you.

4 THE COURT: Go ahead, Ms. Goff.

5 THE WITNESS: Thanks.

6 RESUMED DIRECT EXAMINATION

7 BY MS. GOFF:

8 Q So yesterday we received an attorney fee affidavit
9 from your wife's attorney, correct?

10 A Correct.

11 Q Will you please tell the Court, what is your position
12 on paying anymore attorney fees?

13 A I do not want to pay anymore attorney fees.

14 Q Who has paid all of the attorney fees, as far as you
15 know, to date?

16 A ToolStudios paid the majority of them. And then our
17 personal Acorn account for one of our -- paid her through a
18 checking account of Aly's. That -- that's all I can tell you.
19 And then there's some money missing. Like, \$7,800; I don't
20 know how that was paid.

21 Q Okay. And then I have one more question. Could you
22 turn to Exhibit 23?

23 MS. GOFF: This doesn't have anything to do with
24 attorney fees. I forgot to ask him about this spreadsheet.

25 BY MS. GOFF:

1 Q Can you -- these are demonstrative only. Can --

2 THE COURT: I'm sorry. Which exhibit again?

3 MS. GOFF: It's 23.

4 THE COURT: Thanks.

5 BY MS. GOFF:

6 Q So can you identify these two -- this first document?

7 A Yes.

8 Q Okay. What is it?

9 A It's a spreadsheet that shows division of settlement
10 distribution or something. I think that's what it's called.

11 Q Does it show that Ms. Bell will keep the house in
12 that one?

13 A No. Wait. I'm sorry. Yes, it does.

14 Q And then on the second one, what does that show?

15 A It looks to be --

16 Q Is this the one that we would ask the Court to use if
17 you sell the house?

18 THE COURT: Ms. Goff, I'm fine with you --

19 A I don't know. I don't know.

20 THE COURT: -- arguing the --

21 THE WITNESS: Yeah.

22 MS. GOFF: Okay.

23 THE COURT: -- proposals without hearing testimony on
24 them.

25 MS. GOFF: Okay.

1 THE COURT: They're admitted as a demonstrative by
2 stipulation of the parties, so we don't have to go through this
3 with Mr. Bell.

4 MS. GOFF: Okay.

5 THE WITNESS: Okay. Thank you.

6 MS. GOFF: Thank you, Your Honor.

7 THE COURT: Ms. Milfeld, cross-examination.

8 MS. MILFELD: Thank you.

9 CROSS-EXAMINATION

10 BY MS. MILFELD:

11 Q Mr. Bell, you testified regarding health concerns
12 that you have.

13 A Yes.

14 Q Correct?

15 A Yes.

16 Q You testified that you suffer from back issues, neck
17 issues, and ADHD, correct?

18 A No, incorrect.

19 Q You testified that you suffer from ADHD?

20 A Yes. That's true, yes.

21 Q You testified that you suffer from back issues?

22 A No. I said I needed an MRI because I was -- I have
23 numbing in my feet and it's starting to grow up to my leg. And
24 the person ordered an MRI --

25 Q Okay. I'm not -- Mr. Bell --

1 A -- for neck and my head.

2 Q Okay.

3 A Neurological MRI. Neurological seeing if it's nerve
4 damage.

5 Q Mr. Bell, if you could --

6 A I'm sorry.

7 Q -- just answer the question.

8 A Okay.

9 Q You testified that you might have some neck issues
10 that you're looking into, correct?

11 A No, incorrect.

12 Q At the deposition, I asked you, on a scale of one to
13 ten, with ten being the best functioning, how you would rate
14 yourself; do you remember that?

15 A No.

16 Q Mr. Bell, you remember attending the deposition,
17 correct?

18 A Correct.

19 Q The deposition took place at Ms. Glassman's office?

20 A Correct.

21 Q I was present, right?

22 A Correct.

23 Q Your attorney was present?

24 A Correct.

25 Q There was a court reporter there?

1 A Correct. Correct.

2 Q At the deposition, you took an oath?

3 A Yes.

4 Q You agreed to tell the truth?

5 A Yes.

6 Q Please turn to Exhibit QQQ.

7 MS. GOFF: This exhibit hasn't been entered.

8 THE COURT: Are you talking to me?

9 MS. GOFF: This exhibit has not been entered. I
10 object to this exhibit.

11 THE COURT: It's impeachment. It's not being
12 entered.

13 Go ahead.

14 BY MS. MILFELD:

15 Q Please turn to page 129. That is the page that would
16 appear on the top corner. Mr. Bell, are you there?

17 A Yeah.

18 Q I'm sorry. Are you there?

19 A Yes. Yes.

20 Q Line 25:

21 "Q: On a scale of one to ten, with ten being the
22 best functioning, how would you rate yourself today?

23 "A: Ten."

24 Mr. Bell, you also testified at the deposition that
25 you were working diligently to make sure that you were living

1 your best life, correct?

2 A Can you ask the question again, please?

3 Q You testified at the deposition that you were working
4 on diligently to make sure that you were living your best life,
5 correct?

6 A Where's that on here? Sorry.

7 Q Please turn to page 128, lines 20 through 24. "And
8 it's been something we've been working on diligently to make
9 sure that I'm living my best life. And you know, what they
10 would say and what I say is the diagnosis that I've
11 (indiscernible) agree was life changing and the treatment was
12 life changing for me." You said that, correct.

13 A Correct.

14 Q When you were referring to the diagnosis and
15 treatment being life changing, you were referring to your ADHD?

16 A Correct.

17 Q You then testified that you had never felt better --

18 A Correct.

19 Q -- physically or mentally. And that you were going
20 on 150 days of three miles a day and that you are running now?

21 A Correct.

22 Q This deposition was a little bit more than two months
23 ago, correct.

24 A Correct.

25 Q That was in July?

1 A Correct.

2 Q We're now in August.

3 A Correct.

4 Q So a little bit more than two months ago you said
5 that you were feeling better than you've ever felt before?

6 A Yeah.

7 Q In 2001 you incorporated ToolStudios as an LLC,
8 correct?

9 A Well, go ahead.

10 Q In 2001 you incorporated ToolStudios as an LLC?

11 A We started our company in 2001. I don't know when we
12 incorporated.

13 Q When you incorporated ToolStudios you owned 90
14 percent of the company?

15 A Correct.

16 Q Your mother owned ten percent of the company?

17 A Correct.

18 Q In 2021 you bought your mom's shares?

19 A Correct.

20 Q In 2021 you became the 100 percent shareholder of
21 ToolStudios?

22 A Correct.

23 Q You were the only owner of ToolStudios?

24 A Correct. Correct.

25 Q In the JTMC you stated that ToolStudios was a

1 partnership, correct?

2 A I said it was always considered a partnership between
3 me and my wife. Yes, I said that.

4 Q You referred to Ms. Bell as a partner, right?

5 A Correct.

6 Q When you founded ToolStudios, you did not incorporate
7 it as a partnership?

8 A Correct.

9 Q You and Ms. Bell do not have a partnership agreement?

10 A Correct.

11 Q Ms. Bell is not a named partner, right?

12 A Correct.

13 Q Ms. Bell is not a named shareholder?

14 A Correct.

15 Q Ms. Bell does not receive a K-1?

16 A I don't know what that is.

17 Q You, as the owner of ToolStudios, determine your own
18 schedule, right?

19 A Correct.

20 Q You determine what clients to take?

21 A I determine what clients I take, yes.

22 Q You determine the scope of your clients' projects?

23 A No.

24 Q You determine what work you'll do on the project,
25 correct?

1 A Yes, correct.

2 Q You do all the creative work for ToolStudios?

3 A Incorrect.

4 Q You are the creative director?

5 A Correct.

6 Q You make all the business decisions for ToolStudios?

7 A No.

8 Q Please turn to Exhibit QQQ, page 19.

9 "Question: Who makes the business decisions in
10 your company?

11 "Answer: I do."

12 A Which line is that, please?

13 Q Page 19 --

14 A I'm looking.

15 Q -- lines 2 to 3.

16 "Question: Who makes the business decisions in
17 your company?

18 "Answer: I do."

19 Mr. Bell, you make the decisions, the business
20 decisions, in your company, correct?

21 A Can you be more specific about which decisions?

22 Q You make business decisions in your company, correct?

23 A I do make business decisions in my company.

24 Q You make the business decisions in your company?

25 A I make business decisions in my company.

1 Q ToolStudios has been in business for 21 years,
2 correct?

3 A Correct.

4 Q In 21 years, you've obtained six to seven big
5 clients?

6 A I'm not sure what a "big client" is to you.

7 Q Turn to Exhibit QQQ.

8 A Uh-huh.

9 Q We're on page 78. We're on lines 17 through 21.

10 "Question: Do you expect to get more clients
11 like Telerx?

12 "You know, like I said, if I look at my career,
13 21 years, I've gotten maybe six or seven clients like
14 that, so I can't say I predict that one."

15 You'd agree that Telerx is a big client, correct?

16 A It's a big project.

17 Q Look at QQQ, page 78.

18 A Which page?

19 Q 78, lines 14 through 16.

20 "Would you consider Telerx to be a bigger client?

21 "Answer: Oh, I would say they're probably the top
22 ten clients of my career."

23 A Correct.

24 Q When you were then asked if you expected to get more
25 clients like Telerx, you said you've gotten six or seven

1 clients like Telerx in your career, correct?

2 A Correct.

3 Q You obtained Trulieve in 2018?

4 A Correct.

5 Q A lot of the business you did for Trulieve was in
6 2020, correct? A lot of the work that you did for Trulieve --

7 A Yeah.

8 Q -- was in 2020?

9 A Correct.

10 Q You obtained Telerx this year, correct?

11 A Correct.

12 Q In the past three years, you've had two big clients,
13 right? You had Trulieve in 2020. You have Telerx in 2023?

14 A I'm still confused by "big". Trulieve and Telerx are
15 not the same, but I would consider them big projects.

16 Q So in the past three years, you've had clients that
17 have given you two big projects, correct?

18 A Correct.

19 Q You normally do not take retainers for your projects,
20 correct?

21 A Big projects, I always take retainers.

22 Q When you take retainers, the normal amount that you
23 take is around \$4,000, right?

24 A Big projects I take between 25 and 50,000.

25 Q Exhibit QQQ, page 78 --

1 A Uh-huh.

2 Q -- lines 11 through 13.

3 A Which page?

4 Q Page 78, lines 11 through 13.

5 "Question: Is \$50,000 a normal retainer amount?

6 "Answer: No, no. 4,000 is typical, when I've
7 done it in the past, but I don't do retainers. Very
8 rarely."

9 You took a large retainer for Telerox, correct?

10 A For a large project, correct.

11 Q You took a \$50,000 retainer?

12 A Large project, correct.

13 Q The question was, you took a \$50,000 retainer? Yes
14 or no?

15 A Yes.

16 Q \$50,000 is a larger retainer than what you typically
17 take?

18 A On large projects, no.

19 Q \$50,000 retainer is larger than the retainer you
20 typically take. Yes or no?

21 A Can I ask for clarification again about retainers in
22 large project versus --

23 Q Mr. Bell, the question is, \$50,000 is not a normal
24 retainer amount, correct?

25 A For all projects?

1 Q The question is just, is \$50,000 a normal retainer
2 amount at your company?

3 A Okay. No, it's not.

4 Q As you said in your deposition, \$4,000 is the typical
5 amount, correct?

6 A It's all based on percentages of the project.

7 Q You would agree that, when you attended the
8 deposition, you stated that 4,000 is typical, when you've taken
9 a retainer, and you didn't quantify that in any way, correct?

10 A No.

11 Q When you work on a project for a client, you
12 typically assemble a team, correct?

13 A Yeah, correct.

14 Q The team size varies depending on the scope of the
15 project?

16 A Correct.

17 Q A smaller project might involve just you?

18 A No.

19 Q The team size for a project could range from you, as
20 1 person, to 14 people, correct?

21 A 2 to 14.

22 Q For the Trulieve project, you assembled 14 people on
23 three continents, correct?

24 A Incorrect.

25 Q Exhibit QQQ, page 63, lines 22 through 23.

1 A Which page?

2 Q Page 63, lines 21 through 23.

3 A 63. Hold on.

4 Q "So that's how I run my company. Very much like
5 attorneys. But I have several attorneys working for
6 me when things go really go like Trulieve. Why we
7 made so much money is I had, I think, 14 people
8 working on three continents."

9 You stated that, correct?

10 A 14 people working, not working for me.

11 Q There were 14 people working for the Trulieve
12 project, correct?

13 A I don't know how many people were working on it.

14 Q You said, I. "I had 14 people working on three
15 continents." That's what you said, correct?

16 A I might've said that. Yes.

17 Q Well, you didn't might've said that. You can read
18 on --

19 A Again --

20 Q -- page 63 that -- Mr. Bell, hold on. On page 63,
21 you agree with me that you said, "I had, I think, 14 people
22 working on three continents", correct?

23 A I had 14 people working on three continents.

24 Q Mr. Bell, I'm just asking you to --

25 A I'm trying to -- my brain doesn't do well in these

1 adversarial things. I don't -- I'm trying to calculate, and I
2 get confused, so I'm sorry.

3 Q Mr. Bell, I'm not asking you --

4 A I understand.

5 Q -- to do any -- Mr. Bell, look at me. I'm not asking
6 you to do any calculations.

7 A I --

8 Q I'm asking you whether you said, on this piece of
9 paper, I had 14 people working on three continents?

10 A On this piece of paper, that's what it says, yes.

11 Q Because that's what you said at the deposition,
12 correct?

13 A I guess I said that, yes.

14 Q You talked about the team size. Turn to page 77,
15 please.

16 A Okay.

17 Q Line 17.

18 MS. GOFF: Your Honor, in order for her to impeach
19 the witness, she has to ask the question, and then when he
20 doesn't answer it right, she can use this document.

21 MS. MILFELD: He said that there was never one person
22 just working on a team, and that's to impeach that statement.

23 THE COURT: The foundation has been laid. You can
24 ask the question.

25 A All right. What's the question, please?

1 BY MS. MILFELD:

2 Q Page 77. We're looking at lines 17 through 22.

3 "Question: For work that you do, is it typical
4 that you assemble a team for a project?

5 "Answer: Uh-huh.

6 "Question: Is that a yes for the --

7 "Answer: Yes. I'm sorry. Yes, yes. Is a team
8 of one sometimes or a team of five."

9 A Which line are we on, 77?

10 Q Page 77.

11 A Okay. Line? Which line?

12 THE COURT: 17 through 22.

13 MS. MILFELD: 17 through 22. Thank you.

14 A When I said that I was referring to --

15 BY MS. MILFELD:

16 Q So Mr. Bell, I'm not asking what you're referring to.
17 I'm just asking if you said that.

18 A I said it there.

19 Q Mr. Bell, you assembled a team of five for the Telerx
20 project, correct?

21 A Five. Five.

22 Q One of the team members for Telerx also used offshore
23 employees, correct? It's a yes or no question, Mr. Bell.

24 A I don't know for sure. I might've said yes, so I'll
25 say yes.

1 Q The way that you obtain clients for your company is
2 through referrals?

3 A Yes.

4 Q You received Trulieve and Telerx from the same
5 referral?

6 A Yes.

7 Q You do not market? You do not advertise?

8 A SEO work I do. That's our marketing.

9 Q You do not pursue clients, correct?

10 A I pursue clients. I mean, word of mouth is the
11 biggest, if that's what you're asking, but I have a website,
12 and that gets tracked.

13 Q Mr. Bell --

14 A Sorry.

15 Q -- you do not go out and pursue clients, correct?

16 A No.

17 Q You have not had to pursue clients, correct?

18 A No.

19 Q ToolStudios pays for some of your personal expenses?

20 A Yes.

21 Q ToolStudios pays for some of your gas?

22 A Yes.

23 Q Pays for of your health insurance?

24 A Yep.

25 Q ToolStudios pays for some of your therapy?

1 A Yep.

2 Q Pays for some of your legal fees, correct?

3 A Yes.

4 Q ToolStudios also pays for some of Ms. Bell's
5 expenses, correct?

6 A Yeah.

7 Q ToolStudios pays for Ms. Bell's rental?

8 A Yeah.

9 Q ToolStudios pays for Ms. Bell's living expenses?

10 A Yeah.

11 Q ToolStudios pays for Ms. Bell's legal fees, or some
12 of them, correct?

13 A Correct.

14 Q There are personal expenses unique to this divorce,
15 correct?

16 A Correct.

17 Q Attorney fees are new expenses that you're incurring?

18 A Correct.

19 Q Additional therapeutic services are new expenses?

20 A Correct.

21 Q Ms. Bell's separate living costs are new expenses?

22 A Correct.

23 Q These new personal expenses have been significant,
24 right?

25 A Correct.

1 Q Spending has increased since the divorce?

2 A Correct.

3 Q More money has been going out than before?

4 A Correct.

5 Q These personal expenses will stop after the divorce,
6 right?

7 A Correct.

8 Q And if you could just wait until I finish the
9 question for --

10 A I'm sorry.

11 Q -- the record.

12 A I'm sorry.

13 Q For example, you're not going to have to pay for a
14 second rental or second home for Ms. Bell --

15 A Correct.

16 Q -- right?

17 A Correct.

18 Q Therapeutic expenses will decrease?

19 A Can you clarify whose therapeutic expenses will go
20 down?

21 Q Let me ask you a different question.

22 A Okay. Thank you.

23 Q Legal fees will stop after the divorce?

24 A Correct.

25 Q There are new significant expenses unique to this

1 divorce that are not recurring?

2 A Correct.

3 Q Before the divorce, you carried less debt?

4 A Correct.

5 Q You applied for a loan on January 5th, 2021, which is
6 Exhibit N?

7 A In January? Which page?

8 Q Exhibit N is the residential loan application.
9 That's when you applied for a loan, correct?

10 A Of what year? I'm sorry. I thought you said this
11 year.

12 Q January 5th of 2021 --

13 A Oh, okay.

14 Q -- you applied for a loan, which is Exhibit N,
15 correct?

16 A Correct.

17 Q In this loan application, you listed your debt?

18 A Correct.

19 Q You disclosed all of the debt that you had at the
20 time, right?

21 A I am looking for the debt part. Sorry. If I can
22 have a minute.

23 I would assume it's all the debt. I didn't fill that
24 out, but I'll still say yes because I signed it.

25 Q Before the divorce, you made payments towards your

1 credit cards each month, right?

2 A Correct.

3 Q You testified that you believe your income is \$98,500
4 or \$8,208 a month, correct?

5 A Correct.

6 Q You are basing your income on the W-2 salary that
7 ToolStudios pays you, right?

8 You are basing -- let me ask you this way. You are
9 basing your income on what your paycheck is, right?

10 A I'm saying that's part of it.

11 Q Well, you've said that your income is \$98,500, right?

12 A Yes. That's my -- on my W-2. That's the, I guess,
13 paycheck. That's my paycheck. Yes, correct. Sorry.

14 Q You believe that you've always paid yourself the same
15 amount, right?

16 A Not always.

17 Q Exhibit QQQ --

18 A Uh-huh.

19 Q -- page 69.

20 A All right.

21 Q We're on lines 15 through 16.

22 A Which -- which page?

23 Q We're on page 69.

24 A Of Q what?

25 Q We're on Exhibit --

1 A QQQ?

2 Q -- QQQ.

3 A All right. Thank you. Hold on.

4 Which page?

5 Q We're on page 69.

6 A Okay.

7 Q We're on line 15 through 16. "I have never -- my
8 paycheck has always been 98.5, right? That's always been my
9 paycheck. That's what's on my W-2."

10 You said that, correct?

11 A Yeah. That wasn't a true statement.

12 Q So Mr. -- oh. Mr. Bell, are you saying that you
13 didn't make true statements at your deposition?

14 A I was referencing, I guess, just a couple of years,
15 when always was --

16 Q So Mr. --

17 A Okay. I'm sorry.

18 Q Mr. Bell, the question was, are you saying you
19 weren't truthful at your deposition?

20 A No. I'm saying I was confused by the question.

21 Q Mr. Bell, you'd agree with me that you said, "My
22 paycheck has always been 98.5, right?"

23 A I said it, but --

24 Q Thank you.

25 Turn to Exhibit HH, please. Page 2. Do you see the

1 line under "expenses" that says "officer's compensation"?

2 Are you there, Mr. Bell?

3 A I'm trying to find it.

4 Q It's the black bold "expenses" with an underline.

5 A Wait. We're on page HH. Which page? 2?

6 Q Page 2.

7 A Officer's compensation?

8 Q Do you see how under 2018 the compensation to
9 officers was \$76,337, correct?

10 A Correct.

11 Q In 2021 the compensation was \$127,277, correct?

12 A That's what it says, yeah.

13 Q You're the only officer of your company, ToolStudios,
14 correct?

15 A Can you define "officer"?

16 Q You're the 100 percent shareholder of ToolStudios,
17 correct?

18 A Yeah. Correct.

19 Q You filed your sworn financial statement, your first
20 one, on January 19th of this year, correct? Yes?

21 A What was the date?

22 Q You filed a sworn financial statement on January
23 19th, 2023, correct?

24 A Okay. Correct.

25 Q Turn to Exhibit H. On your sworn financial

1 statement, you listed your annual salary of \$94,814.50,
2 correct?

3 A Which page?

4 Q Page 1. "My pay is based on an annual salary of
5 \$94,814.50", correct?

6 A Yeah, correct.

7 Q Going down, you listed your annual gross income for
8 tax year 2021 as \$127,276.77, correct?

9 A I don't remember these, doing this, but correct, I
10 guess. It's what it says here. Yeah. So correct.

11 Q Turn to Exhibit N.

12 A Okay. Correct.

13 Q Looking at Exhibit N, first page, under "borrower",
14 you list the borrower's name as "Charles R. Bell", correct?

15 A Correct.

16 Q Turn to page 2. Under "borrower", you listed your
17 monthly income as \$13,414.32, correct?

18 A Incorrect.

19 Q On this page, the borrower base employee income is
20 listed as \$13,414.32. Mr. Bell, I'm asking whether that's --

21 A I understand what you're asking. I just didn't do
22 this document, so.

23 Q I'm just asking you --

24 A Again, that's what it says, yes. Correct.

25 Q Turn to page 1. Under "borrower information", the

1 coborrower is listed as Alyson V. Bell, correct?

2 A Correct.

3 Q Turn to page 2.

4 A Correct.

5 Q Under "coborrower base employee income", that section
6 is left blank, correct?

7 A Correct.

8 Q You signed this loan application, correct?

9 A Correct.

10 Q Now, at the deposition, we talked about your income,
11 and you said that you and Ms. Bell had never paid yourselves
12 more than \$133,500 and that you were living off of that amount,
13 correct?

14 A Correct.

15 Q You agree, Mr. Bell, that you are self-employed,
16 correct?

17 A Correct.

18 Q You own your own business?

19 A Correct.

20 Q Your opinion that your income is \$98,500 is not based
21 on your business gross receipts, right?

22 A It's based on what my wife told me.

23 Q So Mr. Bell, the question is, your opinion that your
24 income is \$98,500 is not based on your business gross receipts,
25 correct?

1 A Ask the question again, please.

2 Q Your opinion that your income is \$98,500 is not based
3 on your business gross receipts, correct?

4 A Correct.

5 Q Your business is an S corporation?

6 A Can you explain an S corp versus an LLC?

7 Q At year end, what is left in your business account
8 becomes part of your income, correct?

9 A I don't know.

10 Q Your business money gets taxed as part of your
11 personal income, correct?

12 A I think that's correct.

13 Q We talked about the variability of your own income,
14 and that's also true about your business revenues, correct?

15 A Correct.

16 Q Your business does not earn the same amount each
17 year?

18 A Correct.

19 Q For example, in 2018 your total revenues were
20 \$663,948?

21 A Correct.

22 Q In 2022 your total revenues were \$501,558, correct?

23 A Say that again, please.

24 Q In 2022 your total revenues were \$501,558?

25 A Can you give me a reference, please?

1 Q Turn to GG, page 24.

2 A Okay.

3 Q In 2022, under "total revenues," which is the first
4 line --

5 A Yes.

6 Q -- was \$501,558, correct?

7 A Correct. That's what it says. Yeah.

8 Q You provided an opinion of the value of your
9 business, Mr. Bell, correct?

10 A Correct.

11 Q Your opinion that your business is \$150,000 is lower
12 than both Mr. Freedberg and Mr. Harkness' opinions, correct?

13 A Correct.

14 Q You don't value businesses for a living, right?

15 A Correct.

16 Q You testified that your business lost a certain
17 amount of money in 2021 and 2022, correct?

18 A Correct.

19 Q Turn to Exhibit 15, please.

20 A What page?

21 Q We're on Exhibit 15.

22 A Exhibit --

23 Q Page 1.

24 A What section? I have BB, CC, DD.

25 Q Page 15, Schedule 4, which is the fourth page.

1 A Which section? I have A, B, C, D, E, F, G. Are we
2 looking in my book?

3 Q So we're under Exhibit Number 15, which is in your
4 exhibit book.

5 A Okay. Thank you. Okay.

6 Q You testified that in 2021 your business experienced
7 a loss of \$46,381, correct?

8 A Which year?

9 Q Do you remember that?

10 A Which year?

11 Q 2021.

12 A I don't see it on this page of loss.

13 Q In 2021, it's the first line, "ordinary income",
14 \$46,381.

15 A Oh, wait. I think I'm on the wrong page. Exhibit
16 14, you said? Which page? I'm in --

17 Q We're on Exhibit 15.

18 A I'm in 15, page 15. What's the next thing?

19 Q Okay. I want you to listen carefully. Exhibit 15.
20 Are you in Exhibit 15?

21 A I think so. Yes.

22 Q Schedule 4, which is at the bottom of the page.

23 A Got it.

24 Q Under "ordinary income", under 2021, \$46,381 is in
25 parentheses. Do you see that?

1 A Correct. Yes, I do. I see that.

2 Q Parentheses means a loss, right?

3 A Correct.

4 Q Go down to the bold line that starts with, "After-tax
5 net income loss". Do you see that?

6 A After?

7 Q It says, "After tax net income (loss)."

8 A After, after.

9 THE COURT: You can approach and assist, if you need
10 to.

11 MS. MILFELD: Thank you.

12 A No, it's all right. After -- I'm just -- we're on
13 Schedule 4, right?

14 BY MS. MILFELD:

15 Q Yes.

16 A Okay. And I see calculations of adjusted net income.

17 MS. MILFELD: May I approach, please?

18 A Is that real --

19 THE COURT: Yes, please.

20 A After --

21 BY MS. MILFELD:

22 Q So Mr. Bell --

23 A Uh-huh.

24 Q -- excuse me.

25 A Sure.

1 Q After tax net income loss.

2 A Okay. I'm sorry. I'm sorry about that.

3 Q Go over to line 21.

4 A Yep.

5 Q It says \$18,507, correct?

6 A Correct.

7 Q Looking at 2022, just to the right of that is \$6,213,
8 correct?

9 A Correct.

10 Q That is the actual loss because that's the net
11 income, correct?

12 A I don't know.

13 Q Mr. Bell, you have three children, correct?

14 A Correct.

15 Q You have an adult child, Dustin (phonetic), from a
16 previous marriage?

17 A Correct.

18 Q You have an adult child with Ms. Bell, Julian, who's
19 19?

20 A 20 today.

21 Q You and Ms. Bell also share a minor child, Camryn,
22 who's 13?

23 A Correct.

24 Q During your marriage, Ms. Bell took care of the
25 household?

1 A Correct.

2 Q She did the shopping for the house?

3 A Correct.

4 Q She prepared meals?

5 A Correct.

6 Q She took the children to and from school?

7 A Correct.

8 Q She handled the children's appointments?

9 A Correct.

10 Q Your son, Dustin, moved in with you from ages 11
11 through 18?

12 A Correct.

13 Q Ms. Bell also helped raise Dustin, correct?

14 A Correct.

15 Q Ms. Bell took care of all of your children?

16 A Correct.

17 Q She has always been the primary caretaker?

18 A Correct.

19 Q Ms. Bell's role, as the primary caretaker, allowed
20 you to do your job, right?

21 A Absolutely. Correct.

22 Q Her role allowed you to focus on your business,
23 right?

24 A Yep. Correct.

25 Q Her role allowed you to grow your business, correct?

1 A Correct.

2 Q Her role allowed you to earn money for the household?

3 A Correct.

4 Q Before you got married, Ms. Bell worked full time?

5 A Correct.

6 Q Ms. Bell started working less when you had your first
7 child?

8 A For Tool? Yeah. Sorry.

9 Q Ms. Bell just started working less when you had your
10 first child, correct?

11 A Working less for Tool? I think that's correct.

12 Q She started working less to help take care of the
13 household, right?

14 A Uh-huh. Correct.

15 Q She started working less to help take care of the
16 children?

17 A Correct.

18 Q Ms. Bell worked as a bookkeeper for ToolStudios?

19 A Correct.

20 Q Her bookkeeping job at ToolStudios was a part-time
21 position?

22 A Correct.

23 Q She also worked two other jobs recently, Rebecca
24 Folsom and Left Hand Courier, correct?

25 A Correct.

1 Q These jobs were all part-time positions?

2 A Correct.

3 Q She worked 20 hours a week between these three jobs?

4 A I don't know.

5 Q Exhibit QQQ.

6 A Uh-huh. Okay.

7 Q Turn to page 89. We're on lines 7 through 10.

8 A Oh, wait. Sorry. Page -- oh, I'm on -- I see QQQ,
9 page 86, and then it goes to R.

10 MS. MILFELD: May I approach, please?

11 THE COURT: Yes.

12 BY MS. MILFELD:

13 Q So the bottom, it's page 24.

14 A Oh, okay. Thank you. I got it. Okay.

15 Q Okay. We're on line 7.

16 A Okay. Thank you.

17 Q When you were asked about how much Ms. Bell was
18 working, you said, "So my best guesstimate that Aly was working
19 with everything maybe 20 hours a week between Tool and Rebecca
20 Folsom averaging is my guess."

21 A So what's your question?

22 Q You said that, correct?

23 A Correct.

24 Q During this divorce process, you and Ms. Bell have
25 discussed what to do with the marital home, correct?

1 A The home, I don't think we've discussed what to do
2 with the marital home, but maybe I'm just not understanding the
3 question.

4 Q You discussed who should get the marital home in the
5 divorce, correct?

6 A I've never discussed it.

7 Q Turn to Exhibit -- well, let me ask you --

8 A Yeah.

9 Q -- this.

10 A Yeah.

11 Q You've told Ms. Bell that you want her and Camryn to
12 stay in the marital home, correct?

13 A I never said that. I --

14 Q So Mr. Bell --

15 A Okay.

16 Q Mr. Bell --

17 A I've already explained this. Okay.

18 Q Your attorney can ask you questions --

19 A Yeah.

20 Q -- later.

21 A No, that's all right. I'm sorry. Go ahead.

22 Q So let's turn to Exhibit --

23 A Yes, I have. Yes.

24 Q You've told Ms. Bell that she needs to be in the
25 house with Camryn, right?

1 A Yep. I said that in a -- somewhere. Email.

2 Q You said that in an email to Ms. Bell, correct?

3 A Correct.

4 Q You've also told Ms. Bell that she and Camryn being
5 in the home is the right thing for Camryn, correct?

6 A Yeah. Correct.

7 Q The marital home is in the Niwot school district?

8 A Correct.

9 Q Your son Camryn just started attending Niwot High
10 School?

11 A Correct.

12 Q You think that it is very important for Camryn to
13 attend Niwot High?

14 A Correct.

15 Q You have told Ms. Bell that you want Camryn to finish
16 school in the marital home?

17 A Correct.

18 Q You'd agree that your son Camryn has undergone
19 difficult challenges over the past few years?

20 A Correct.

21 Q Camryn has been going through a gender transition?

22 A Correct.

23 Q Camryn is now dealing with this divorce?

24 A Correct.

25 Q You and Camryn have had disagreements about you

1 remaining in the marital home? Yes or no, Mr. Bell?

2 A No.

3 Q You're saying you have not had disagreements about
4 you being in the marital home?

5 A Yeah. "Disagreements" means one feels this way and
6 one feels that way. That's -- no.

7 Q So your testimony today is that you and your son,
8 Camryn, have not had a disagreement about you staying in the
9 marital home?

10 A I'm --

11 MS. GOFF: Asked and answered. He said, no.

12 THE COURT: Sustained.

13 BY MS. MILFELD:

14 Q You'd agree that stability is important for Camryn
15 right now?

16 A Of course. Yes.

17 Q On January 19th -- and we talked about this a little
18 bit earlier -- you filed your sworn financial statement?

19 A Yes.

20 Q In your sworn financial statement, you listed your
21 debts, correct?

22 A Which?

23 Q Turn to Exhibit H. Are you on Exhibit H?

24 A Where?

25 Q Turn to page 6.

1 A Okay.

2 Q Under your debts, you listed your Bank of America
3 business credit card as a debt, correct?

4 A Unsecured debts. All right. Ask the question again.

5 Q Under unsecured debts --

6 A Yep. Okay.

7 Q -- you listed the card BOFA business, correct?

8 A Yep. Correct.

9 Q You also listed, two lines below that, RLET
10 Properties Niwot as a debt?

11 A Yep.

12 Q You also listed the Subaru as a debt?

13 A Correct.

14 Q The Bank of America business and RLET Properties,
15 those are business debts, correct? We're on the same page.

16 A Yeah. No. Yes, that's correct.

17 Q The Subaru debt, that's actually being paid for by
18 your sister, correct?

19 A It's my debt. It's my name on the car.

20 Q I'm not asking whether it's your debt or your name on
21 the car. But your sister is paying that debt, correct?

22 A Yeah. Yes. She makes the payments.

23 Q Turn to Exhibit G, which is your updated sworn
24 financial statement.

25 A Where am I looking? Sorry.

1 Q We're on Exhibit G. Turn to page 3. Under page 3,
2 under F, children expenses, you listed tuition, Julian's rent,
3 as \$1,000, correct?

4 A Hold on a second.

5 Okay. Tell me where to go.

6 Q Mr. Bell, we're under F, children's expenses and
7 activities.

8 A Okay.

9 Q You listed the tuition and Julian's rent as \$1,000?

10 A You said F, right?

11 Q Exhibit G, as in George.

12 A Okay. All right.

13 Q Page 3.

14 A I got it. Thank you.

15 Q You listed the tuition and Julian's rent as \$1,000?

16 A Yes.

17 Q You're not currently paying for that, correct?

18 A Correct. Well --

19 Q Julian does not live with you currently, right?

20 A Correct.

21 Q Julian's tuition and rent is currently paid by his
22 529 account and student loans, right?

23 A I don't know about student loans, but 529, yes.

24 Q Turning to page 4 of the same exhibit, you listed the
25 Chase, Inc. business card as a debt, correct?

1 A Correct.

2 Q You also listed the Bank of America business card as
3 a debt?

4 A Correct.

5 Q Those are business debts, right?

6 A My debts, but yeah, okay. Yeah.

7 Q Mr. Bell, this case was filed in December?

8 A Fuck. Sorry.

9 Yeah. Correct. Correct.

10 Q Since December you have used four different law
11 firms, right?

12 A Incorrect.

13 Q You've used Jorgensen, Brownwell & Pepin --

14 A Oh --

15 Q -- correct?

16 A No. Four, correct. Sorry.

17 Q You've used five different attorneys, correct?

18 A Correct.

19 Q Your first attorney was Ms. Fournier at Jorgensen?

20 A Correct.

21 Q Your second attorney was Ms. Pierce at Gaddis Lyons?

22 A They worked as a team, but correct.

23 Q You actually asked Ms. Pierce --

24 A Correct, yeah. You're right. You're correct.

25 Q -- to step aside, and then you wanted Mr. Gaddis?

1 A Incorrect.

2 Q Mr. Gaddis stepped in on the case after Ms. Pierce
3 had entered, correct?

4 A Correct.

5 Q Your fourth attorney was a consultant at the Harris
6 Law Firm?

7 A Correct.

8 Q Your fifth attorney is Ms. Goff?

9 A Correct.

10 Q You have received discounts on some of the attorney's
11 services --

12 A Incorrect.

13 Q -- correct? If you could let me finish my question,
14 please.

15 Mr. Gaddis tore up your last bill of \$15,000?

16 A Incorrect.

17 Q Turn to Exhibit QQQ.

18 A It was 12,000. If I said 15, I apologize.

19 Q So Mr. Bell, there wasn't a question. If you could
20 wait for a question --

21 A Sorry.

22 Q -- and then you can answer.

23 A Okay. Sorry.

24 Q So page 52, which is at the bottom.

25 A Okay.



1 Q And then transcript page 204, line 13. What
2 source -- and this is in the discussion of attorney's fees.

3 "Answer: Because Gaddis refunded me or tore up their
4 final bill, 15,000 or something and change bill."

5 A Yes.

6 Q That's what you said, correct?

7 A Correct.

8 Q Ms. Goff works primarily on trade, correct?

9 A Incorrect.

10 Q You are helping Ms. Goff with her website?

11 A Incorrect.

12 Q You told Ms. Bell that Ms. Goff is working on your
13 case partially in exchange for a new website?

14 A Incorrect.

15 Q You have spent \$34,000 in attorney fees. Turn to
16 Exhibit triple --

17 A Yeah. No, I -- correct, but I --

18 Q Hold on, Mr. Bell.

19 A Correct.

20 Q The Gaddis bill that was torn up, that would've
21 increased your fees to 49,000, correct?

22 A Correct.

23 Q You also recently put \$5,000 for Ms. Goff on a credit
24 card?

25 A Can you give me a reference again so I can get these

1 numbers right for you?

2 Q The question is --

3 A Uh-huh.

4 Q -- Mr. Bell, and I'm not asking you to look at an
5 exhibit.

6 A Oh, I thought you did before.

7 Q The question is, you put \$5,000 recently on a credit
8 card for Ms. Goff's fees?

9 A Correct.

10 Q Now, in July Ms. Bell told you that she needed money
11 to pay bills, correct?

12 A Incorrect.

13 Q You had a discussion with Ms. Bell about whether she
14 should use her Acorn account, correct?

15 A Correct.

16 Q You told her, in a TalkingParents message --

17 A Uh-huh.

18 Q -- that you have \$13,000 in Acorn and my IRA and
19 yours?

20 A Correct.

21 Q And you told her that you could take it out of the
22 Acorn, right?

23 A Take it out of the --

24 Q That she could take money out of the Acorn?

25 A Correct.

1 Q You told her that you would transfer the IRA money?

2 A Correct. Correct.

3 Q You didn't actually transfer the IRA?

4 A Correct.

5 Q The money that you put for \$5,000 towards Ms. Goff,
6 that was on a business credit card, correct?

7 A Correct.

8 Q After the filing of divorce, you initially agreed
9 that Ms. Bell and Camryn would stay in the marital home and you
10 would move out, right?

11 A Incorrect.

12 Q You found a condo to rent, correct?

13 A After the divorce is how you said that. Sorry. Ask
14 your question again, please.

15 Q After the filing of the divorce --

16 A Filing.

17 Q -- paperwork, you agreed that Ms. Bell and Camryn
18 would stay in the marital home and that you would move out,
19 correct?

20 A Correct.

21 Q You found a condo to rent?

22 A Incorrect.

23 Q You found a place to rent or an Airbnb?

24 A Aly found it.

25 Q You moved out into that place?

1 A Incorrect.

2 Q You stayed at that place for one night, correct?

3 A Incorrect. Well, I moved out to a friend's house.

4 Okay.

5 Q You moved out because you and Ms. Bell agreed that
6 you would move out, correct?

7 A Correct. Correct.

8 Q You then came back to the marital home, right, after
9 staying at your friend's house or the place that --

10 A Yeah.

11 Q -- Ms. Bell had found, right?

12 A I came back to the house, yeah. Correct.

13 Q Ms. Bell asked you to leave so that she and Camryn
14 could stay in the marital home, correct?

15 A It's hard for me to -- yes, no answers, so I'm trying
16 really hard to. Ask your question again, please.

17 Q When you came back to the marital home, Ms. Bell
18 asked you to leave?

19 A I don't remember.

20 Q Ms. Bell and Camryn ultimately moved out into the
21 cottage, right?

22 A Correct.

23 Q Throughout the divorce proceedings, you have told Ms.
24 Bell different things about what you would like to see happen
25 with the marital home in this divorce?

1 A Correct.

2 Q As you testified earlier under direct examination,
3 there have been many offers, right?

4 A Correct.

5 Q In January of this year, you asked Ms. Bell if she
6 wanted the house?

7 A Ask the question again, please.

8 Q In January of this year, you asked Ms. Bell if she
9 wanted the house?

10 A If she wanted the house. Do you have a reference?

11 Q Turn to Exhibit GGG, as in three Georges. We are on
12 page 1, first line. This is a message from you, correct? Do
13 you see your name, Charles Bell, at the top?

14 A Yeah.

15 Q Is that a yes?

16 A Yeah. That's correct.

17 Q Then you say, "Do you want the house?"

18 A Correct.

19 Q Then, in February of this year, you told Ms. Bell
20 that you wanted to figure out a way for her to stay in the
21 home, correct?

22 A Can you have -- do you have a reference?

23 Q Turn to page 6 of that same exhibit. You stated, on
24 the second line --

25 A Yeah.

1 Q -- or second paragraph, "Is there any scenario you
2 can come up with that will allow us to keep the house with you
3 living here? I think we can agree Camryn in a home for the
4 next four years makes sense." You said that, correct?

5 A In a home. In a home. Correct.

6 Q Well, in the previous sentence, you said -- you're
7 talking about a situation that will allow her to live in the
8 house, correct?

9 A Correct.

10 Q You only own one house, and that's on Timothy Place?

11 A Correct?

12 Q On February 27th, so just a few days after that, you
13 told Ms. Bell that you were preparing to sell the house,
14 correct?

15 A Preparing to sell the house. I was fixing the house.
16 Yeah, correct. Correct. Yeah.

17 Q Then, in mid-April, you went back to what you said,
18 and you told Ms. Bell that you were open to her keeping the
19 house, correct?

20 A Correct.

21 Q We've talked about the deposition that you attended?

22 A Correct.

23 Q At the deposition, I asked you, in the order of
24 priority, what would you like to see happen to the house. Do
25 you remember that?

1 A If you can just read it to me. All right. Tell me
2 where to go.

3 Q Do you remember testifying at the deposition that you
4 wanted to keep the house? That was your number one choice?

5 A Correct. Yeah.

6 Q You did, in fact, when you told Ms. Bell that you
7 were preparing to sell the house, you took steps to sell the
8 home, correct?

9 A I took steps to sell the home. What date? What was
10 the date? In --

11 Q So when you told Ms. Bell, back in the end of
12 February, that you're preparing to sell the house, you did, in
13 fact, take steps to prepare the house to sell it?

14 A I never said I was -- I was fixing. I was patching.
15 Yeah. I was just fixing up the house in case we had to sell
16 it.

17 Q You had your attorney draft up an agreement to sell
18 the home, correct?

19 A I don't know. I don't remember. If I have -- if
20 there's some reference.

21 Q Turn to Exhibit JJJ, as in John.

22 A I got it.

23 Q Page 17. Now, this exhibit, these are bills that you
24 received from Lyon Gaddis, correct?

25 A Yeah, it looks like it.

1 Q Well, it doesn't look like it. It is --

2 A Yeah. It looks -- yeah. Okay. Yeah.

3 Q Do you see the first line, where it says, "Review and
4 analyze stipulation draft regarding home listing and confer
5 with opposing counsel regarding the same"? You see that,
6 correct?

7 A Which page? Where is that "review"?

8 Q So we're on page 17.

9 A Got it.

10 Q We're on the very first paragraph.

11 A Oh, okay. There you go.

12 Q It says, "Review and analyze stipulation draft
13 regarding home listing and confer with opposing counsel
14 regarding same." Do you see that?

15 A Yeah, I see it.

16 Q Your attorneys drafted an agreement to sell the house
17 at your request, correct?

18 A Incorrect.

19 Q You then later told Ms. Glassman and Bell that you
20 never agreed to sell the house and that was a mistake by your
21 attorneys, correct?

22 A Correct.

23 Q It's fair to say, during this divorce, you have been
24 extremely indecisive about what you'd like to see happen with
25 the marital home?

1 A First three months, yes.

2 Q Well, not just the first three months.

3 A Yeah.

4 Q I'm talking about from the filing of the petition
5 until today's date, you've been indecisive about what to do
6 with the marital home? Yes or no, Mr. Bell?

7 A No.

8 Q When you were at the deposition, you said that, I
9 have driven people nuts by not having clarity on this issue.
10 Do you remember saying that?

11 A First three months, yes.

12 Q Well, you didn't say the first three months. You
13 said that you've driven people nuts by having (sic) clarity on
14 this issue, correct?

15 A Do you have a reference?

16 Q Turn to Exhibit QQQ. We're on page 37, which is at
17 the bottom.

18 A All right.

19 Q We're on transcript page 141, which is the box on the
20 top left side.

21 A Which page? 37?

22 Q Yes.

23 A Thank you. Okay. I'm there.

24 Q We're on lines 7 --

25 A Which box?

1 Q -- through 12. We're on page 141.

2 A Okay.

3 Q "What are your preferences in the order of what
4 you'd like to see happen in the house? Either you
5 keep it or Aly" sells it or -- "keeps it or sells it?"

6 "Answer: I know I have -- I know I drive a lot
7 of people nuts by not having clarity on that
8 question."

9 A There you go.

10 Q That's what you said, right?

11 A Correct.

12 Q And this deposition was taken in July, right?

13 A Correct.

14 Q Which is more than three months after the filing of
15 the petition?

16 A Yeah.

17 Q So Mr. Bell, I'm not asking you to look at something
18 in the --

19 A No, I'm --

20 Q -- exhibit. I'm just asking you that, when you took
21 the deposition in July --

22 A Yeah.

23 Q -- you'd agree with me that is more than three months
24 after the petition was filed in December?

25 A Again, I agree, I guess. I don't know.

1 Q And during this divorce, you've also repeatedly
2 changed your mind about parenting issues, correct?

3 THE COURT: I'm going to pause you for a second
4 before you answer the question.

5 Ms. MILFELD, I just want to give you a time check.
6 You're at about two hours and 15 minutes used.

7 And Ms. Goff, you're at about 1.41 used.

8 MS. MILFELD: So one moment.

9 BY MS. MILFELD:

10 Q Mr. Bell, you first requested a PRE in this case,
11 correct?

12 A Correct.

13 Q You agreed to reunification therapy?

14 A Correct.

15 Q After agreeing to reunification therapy, you said
16 that you still wanted the PRE, correct?

17 A I don't remember. If there's something I said, then
18 okay.

19 Q You delayed in signing the reunification paperwork,
20 correct?

21 A Yes, correct. I mean, delay. It was wrong.

22 Q So Mr. Bell, I'm not asking whether it was wrong, but
23 you agree you delayed, correct?

24 A Correct.

25 Q In this case, you also asked Mr. Harkness to issue a

1 second valuation, correct?

2 A I think John did that. I didn't.

3 Q Well, John was your lawyer, right?

4 A Yeah. Is that -- okay. Yeah. I guess correct then.

5 Q You delayed and signing the David Littman engagement,
6 correct?

7 A Incorrect.

8 MS. GOFF: Signed yesterday.

9 BY MS. MILFELD:

10 Q The David Littman engagement was only signed
11 yesterday, correct?

12 A I signed it as soon as I had it.

13 Q Mr. Bell, at the deposition, one of the things that
14 you said is that you couldn't give the value of your business
15 because you needed new numbers. Do you remember that?

16 A Nope. But --

17 Q Mr. Bell, one of your issues was that you didn't like
18 the way that the personal expenses were categorized, correct?

19 A I didn't know how they were categorized.

20 Q Right. And you didn't know, and you said that you
21 needed to figure that out in order to get a number, right?

22 A I needed the bookkeeper to figure that out. I don't
23 know what -- okay.

24 Q Is that a yes?

25 A I don't --

1 Q I'm sorry, what was that?

2 A Ask the question again, please.

3 Q One of your issues was the way that personal expenses
4 were categorized, correct?

5 A With the books in general?

6 Q Yes.

7 A Yeah. That's true.

8 Q You couldn't come up with a number for the business
9 because you wanted that figured out, right?

10 A Correct.

11 Q Now, you told Ms. Bell that this process would take
12 past August of this year, correct?

13 A I don't recall but --

14 Q Turn to GGG, as in three Georges, page 18.

15 A Again -- okay. Which one? GG you said?

16 Q GGG, page 18.

17 A Okay.

18 Q "But be prepared for this to last until August or
19 beyond." Do you remember saying that?

20 A I don't. It was January. Yeah.

21 Q You said that, correct?

22 A Correct.

23 MS. MILFELD: Nothing further. Thank you.

24 THE COURT: Any redirect?

25 MS. GOFF: Yes.

1 THE COURT: I was looking at the clock to decide
2 about the break, but unless it's real extensive, I think let's
3 just get through it before the break, please.

4 MS. GOFF: I have to go to the bathroom.

5 THE COURT: We'll take the break.

6 MS. GOFF: Thank you.

7 THE COURT: Let's take a little more than ten
8 minutes. So we'll return to the courtroom around 2:50. A
9 little more maybe. Be in recess until then.

10 (Recess at 2:41 p.m., recommencing at 2:53 p.m.)

11 THE COURT: We are back on the record in the Bell
12 matter.

13 Ms. Goff, I'm ready for your redirect.

14 Mr. Bell, you're still under the same motion that I
15 administered quite some time ago.

16 REDIRECT EXAMINATION

17 BY MS. GOFF:

18 Q Mr. Bell, why did you have five attorneys?

19 A The first one was a young attorney, and when I
20 started explaining the complexities of the case, with how it
21 all came about, she -- she recognized and said, I think you'd
22 be better served by a larger firm. And that was very early.

23 And then the next one, who was Lyon Gaddis, was Erin,
24 and Erin was putting a lot of pressure on me to buy or sell the
25 house, and at the same time, they were asking for a business

1 evaluation. And I was pushing back, pushing back, and then,
2 all of a sudden, I got a message that -- from Aly that Niwot
3 Realty was going to be selling our house.

4 And I went to the head, Gaddis, John Gaddis, and I
5 said, John, how did this happen? And I said, how can I agree
6 to buy or sell the house if there's a business evaluation going
7 where the money is? And he said, I agree.

8 MS. MILFELD: Objection as far as hearsay.

9 THE WITNESS: Okay.

10 THE COURT: Sustained.

11 A It was -- okay. Then -- and then John Gaddis
12 withdrew after he wanted a very large retainer, that I just
13 felt we didn't have, in order to go into mediation, and they
14 withdraw. And then I tried, because of money, to just have a
15 consult, and then that didn't work. I just had a consultant
16 for \$600 just to guide me on a couple things.

17 BY MS. GOFF:

18 Q That was with the Harris Law Firm?

19 A Correct. That was with Harris. And then -- you
20 know, then you came along. And I've made the decision
21 definitely financially based, big time, because I knew we could
22 not survive if both of us started this fight. And I just --
23 I'm not a -- I don't -- I can't fight. I don't -- I'm just --

24 Q So --

25 A I've lost everything. I've lost all my kids' money.



1 I didn't do that. I didn't do it.

2 Q So --

3 A Sorry.

4 Q -- you were asked whether you had paid our firm
5 \$5,000?

6 A Yeah. Correct.

7 Q You have paid our firm \$5,000, correct?

8 A More than that.

9 Q Or 10,000 now?

10 A Yeah. I think it was 35 and 5.

11 Q You put another five --

12 A Yeah. Correct.

13 THE COURT: Counsel, you're --

14 THE WITNESS: I'm sorry.

15 BY MS. GOFF:

16 Q Are you working on --

17 THE COURT: You're talking over your witness.

18 MS. GOFF: I'm sorry. I know I am.

19 THE COURT: Just both of you, please be careful.

20 THE WITNESS: Yeah. I'm sorry.

21 THE COURT: One question, one answer.

22 THE WITNESS: Okay. I'm sorry.

23 BY MS. GOFF:

24 Q And are you working -- you are not working on our
25 website, are you?

1 A No.

2 Q Okay. On the marital home, what as the -- what made
3 you change your mind and be firm on the fact that you believe
4 it needs to be sold?

5 A Financially.

6 Q Are you out of money?

7 A We're down to \$100,000 and then -- a little more than
8 that with the business, but we have no personal assets or money
9 outside of our IRAs. I don't see --

10 Q And Camryn is not living in the marital home anyway,
11 is he now?

12 A No, no.

13 Q And the home that Camryn is living in, he can live in
14 there at least until December, correct?

15 A Correct.

16 MS. MILFELD: Objection as far as leading.

17 THE COURT: Sustained.

18 BY MS. GOFF:

19 Q Where is Camryn living now?

20 A With his mom.

21 Q Where?

22 A On Third Avenue.

23 Q And how long can they stay there?

24 A Until the end of the year.

25 Q Turn to Exhibit N.

1 A Okay.

2 Q Who drafted that document?

3 A Aly.

4 Q Is there any comparison between the amount of money
5 that you made from Trulieve and what you're making from Telerx?

6 A Telerx is a good project, but it will not come
7 anywhere close to Trulieve. It'll come in at one -- maybe 180.
8 That's my ceiling. And Trulieve, 1.5.

9 Q So there's no comparison, correct?

10 A No, none.

11 Q I want to ask you about your medical issues. Have
12 you developed some recent medical issues?

13 A Yes. In the last 30 days.

14 Q And what are they?

15 A I had numbness in my feet, and it started growing up
16 to my leg. And I thought it was from running and working out
17 and you know, trying to be really healthy. And I went in to
18 the neurologist, because I've had numbness in my feet, but it
19 started to grow up my leg, and he did another examination, and
20 then he's ordered -- last week he ordered MRI on my brain and
21 then my spine to -- what he said, we need --

22 MS. MILFELD: Objection as far as hearsay.

23 THE COURT: Sustained.

24 THE WITNESS: Does that mean I can answer? No.

25 THE COURT: Sorry. It means that you can't.

1 THE WITNESS: I'm sorry. Okay.

2 MS. GOFF: I have nothing further.

3 THE COURT: All right. Mr. Bell, you can step down
4 at this time.

5 THE WITNESS: Thank you.

6 THE COURT: Further witnesses, Ms. Goff?

7 MS. GOFF: We have nothing further, Your Honor.

8 THE COURT: Your first witness, Ms. Glassman?

9 MS. GLASSMAN: Yes. Alyson Bell.

10 ALYSON BELL, CO-PETITIONER, SWORN

11 DIRECT EXAMINATION

12 BY MS. GLASSMAN:

13 Q Please state your name and address of your current
14 residence.

15 A Alyson Bell, 265 Third Avenue in Niwot.

16 Q And Ms. Bell, how old are you?

17 A I'm 52.

18 Q And is Mr. Bell 62?

19 A Yes.

20 Q Has Mr. Bell shared with you, in the last 30 days,
21 any recent health problems?

22 A Not to my recollection. He may have mentioned it in
23 a message quickly but not what.

24 Q And does he talk to you quite frequently?

25 A Yes.

1 Q At the time that you and Mr. Bell met, where were you
2 working? And this is back in 1998.

3 A I was working with Banana Republic.

4 Q And what were you doing for them?

5 A I was a store manager on Pearl Street.

6 Q And was Mr. Bell working full time?

7 A Yes. He was at Mango as a creative director also off
8 of Pearl Street.

9 Q Now, you and Mr. Bell have three boys together.
10 Dustin is Mr. Bell's biological child. Did you raise Dustin
11 from ages 11 to 18?

12 A I met him when he was -- he 11. He moved in full
13 time with us as a freshman in high school. I believe that's 13
14 or almost 13.

15 Q And what agreements did you and Mr. Bell have about
16 you being employed if you had children?

17 A It was a big concern to me. If I were to have
18 children, I didn't necessarily want to have children until I
19 was probably -- after I was 30. We had Dustin, and that was
20 great, but when we did, I wanted to stay at home more often or
21 work from -- at a remote capacity.

22 Q And once Julian was born, your middle child, did
23 that, in fact, come to pass, where you primarily were
24 responsible for the three boys?

25 A Yes. Two at that time, but yes.

1 Q And then when Camryn came about?

2 A Yes.

3 Q And in that capacity, were the roles between you and
4 Mr. Bell very traditional? He worked; You stayed home?

5 A Yes.

6 Q And did you also help out at ToolStudios on a part-
7 time basis?

8 A Yes.

9 Q Where do you Julian and Camryn attend school?

10 A Julian is a junior at CSU, and Camryn is a freshman
11 at Niwot High School.

12 Q And is Camryn a transgender male?

13 A Yes.

14 Q And when did he start his gender transition?

15 A One and a half to two years ago.

16 Q And is Camryn living with you full time?

17 A Yes.

18 Q Since separation -- that was November of 2022 -- has
19 Camryn spent any overnight parenting time with his father?

20 A Just one.

21 Q And did you and Mr. Bell enter into a parenting plan
22 which was approved by this Court on June 22nd, 2023?

23 A Yes, we did.

24 Q How does the parenting plan address Mr. Bell's future
25 parenting time?

1 A We have to complete reunification therapy with Jill
2 Reiter, and once that is finished, then the parenting plan will
3 evolve.

4 Q And it has started, has it not?

5 A Correct. Yes.

6 Q And has there been any progress in that direction as
7 of yet?

8 A It's a very slow process. So progress would have --
9 that's kind of a loaded question. We're moving slowly toward
10 progress.

11 Q And in addition to appointments with Jill Reiter, and
12 as I understand it, that's once a week and now going to be
13 every other week since Camryn has started school, what other
14 kinds of activities and extracurricular activities and
15 appointments does Camryn have in a typical week that require
16 your support?

17 A That one is a little different now because over the
18 summer activities were different than only being in school for
19 a week. But already been to a softball game, already had an
20 audition after school. We've been to the orthodontist, the eye
21 doctor, the -- oh, I just lost my train of thought. Going to
22 friends' houses. Yeah. Those kinds of things.

23 Q And given Camryn's age, does he need for you to drive
24 him to anything that he can't walk or bus to himself?

25 A Yes.

1 Q Does Mr. Bell assist with any of this?

2 A Sometimes. Not often.

3 Q And do you expect that Camryn will continue to live
4 with you full time for the foreseeable future?

5 A Currently, yes.

6 Q Are you asking the Court to calculate child support
7 with Camryn spending all of his overnights in your care?

8 A Yes.

9 Q What was the initial plan with respect to who would
10 live where when the two of you physically separated in November
11 2022?

12 A Charles agreed to move out, and we -- I found an
13 Airbnb in Gunbarrel that wasn't going to quite be ready, so he
14 had to piece together a couple of other things, places to stay
15 before then.

16 Q And what happened with the plan?

17 A He went and stayed with our friends. The unit was
18 available starting December 5th. He stayed one night, and then
19 told me on December 6th he was moving home.

20 Q And what did you do after that? Did you ask him to
21 leave the marital home?

22 A I did.

23 Q And what was his response?

24 A That he was not going to leave, that he was coming
25 home.

1 Q And so in response to his definitiveness at that
2 point that he would stay in the marital home, what did you do?

3 A I chose to leave and go to the Airbnb. It was paid
4 for. It was non-refundable for 30 days. So I went to the
5 Airbnb.

6 Q And did Camryn go with you?

7 A He did.

8 Q And then after the 30 days, what did you do next?

9 A Then we moved to our friend, Ann Postal's (phonetic)
10 house, for the next two weeks.

11 Q And after that?

12 A And after that, we moved to the cottage that we're
13 currently in.

14 Q How big is this cottage?

15 A It's about 1,000 square feet.

16 Q And how does that compare to the marital home?

17 A It's 2,800 square feet. 26, 28.

18 Q What is the amount of rent that you're paying on the
19 cottage?

20 A 2,150.

21 Q And how was that rent paid? What was the -- let's
22 start with this. What was the initial term of your lease?

23 Q It was difficult to find month-to-month, and I didn't
24 know how long this was going to go on, but I knew I had to get
25 some stability for Camryn and myself for him to finish out the

1 eighth-grade year. So I was looking for at least three months,
2 but the shortest terms I could find were six months, and I
3 didn't qualify to sign the lease to pay every month. So I had
4 to pay six months up front. That was the shortest lease term
5 that --

6 Q And when you say you didn't qualify, you're saying
7 that the landlord didn't think that you had enough income to
8 have you sign up on a lease?

9 A Correct. Unless I had Charles cosign.

10 Q And you were unwilling to do that?

11 A Correct.

12 Q So the six months of rent that got paid up front --
13 and was the rent, you said \$2,150 a month?

14 A Correct.

15 Q So six months of rent was prepaid?

16 A It was.

17 Q And what was the source of money that was used to
18 prepay the rent?

19 A The business checking account.

20 Q Now, during the pendency of the case, have you
21 continued to request Mr. Bell move out of the marital home so
22 that you and Camryn could move back in?

23 A Yes.

24 Q And what has been his response?

25 A No. He will not move out.

1 Q And what impact -- you're with your son. You have
2 opportunities to observe him and his moods. What impact has
3 not being able to return to the marital home had on Camryn?

4 A It's been very difficult. He misses his things and
5 his room and his dogs and his -- and the big sofa and the big
6 TV and most of all, like, just there's no privacy in the
7 cottage. We're, like, on top of one another. So he misses the
8 space and being able to have his own independent, you know,
9 privacy situations as well.

10 Q And now that six months has passed, what is the term
11 of your lease at the cottage?

12 A It's currently month-to-month.

13 Q And if the Court awards you the martial home, are you
14 prepared to move in as soon as possible after the order is
15 entered?

16 A Yes.

17 Q When did you and Mr. Bell purchase the Timothy Place
18 home?

19 A June 6th, 2006.

20 Q And why did the two of you select this home for your
21 family?

22 A It's the perfect neighborhood. It's on a cul-de-sac.
23 It had a nice yard. Had a nice fenced-in yard. We wanted to
24 get dogs. It's in the best school district ever. I love our
25 schools. And we've taken all three boys through Niwot

1 Elementary, then on to Sunset Middle, and finally, to Niwot
2 High.

3 Q And so did you ever get those dogs?

4 A We have two. One is a pandemic puppy, unfortunately.

5 Q And have one of the agreements that have been reached
6 in this case an informal 5-2-2-5 schedule for the dogs?

7 A Yes.

8 Q And is Camryn attached to the dogs?

9 A Very. Yes. We all are.

10 Q And do they provide him emotional comfort?

11 A Absolutely. I think their emotional support -- I
12 mean, if you could -- they're not trained, but they're
13 definitely emotional support dogs for sure.

14 Q And will you, once you start working -- and we'll get
15 to that -- once you start working full time just in a couple of
16 days from now, will you be able to keep the dogs on this 5-2-2-
17 5 pattern of time at the cottage?

18 A No, especially when the weather is so hot right now.
19 There's -- we don't have forced air. We don't have air
20 conditioning. So we have one window unit, but it's not quite
21 enough to keep the air circulating in such a small space.

22 Q And so will you return the dogs then to Mr. Bell out
23 of -- you know, out of necessity for them?

24 A We've done TalkingParents messages with that, and
25 he's agreed that he can take them on more. And then I'm not

1 sure what it's going to look like, but I'll get them as often
2 as I can and as much as I can.

3 Q And how do you think the separation from the dogs
4 will impact Camryn?

5 A It'll be hard for him. It will be really tough for
6 both of us.

7 Q Do you want to retain the Timothy Place residence as
8 part of the stores?

9 A Absolutely. It's my number one priority.

10 Q And have you communicated your position regarding
11 keeping the house to Mr. Bell?

12 A Yes.

13 Q And has that been an ongoing communication?

14 A Yes.

15 Q And has he been at all committed to saying yes, you
16 can keep the house?

17 A He's made mention of it, but it's been very off and
18 on. Like, I want you to stay in the house. I want one of us
19 to stay in the house. I want us to keep the house. I don't
20 want to sell the house. I want to sell the house. I mean,
21 it's --

22 Q And were multiple stipulations drafted by the lawyers
23 addressing the disposition of the house as these positions were
24 changing?

25 A Yes, for sure. And we had -- we didn't know the

1 house was assumable when those were being drawn up. I thought
2 that was our only choice. He thought that was our only choice.
3 And yeah, we had picked out the realtors. He had -- he made
4 several messages to me saying that I got one -- the daughter,
5 and I would take the mother. And he was really working with
6 these realtors quite closely it seemed.

7 Q And at the time that you agreed or tentatively agreed
8 that the house would be sold, you were unaware that the first
9 mortgage in favor of RoundPoint Mortgage could be assumed at
10 its current 2.75 mortgage interest rate?

11 A Correct. Charles was the one who dug deepest to find
12 that information. I dug as hard as I could, and I was told no
13 on every angle, but we did finally get the correct answer.

14 Q And these agreements that were drafted by the lawyer
15 as we sort of chase these different scenarios for the
16 disposition of the marital home, were any of them ever signed?

17 A No.

18 Q Drafted but not signed.

19 A Drafted but not signed. And more legal fees. I
20 mean, it was, like, one -- going down one path, and we thought
21 we were there, and then going down another path, and then we
22 thought we were there. And it just was a lot of work.

23 Q Since Mr. Bell's position regarding the disposition
24 of the house has not been definitive, have you considered
25 housing alternatives, especially when you were thinking about

1 selling the home?

2 A I just can't in good conscience look anywhere outside
3 of where Camryn can walk to and from school, walk to and from
4 potential jobs. He has some job offers that are coming up. To
5 be able to walk to and from friends' houses because I will
6 start working full time out of the home on Friday, and he will
7 have to be a little more responsible in getting himself here
8 and there. Won't be able to take him everywhere.

9 Q And so the current home is within walking distance of
10 Niwot High?

11 A Yes.

12 Q Do you think that it is in Camryn's best interests to
13 retain the marital home?

14 A Yes. Absolutely.

15 Q And do you think that Camryn, with this transgender
16 transition, the divorce, not being in his home, do you think
17 that has created some instability for him?

18 A Completely. I think the only way for him that I
19 would feel the best, and I believe Charles has agreed with this
20 over these months as well, is for his sanity, for his
21 stability, given everything he has on his plate right now, his
22 home should not be taken from him. He should be able to remain
23 in his home.

24 Q So before you knew that you could assume a loan, had
25 you considered buying a replacement home in Niwot that would

1 accomplish at least keeping Camryn in his familiar proximity to
2 his school --

3 A Yes.

4 Q -- and his job offers?

5 A I did. I did look early in the year, and the real
6 estate is outrageous, and the interest rates are outrageous.
7 And there's no way that I could afford a home. I would have to
8 rent. And rent even in Niwot is more than -- in some places is
9 more than our current mortgage.

10 Q Have you and Mr. Bell stipulated that the value of
11 the Timothy Place home is \$990,000, consistent with Glenn
12 Fleckenstein's appraisal, which is stipulated Exhibit K?

13 A Yes, that's correct.

14 Q And the RoundPoint Mortgage balance is \$519,000; is
15 that correct?

16 A Yes, that's correct.

17 Q And that's reflected on Exhibit L, yes?

18 A Yes.

19 Q Now, the interest rate for the home at 2.75, that can
20 be available upon assumption of the RoundPoint mortgage?

21 A Yes, that's correct.

22 Q And that would keep the principal, interest, taxes,
23 and insurance \$2,869?

24 A That's correct.

25 Q And if you were to pursue assuming this loan, how

1 much time are you requesting from the Court to allow you to
2 refinance the home?

3 A I need at least six months. And I know that there's
4 some debate around three or six months, but because I have to
5 prove my income, they're asking for six months.

6 Q So would that be your scenario if you were applying
7 for a new loan?

8 A Yes. Anywhere I go, I'm going to have to have six
9 months to prove income.

10 Q Now, is there a HELOC against the marital home, so
11 it's in the second position behind RoundPoint, in the amount of
12 \$132,000, which is unused?

13 A Yes.

14 Q Would you need the same time frame to assume the
15 HELOC in your name alone?

16 A Correct.

17 Q And Mr. Bell in his JTMC position raises concerns
18 about being on the mortgage and the HELOC with you. And maybe
19 that would disqualify him from being able to buy his own place.
20 Has Mr. Bell told you he already prequalified for a loan?

21 A He did.

22 Q And did he share with you how much that loan amount
23 was that he was able to qualify for?

24 A He told me he qualified for -- prequalified for
25 \$750,000.

1 Q All right. So based on that conversation, did it
2 appear that Mr. Bell could, in fact, move forward with a new
3 loan?

4 A That was my understanding.

5 Q And with respect to his liability for the next six
6 months, if the Court were to allow you to retain the home and
7 give you the requisite time to refinance -- or not refinance,
8 assume the first or assume and/or refinance the HELOC. Are you
9 a timely bill payer?

10 A Incredibly.

11 Q And have you been the party in the marriage who has
12 paid family bills throughout the marriage?

13 A I do all the personal finances, as well as business.

14 Q And has Mr. Bell ever raised a concern about you
15 paying bills on time?

16 A No.

17 Q Have you -- has his credit score increased based upon
18 your timely bill pay for joint bills?

19 A We both have stellar credit scores.

20 Q Would there be then in your opinion any validity to
21 Mr. Bell having a concern of you paying the mortgage on time
22 while your name is still on the loan --

23 A No.

24 Q -- while his -- excuse me -- his name is still on the
25 loan?

1 A No. I would -- I would make sure that they were paid
2 timely.

3 Q What are your concerns if the Court orders the sale
4 of the home?

5 A Well, that would be horrific for me just because I
6 can't afford to buy another home currently in this state of
7 real estate and interest rates right now. So it would be
8 horrible. There -- it would -- Camryn would potentially lose
9 out on so much if we had to move out of Niwot. And that would
10 kill me.

11 Q And if you moved out of Niwot, let's say for example,
12 you move to Longmont, and you -- would that necessitate that so
13 long as Camryn is living with you that he would need to change
14 schools?

15 A I guess it would just depend on where we could find
16 something, because it's very expensive in Longmont as well.
17 It's very expensive in Gunbarrel. I've looked at apartments.
18 I've looked at homes. It's, you know, very similar to Niwot
19 with exclusion of the hill and summer stuff, but it's -- it's
20 expensive.

21 Q And if -- even if you lived in Longmont, he wouldn't
22 be able to walk to school in Niwot?

23 A No.

24 Q How has the Niwot community been of support to
25 Camryn?

1 A Niwot is my family. Niwot is our community. All of
2 us. I mean, we have had our business there for almost -- for
3 22 years. I'm very heavily involved in the community on the
4 NCAA board. I'm involved in a lot of the events. Charles was
5 president of the NBA for a while. We've been in town for a
6 long time. And I rely on a lot of people in town and will have
7 to now that I'm going to be a single mom to help me. And the
8 people that are in my community will do that for me. And it's
9 really important to me.

10 Q If you would turn in the exhibit book to LLL. Is
11 this what I refer to as the marital balance sheet?

12 A Yes.

13 Q And does this reflect that you would retain the
14 house, and that each of you would retain your own cars, that
15 the joint checking account would be divided, that you'd each
16 keep your other small joint checking -- excuse me -- separate
17 checking accounts. You would divide the NOBO by contract as
18 we've stipulated. You'd each keep your IRA. And you'd each
19 your own debts. So if you turn to page 2 of Exhibit LLL, what
20 falls to the bottom line in order for you and Mr. Bell to have
21 a 50-50 division of property?

22 A That I would owe him \$82,692.66.

23 Q And that is premised on ToolStudios being valued at
24 Mr. Freedberg's opinion of value at 305,000?

25 A That's correct.

1 Q If you retain the house, how will you pay Mr. Bell
2 the equalization payment, which on our marital balance sheet
3 based on our assumptions that are set forth on Exhibit LLL, how
4 are you going to pay him that 82,693?

5 A I would assume the loan on the house. Once I had the
6 house, I would use the house -- that -- that accomplished, I
7 would then use the house's collateral to assume the HELOC.

8 Q And would you then tap into that HELOC to make the
9 equalization payment --

10 A Yes.

11 Q -- to Mr. Bell?

12 A Yes.

13 Q And there was \$132,000 available?

14 A That's correct.

15 Q Is that an interest-only loan?

16 A It is.

17 Q So if you borrow money against the HELOC, the payment
18 for is based on a variable interest rate --

19 A Yes.

20 Q -- and interest only? Are you asking the Court to
21 order that if the Court allows you the six months to assume the
22 first, are you asking for some additional time to go through
23 the assumption or refinance process for the HELOC?

24 A It was -- they are going to require me to prove six
25 months of income.

1 Q So that same six months -- so do you need about
2 another 30 days --

3 A Probably. So I would say --

4 Q -- just to get the --

5 A Yeah.

6 Q -- ink dried on the HELOC --

7 A Correct.

8 Q -- assumption to refinance?

9 A Yes. And -- and if it happens sooner, it happens
10 sooner, but you know, they can't make any promises.

11 Q Are you asking the Court to order that while you're
12 both on this HELOC for the next six months that neither party
13 use that loan before it is assumed by you or refinanced by you?

14 A Correct. Yes.

15 Q And is that important so that you don't have another
16 liability? Like, if Mr. Bell were to use that loan, another
17 liability that could work against you on the assumption of the
18 first mortgage?

19 A Correct. I have to keep my debt-to-income ratio very
20 low.

21 Q If you cannot refinance the home in the period of
22 time that the Court provides and if the Court awards you the
23 house, will you just sell the house?

24 A I'll have no choice.

25 Q And in terms of moving Camryn out of his community

1 and perhaps Niwot High School, has he been in high school with
2 those kids since kindergarten, some of them?

3 A He's gone all the way through the Niwot feeder
4 system. So from preschool to Niwot Elementary to Sunset, now
5 to Niwot High.

6 Q And given, you know, now his gender transition, is
7 that an important community support, the kids he's always known
8 that embrace him no matter --

9 A Absolutely.

10 Q -- who he is or who he loves?

11 A I think it would be very disturbing if we had to move
12 out of the community for him.

13 Q And so if you had to sell the house, are you asking
14 the Court that you would to retain 100 percent of the proceeds,
15 and from those proceeds, you would pay Mr. Bell the
16 equalization payment?

17 A Yes.

18 Q And if the Court awards you the house, when would you
19 want to take possession of it?

20 A As soon as possible.

21 Q Maybe within two weeks of the Court's order?

22 A Yes.

23 Q Now, with ToolStudios, you have been described as the
24 bookkeeper. And were your responsibilities basically the data
25 entry, the payroll, and the bill pay?

1 A Correct.

2 Q And did Mr. Bell give you bookkeeping instructions,
3 what to do, where to -- how to pay bills, from what account?

4 A Yes.

5 Q And is that current? Is he still doing that?

6 A Yes. Yes.

7 Q And it's been suggested that if you leave
8 ToolStudios, you're going to take, I think he said as many as
9 five clients with you. How many clients to you have?

10 A I work with Rebecca Fulsom, and I have for 23 or -4
11 years now. And I do anything she needs. Now, Charles also --
12 ToolStudios, we have her as a client as well, but that is --
13 the things ToolStudios does for Rebecca Folsom are not things I
14 can do for her. Websites, that -- you know, the design work, I
15 do office admin, some PR stuff, marketing.

16 Q So after you leave --

17 THE COURT: Ms. Glassman, I'm sorry for interrupting.
18 I just want to let you know that you're at about 15 minutes
19 left of that original three-hour allotment in your case.

20 MS. GLASSMAN: Thank you. I can talk fast.

21 THE COURT: Every time I do that, it makes people
22 talk fast, and then I miss things.

23 MS. GLASSMAN: But I talk New York fast.

24 THE COURT: Oh, boy.

25 BY MS. GLASSMAN:

1 Q After you leave ToolStudios, based on what you've
2 described, will Ms. Folsom, if she chooses to, still get the
3 majority of the services she needs from ToolStudios?

4 A I'm sure -- I can't do that work. So she would have
5 to go to ToolStudios to do that. I will keep her on as my
6 regular client.

7 Q If you would turn to Exhibit GG -- or excuse me --
8 GGG, page 16. Is this a copy -- a message that you received
9 from Mr. Bell on April 25th, 2023?

10 A I'm going. I'm trying to go fast.

11 Q Quickly. Quickly.

12 A I'm trying. I'm trying. 15. 16. Yes.

13 Q What does Mr. Bell state about the value of your
14 bookkeeping skills to the company?

15 A "Everyone agrees you are not a bookkeeper and would
16 be best for all for you to slowly step away."

17 MS. GLASSMAN: And I move to admit just page 16 of
18 GGG.

19 THE COURT: Position as to the single page of GGG?
20 Ms. Goff?

21 MS. GOFF: No objections.

22 THE COURT: Page 16 of GGG is admitted.

23 (Co-Petitioner's Exhibit GGG, page 16 admitted into
24 evidence)

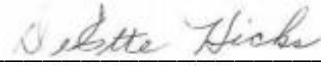
25 (Proceeding continued in Volume II)

CERTIFICATE

I hereby certify that the foregoing is a true and correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.



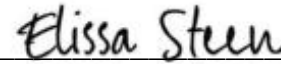
MEGAN DUMAS
Digital Court Transcriber



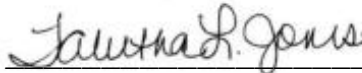
DEETTE HICKS
Digital Court Transcriber



STEPHEN SAMUEL
Digital Court Transcriber



ELISSA STEEN, CDLT-293
Digital Court Transcriber



TABITHA JONES
Digital Court Transcriber

DATED and SIGNED this 26th day of March, 2024.