

1 be continued until the assets of Evergreen Development
2 were sold?

3 A I have that agreement with every one of them. I turn
4 these into notes because it's better for them. But all
5 of them approved me entering into the bank debt that
6 said we could not pay shareholders before the bank debt
7 was paid.

8 So I can't just skirt this, turn it into a note,
9 and now pay the note because, I mean, you can't do
10 that. It would be against the covenants with the
11 banks. I mean, I can't pay equity-- I can't pay
12 equity before I pay the bank debt. It's just in the
13 bank note.

14 Q You referred to sort of an understanding among the
15 members of Evergreen to renew these notes until the
16 assets are sold. Is there anything in writing that
17 evidenced this understanding you had with either
18 Hilliard Limited Partnership or any other member of
19 Evergreen Development, LLC, at any time?

20 A The only thing that's in writing is the same thing
21 that's in Tissue Products Technology and in Eco-Fibre,
22 and that is that I had shareholders' approval and board
23 of directors' approval when they were members of
24 Eco-Fibre and when they were members of TPTC to enter
25 into the bank debt that is still in place. And very

1 clearly everyone understands they cannot get any money
2 out of any of the companies directly or indirectly
3 until the assets are sold.

4 Q Okay. That was actually a yes or no question,
5 Mr. Van Den Heuvel, so I'm trying to make this go
6 faster.

7 A Okay.

8 Q So I'll ask the question one more time. You referred
9 to an understanding that you had with the members of
10 Evergreen Development, LLC, to renew various promissory
11 notes until the assets of Evergreen Development were
12 sold. Is that understanding reduced to writing?

13 A I don't believe so, but I'm not sure.

14 Q Okay. What would you need to do to verify your
15 understanding?

16 A I'd have to go through five years of e-mails.

17 Q Okay. I'll just request that you do that to verify
18 your understanding.

19 So we understand, as you sit here today, you don't
20 know of any writing evidencing the understanding we've
21 been referring to, and you're going to let me know if
22 your understanding is incorrect by reviewing e-mails so
23 that the next time we meet, you can deny your
24 understanding if it turns out you're mistaken, correct?

25 A Incorrect. The bank documents and the two resolutions

1 from the shareholders and the board of directors
2 definitely says I cannot buy anybody out without paying
3 them in full.

4 Q The shareholders and board of directors of what entity?

5 A Eco-Fibre and TPTC.

6 Q Okay. I'll request copies of those documents.

7 A Okay.

8 Q Is there anything--any board of directors or members
9 vote or writing evidencing an understanding between you
10 and the members of Evergreen Development, LLC, to renew
11 the promissory notes until the assets of Evergreen are
12 sold?

13 A Other than the fact it just keeps happening. They
14 understand. But no, I don't think anything's in
15 writing.

16 Q Okay. Did you ever have any conversations with any
17 member of Hilliard Limited Partnership regarding this
18 understanding that-- Strike that. Let me lay the
19 foundation.

20 Is it your testimony then that you believe that
21 you had an understanding with the Hilliard Limited
22 Partnership that it would agree to renew the promissory
23 note represented in Exhibit 1 until such time as the
24 assets of Evergreen Development, LLC, were sold?

25 A Yes.

1 Q Okay. Was that ever put in writing?

2 A I'm not sure.

3 Q When was that understanding reached with Hilliard

4 Limited Partnership?

5 A I talked to the guys many a time. And when we turned

6 it from stock to a note, that was the understanding. I

7 mean, they wanted on their balance sheet a note instead

8 of stock so that they could value it, and I agreed to

9 do it through an arm's length transaction with full

10 awareness that there was no way to pay it until the

11 assets were sold and that I would work very diligently

12 to sell the assets and not receive a wage from either

13 one of the companies. I agreed to it.

14 Q With whom on behalf of Hilliard Limited Partnership did

15 you reach this understanding to renew the promissory

16 note represented by Exhibit 1?

17 A Mostly with Dan Hilliard, but I did talk to Neal

18 Maccoux several times on it also.

19 Q And what role does Dan Hilliard play with Hilliard

20 Limited Partnership?

21 A I don't know.

22 Q Okay.

23 A He works for me though.

24 Q Okay. Do you know if Dan Hilliard's a member of

25 Hilliard Limited Partnership?