

IN THE CIRCUIT COURT OF THE  
15TH JUDICIAL CIRCUIT IN AND  
FOR PALM BEACH COUNTY, FLORIDA

CASE NO. 502009 CA029903XXXXMB AG  
CONSOLIDATED WITH  
CASE NO. 502009 CA040295XXXXMB AG

FD DESTINY, LLC, et al.,

Plaintiffs,

vs.

AVP DESTINY, LLC., et al.,

Defendants.

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AVP DESTINY, LLC., et al.,

Plaintiffs,

vs.

FREDERICK A. DELUCA, et al.,  
-----/

Palm Beach County Courthouse  
205 North Dixie Highway  
West Palm Beach, Florida  
January 13, 2017

EXCERPT OF PROCEEDINGS

VIDEOTAPED TESTIMONY OF ALBERT QUENTEL

The above-entitled cause came on for Jury  
Trial before The Honorable Donald W. Hafele,  
Circuit Judge, and a jury, pursuant to Notice.

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1 APPEARANCES:

2

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2 (Whereupon the video deposition of Albert  
3 Quentel was played for the jury).

4 BY MR. GARY:

5 "Q: State your full name for the record for  
6 the jury, please.

7 "A: Albert Drew Quentel.

8 "Q: And I know you look like a spring  
9 chicken, but I'm going to have you tell the jury  
10 your age anyway.

11 "A: I am 76 years old.

12 "Q: Are you married?

13 "A: No, I'm widowed.

14 "Q: Children?

15 "A: Yes.

16 "Q: Okay. How many children do you have?

17 "A: Six.

18 "Q: I'm not gonna put you on the spot and  
19 ask you to give me their ages, but let me ask you  
20 this question. Have you ever been involved in a  
21 lawsuit where you were a witness before?

22 "A: Yes, sir.

23 "Q: Okay. And what kind of a case was  
24 that?

25 "A: Well, there was -- one that I recall

1 was one where my corporation was being sued by a  
2 bank which said that it had sold land to a  
3 developer and also sold me two lots in Coco Plum  
4 development in Dade County and that the bank  
5 didn't know about the Coco Plum lot, in addition  
6 to the land.

7 "Q: So that was kind of a failure to  
8 disclose?

9 "A: Well, that's what they alleged. And of  
10 course, the case didn't get very far because the  
11 lawyer that represented the bank also represented  
12 the developer and they got the deeds at the same  
13 time.

14 "Q: Okay. Now, did you have your  
15 deposition taken in that case?

16 "A: Yes, sir.

17 "Q: Okay. As a matter of fact, how many  
18 times have you given a deposition, if you recall?

19 "A: I don't particularly recall. I've been  
20 an expert witness too on occasions.

21 "Q: Okay. So you've been qualified by  
22 courts in the State of Florida to give expert  
23 testimony as a lawyer?

24 "A: Yes, sir.

25 "Q: And how many times have you -- if you

1 recall, have you been so qualified?

2 "A: I clearly recall only one --

3 "Q: Okay.

4 "A: -- where there was actually court  
5 testimony, and that involved mortgage priorities.

6 "Q: So in the cases where you've given  
7 expert testimony, were you testifying for  
8 plaintiff or defendant or were you a fact  
9 witness?

10 "You were giving expert testimony, right?

11 "A: Yes, sir, I was giving it -- actually,  
12 I was an expert for a plaintiff in an easement  
13 case and --

14 "Q: Was that here in Miami?

15 "A: Yes, sir.

16 "Q: Okay, good.

17 "Okay. Since we're talking about you being  
18 an expert witness and that requires some  
19 experience and training, I'm going to go ahead  
20 and if you would, give me in a nutshell the  
21 benefit of your educational training and your  
22 background leading up to you becoming the lawyer  
23 that you are to give this expert testimony.

24 "A: Right. Well, I went to school in Dade  
25 County public schools, Citrus Grove Elementary

1 and Junior High and Miami Senior High School,  
2 graduated from there in 1952. Then I entered the  
3 University of Florida and graduated with a BA in  
4 1956 and then law school at the University of  
5 Florida. I graduated in 1959.

6 "Q: So you've been a Gator all the way?

7 "A: I'm a Gator all the way.

8 "Q: You got out of law school, what did you  
9 do? What happened?

10 "A: Well, sir, I had a child and a wife and  
11 I had to get a job. I had to go to work right  
12 away. So I graduated from law school. You know,  
13 it was pretty late. June, June 15th I started  
14 working.

15 "Q: Okay. And who did you go to work for?

16 "A: Well, it was a firm that was then known  
17 as Evans, Mershon, Sawyer, Johnston & Simmons and  
18 then they were -- it later became known as  
19 Mershon, Sawyer, Johnston, Dunwody & Cole, and  
20 then that's where I began June 15th, 1959.

21 "Q: And the rest is history. What did they  
22 have you doing?

23 "A: Well, at first I did a lot of  
24 miscellaneous stuff, you know, like helping  
25 litigators. Bill Burdens, who later became a

1 federal district judge, had a case involving  
2 lease termination of the Dunes Hotel in Miami  
3 Beach and in Sunny Isles, and I helped research  
4 on that.

5 "As it happened they had a fellow leave that  
6 had been in real estate, so early on they put me  
7 in real estate, and I stayed with it ever since.

8 "Q: Okay. So at some point in time you  
9 left that firm?

10 "A: Yes, sir.

11 "Q: But before you left that firm you  
12 started from scratch and you accelerated to  
13 where? Where were you?

14 "A: Well, they had two kinds of partners.  
15 One was a noncapital partner, where your  
16 compensation was purely a percentage of your  
17 earnings after expenses, and the other was a  
18 capital partner, where you had capital in the  
19 firm and again, you got a percentage of earnings  
20 based on -- you know, after the noncapital  
21 partners were taken off. And I was a capital  
22 partner.

23 "Q: So you worked your way out from just an  
24 entry level attorney to becoming a capital share  
25 and partner?

1 "A: Yes, sir.

2 "Q: What was your title?

3 "A: My title was just --

4 "Q: Just partner?

5 "A: Partner. It was a pure partnership.

6 "Q: Okay. And you've already -- now, so  
7 where did you go from there?

8 "A: Well, October 1, 1971 I came to  
9 Greenberg Traurig and I joined it as a named  
10 principal in the firm. And of course it's a PA,  
11 so instead of being a partnership arrangement,  
12 you know, it has the corporate aspects.

13 "Q: And are you still with the firm?

14 "A: Yes, I am.

15 "Q: So you've been with the firm for  
16 40-plus years?

17 "A: 40 years this fall.

18 "Q: 40 years this fall?

19 "A: October 1.

20 "Q: And tell us a little bit about what  
21 you've done for the firm over the years; real  
22 estate only or talk to the jury a little bit  
23 about what services you've performed?

24 "A: Yes, sir. It's all been real estate  
25 connected. One of the great experiences I had



1 was in 1960 when I was at Evans Mershon. I was  
2 called in by one of the senior partners and he  
3 said, "I'd like you to meet Bill Graham, and he  
4 and his brothers are going to develop some land  
5 they own and I'd like you to work with them."

6 "The brothers were, of course, Bob Graham  
7 and Phil Graham.

8 "Q: The Bob Graham that later became the  
9 Governor of the State of Florida and --

10 "A: Yes, and --

11 "Q: A U.S. senator?

12 "A: A U.S. senator, right.

13 "Q: Okay.

14 "A: And I had known Bob. Bob was right  
15 behind me at Miami High, but we didn't know  
16 interact. But I knew him at the University of  
17 Florida.

18 "Q: Okay. Now -- and so what did you do  
19 for them?

20 "A: Well, just about everything. They had  
21 3,000 acres of land out at the big curve of the  
22 Palmetto Expressway. That is where the Palmetto  
23 Expressway, State Road 826, runs north-south from  
24 South Dade. And at the point of their land it  
25 turned east and runs east-west over to where the

1 Golden Glades interchange is, the connection.

2 "So it was 3,000 acres of pasture land.

3 "Q: Okay.

4 "A: And they wanted to develop something on  
5 it, and what they developed is now known as the  
6 town of Miami Lakes, and it's an incorporated  
7 municipality.

8 "Q: So you were a part of developing that  
9 town of Miami Lakes?

10 "A: Yes, sir, I was.

11 "You know, there are a lot of things  
12 involved in that kind of development. You have  
13 to -- you do a lot of planning. I was not a  
14 planner. They had experts for that, and then you  
15 have to put that into a legal framework. You  
16 have to do, you know, planning, you have to --  
17 there are a bunch of lakes in Miami Lakes which  
18 are artificially dug to create fill for the land.  
19 So they did that. And you had, you know, road  
20 dedications. You had planning, restrictive  
21 covenants for architectural control and a  
22 mandatory homeowners association.

23 "I don't know if you're familiar at all.

24 For those who are not familiar with the  
25 community, it's a complete town.

1           "Q: Now, have you had the opportunity to  
2 work on any other projects that you were proud of  
3 in the real estate development area or -- I know  
4 Miami Lakes was number one probably.

5           "Anything bigger than that?

6           "A: Right. Well, I have. I've worked on  
7 them and some of them were Arvida Corporation's  
8 Dade County developments. They were basically a  
9 land wholesaler and then they went into the  
10 business of building and they did excellent  
11 developments; although they got into some trouble  
12 with construction defects that Hurricane Andrew  
13 proved up.

14          "Q: Right.

15          "A: And then, you know, there have been a  
16 lot of other developments.

17          "There's Key Colony on Key Biscayne was  
18 approved in 1976 for 1,230 units. It's on like  
19 43 acres and I know we -- you know, it was a big  
20 battle out there to get that done and you  
21 couldn't build because they had a moratorium of  
22 building permits and certificates of occupancy  
23 because of lack of water supply, and I figured  
24 out how to -- a way to bring a water main for  
25 over six miles under Biscayne Bay, a 44-inch

1 main.

2 "Developers financed that Key Colony and  
3 plus two others, and then we'd get some of the  
4 money back that wasn't used up on connections for  
5 us for new development on the Key.

6 "That was a wonderful project, got a  
7 unanimous vote out of the county commission to  
8 approve that, 1,230 units. It was like the  
9 number one selling condo in Dade County in 1978,  
10 '79.

11 "Q: Okay.

12 "A: And then along the -- you know, in the  
13 sunset years of my career I meet this guy named  
14 Anthony Pugliese.

15 "Q: Tell us a little bit about Anthony  
16 Pugliese, how you met and how that came about.

17 "A: Okay. Well, he came in in like  
18 September of 2004, September 2004, and he said,  
19 'I got a situation where I've got two things and  
20 the big thing is I'm negotiating to buy the Latt  
21 Maxcy Ranch. It's up in Osceola County. It's  
22 27,500 acres.'

23 "I'm thinking, holy smoke, nine times the  
24 size of Miami Lakes. You could really build  
25 something there.

1 "Q: Bigger than Disney World?

2 "A: It's bigger than Disney World.

3 "And he says -- you know, he was -- they  
4 were having a bidding contest for this land where  
5 the seller, Latt Maxcy -- it's L-A-T-T,  
6 M-A-X-C-Y -- was putting their land up and you  
7 could either buy all of it at once or where you  
8 could buy pieces of it; you know, parcels that  
9 they put up, and they had a contract for this,  
10 that, and the other.

11 "So Anthony said -- you know, he's in the  
12 bidding for this thing and he thinks he's gonna  
13 get it.

14 "Q: How did he get to you?

15 "A: Well, that came through the broker,  
16 interestingly enough, this guy named Jerry Gould.

17 "Q: Okay.

18 "A: And Jerry Gould knew Bob Traurig. And  
19 Bob Traurig and I go -- you know, that's the  
20 Traurig of Greenberg Traurig, truly the reason  
21 I'm at this firm, you know.

22 "In 19 -- no, get back to Anthony getting to  
23 us. Jerry Gould says, 'You ought to go see Bob  
24 Traurig.' So Bob looks at this stuff and he says,  
25 'This is too complicated. However, you look at

1 it.'

2 "Q: Too complicated for the senior partner?

3 "A: It was -- yeah, it was a big deal.

4 "Well, there was a crazy -- I say crazy  
5 loosely -- there was a financing deal that we  
6 recommended that Anthony did not take, you know,  
7 for financing and that required a lot of analysis  
8 and this and that and the other, you know.

9 "So we had a meeting --

10 "Q: Back to how it all started, you met  
11 and --

12 "A: Yeah, we met and then Anthony and Tom  
13 San Giacomo had --

14 "Q: And who is Tom San Giacomo?

15 "A: Well, Tom was a fellow that Anthony  
16 hired, kind of like a -- he seemed like a  
17 right-hand man, you know, for a long time. And  
18 he came up there and -- well, the two of them  
19 said, you know, 'We'd like you to help us on  
20 this.'.

21 "They also had another thing, which was a  
22 paper recycling business up in New Jersey and  
23 Tom's family had been in the picker business for  
24 like three generations and knew a lot about it  
25 and they had the chance to buy this thing. So

1 they were really -- at the time I first met  
2 Anthony he was talking about two things. One was  
3 Destiny, you know, what became Destiny,  
4 27,500 acres from Latt Maxcy.

5 "Q: Okay.

6 "A: The second thing was the paper  
7 business, which really was Tommy's interest, and  
8 Tom and he would go 50-50 on that.

9 "Q: Okay. I'm going to go back to Destiny  
10 and talk about Destiny.

11 "Tell it to the jury, if you would, what was  
12 Destiny from your perspective? You had all this  
13 experience in developing cities and towns and  
14 land and things of that nature, but obviously  
15 this Destiny was somehow, some way it kind of  
16 fit -- it was a fit for what you had been  
17 involved in over the years.

18 "But can you talk about Destiny --

19 "A: Yes.

20 "Q: -- to the jury for just a moment?

21 "A: Yeah. Well, it was -- like most real  
22 estate developments, it was a dream, and one  
23 thing I've learned in the 50-something years I've  
24 been working with real estate people is that big  
25 things get done by dreams. They get done by

1 people that have the idea of a concept. They can  
2 look at a piece of land and it can look like the  
3 sorriest thing in the world and -- you know, Phil  
4 Graham once said that about Miami Lakes. You  
5 know, 'This is a sorry-looking piece of land.'  
6 What else can we do? 'Let's put a country club  
7 here,' you know. And that's actually what they  
8 did. You know, it happens that way.

9 "And so Anthony had the ability, which I  
10 recognized right off, to see something and figure  
11 out, okay, this is a strategically located parcel  
12 of land. It's on the Turnpike, it's on State  
13 Road 60, and it's on U.S. 441. So it's not in  
14 the middle of nowhere. It's the middle of  
15 everywhere and there's nothing else competing  
16 around it, you know, and with 27,500 acres you  
17 could make it the most beautiful thing in the  
18 world.

19 "You have natural, undisturbed, pristine  
20 property that could be kept as a preservation  
21 area. You had land that could be developed. You  
22 had all different things in the world. And the  
23 present zoning of it, what the county had  
24 envisioned up to that point was one unit per  
25 five acres.



1           "Well, can you imagine any worse urban  
2 sprawl than one unit per five acres? I mean, how  
3 would you get the dog to the vet? You'd have to  
4 drive to Frostproof or somewhere, you know. How  
5 do the children go to school? You have to take  
6 them somewhere where buses can pick them up.

7           "It was just a nightmare, you know, to  
8 develop with the existing zoning. But having one  
9 person control it, you could do some really  
10 serious planning.

11           "Q: Now, you indicated Highway 60 was a  
12 plus, 441 was a plus, and then you had the  
13 Turnpike. Why do you place so much value and  
14 significance to that, to those?

15           "A: Well, it's transportation and it's just  
16 like -- one of the things that I think made Miami  
17 Lakes so successful was you could get there. It  
18 was at the big curve of the Palmetto Expressway  
19 to get there. So I could see, okay, you could  
20 get to Destiny. It's got an exit at State Road  
21 60.

22           "Of course we didn't call it Destiny in  
23 those days. I'm saying Destiny, but that was the  
24 name Anthony came up with.

25           "Q: Okay. So -- but talk to the jury

1 a little about the value of having the exchange  
2 already in place from the Turnpike.

3 "A: Oh, yeah, that was, as I see it, the  
4 key to the thing because you didn't have to  
5 beautify the road coming into the development,  
6 you know. It's just right there, you know,  
7 virtually at the exit of the Turnpike.

8 "I know I was surprised later when the  
9 planners, traffic -- you know, the traffic  
10 consultants in the State said, well, we're going  
11 to need another interchange. So I applied to the  
12 Turnpike Authority and I got that approved. So  
13 now you got two interchanges. Because there's so  
14 many miles and now getting others reserved, that  
15 was important.

16 "Q: That was a plus?

17 "A: Yes, sir.

18 "Q: Talk to the jury a little bit about the  
19 value of not having to spend the money or just  
20 the cost involved, the savings, if you already  
21 have an exchange in place, exactly what you  
22 needed.

23 "A: I had no idea what interchanges cost  
24 now, but they're obviously very, very expensive.

25 "Q: Why do you say that?

1           "A: Well, it seems like road prices have  
2 inflated and we saw what interchanges like -- the  
3 State is always rebuilding them.

4           "I saw that in Miami Lakes, you know, when  
5 they rebuilt 138th Street -- it's also called  
6 Opa-locka Expressway -- and the Palmetto, you  
7 know. What a huge amount of expense that was and  
8 they acquired a lot of land from Miami Lakes to  
9 do it.

10          "Q: And having an exchange already in place  
11 was very significant?

12          "A: Very significant, yes.

13          "Q: Saved a lot of money?

14          "A: Yes.

15          "Q: Mr. Quentel, you were talking about the  
16 project a little bit and about some of the good  
17 things that were already in place there in that  
18 area. I assume that that was one of the reasons  
19 why -- well, just tell me.

20          "What did you think of the project, this  
21 piece of property and what happened with it and  
22 what Anthony's dream was and what his goals were  
23 for this project?

24          "A: It could be really -- I thought it was  
25 exciting and interesting and you know, it just

1 had a lot of merit to it.

2 "Q: Why do you say that, again?

3 "A: Well, anytime you can take a piece of  
4 land like that and develop it the way the  
5 developer wanted to, that is using a good  
6 planner, you know, you just don't lay out lots  
7 and rectangles and so on.

8 "But you had all the ability to do that on  
9 this property; to lay it out, to use good  
10 planning, to use advanced methods of construction  
11 and transportation and all sorts of aspects that  
12 make a community nice.

13 "Q: Thank you.

14 "You met Anthony. At some point did you  
15 meet a Fred DeLuca?

16 "A: Yes, I did.

17 "Q: Okay. How did that come about, if you  
18 recall?

19 "A: Well, I heard a lot about Fred DeLuca.  
20 Well, the first one I met was Fred Florio, who  
21 referred to himself as Dr. No. He seemed to --

22 "Q: Was that Dr. Know-it-all?

23 "A: No, Dr. N-O.

24 "Q: Oh, I'm sorry.

25 "A: Apparently he advised, like looked

1 over, vetted -- whatever term you want to use --  
2 investments for Fred DeLuca personally. I didn't  
3 know who Fred DeLuca was until Anthony and Tom  
4 told me that a mutual banker had introduced him,  
5 and then in effect Florio showed up and I assume  
6 that Florio -- and Florio is a fine person who  
7 was very, very bright.

8 "Q: And what was your understanding as to  
9 what role Fred DeLuca was going to be playing or  
10 asked to play in this transaction?

11 "A: Well, he was going to come into the  
12 deal as a 50-50 partner.

13 "Q: From the start?

14 "A: Yes. Well, I understood -- I wasn't  
15 too clear on how he was gonna be in the  
16 beginning. In other words, I didn't know if he  
17 was going to come in as a partner or if he was  
18 going to come in just to finance the thing. But  
19 partner seemed much more likely, because the  
20 upside potentials are so much more in that.

21 "Q: Did you later discover and find out and  
22 know that he did come in as a partner?

23 "A: Oh, yes, yes, and I was kind of like  
24 kept informed, you know, as the things would  
25 progress. In other words, I'd get a report that

1 Anthony and Tom met with Fred DeLuca.

2 "Q: Did you spend a lot of time working  
3 with Anthony in terms of just conversation from  
4 time to time, day-to-day?

5 "A: Yes, yes, there was a lot of contact.

6 "Q: Okay, good.

7 "Before we go any further in terms of Fred  
8 DeLuca's involvement, back to Anthony for a  
9 second.

10 "You talked about, you know, this project  
11 and what you thought of it and the potential it  
12 had and everything else. Did Anthony talk to you  
13 or discuss with you and were you aware to a  
14 certain extent of the type of people he had  
15 brought together to make this all happen?

16 "A: Well, that sort of evolved over a  
17 period of time.

18 "Q: Right.

19 "A: At the beginning it was Anthony, Tom  
20 San Giacomo, and he had a few core people at  
21 Anthony's office and they already worked for him.  
22 Basically as things evolved, more and more people  
23 were involved in the project.

24 "Q: And as more and more people became  
25 involved, were you made aware of some of the

1 people that were involved? Were you privy to --

2 "A: He put together a pretty good team.

3 "Q: What was your thinking then?

4 "MR. HUTCHISON: Objection to form and  
5 foundation.

6 "A: Well, I felt that the -- you know, a  
7 development team was put together and I thought  
8 it had some of the brightest people that were  
9 available.

10 "When you've had a lot of experience working  
11 with developers and their consultants you begin  
12 to know pretty well inside and out. You know,  
13 you can listen to them in a few meetings and  
14 figure out if they know what they're doing; and  
15 we had regular meetings at least once a month.

16 "Q: Was Anthony at those meetings?

17 "A: Anthony and Fred Florio and Tom San  
18 Giacomo, and there were others. There was --  
19 originally Quinn Turner was involved in a lot of  
20 the bidding aspects and Bob Whidden came on as a  
21 planner and then the engineer was Barry Walter.  
22 We had Randy Austin early on, who is like a -- he  
23 had a lot of -- an expert on birds and wildlife  
24 and so on.

25 "They all made it clear to us that we had to

1 get four-season wildlife surveys and -- you know,  
2 four-season, and you know, water level studies  
3 and this and that and the other, and studies of  
4 soils and topography and everything else. And  
5 George Willson was involved in it early on very  
6 heavily.

7 "Q: What did George Willson do? What was  
8 his background?

9 "A: Well, he -- you know, I can't tell you  
10 his complete background. I don't know what that  
11 is. But he knew all the players at the State  
12 level and he knew how to get things done that way  
13 and he knew the people that like to call  
14 themselves stakeholders, you know.

15 "Q: Right.

16 "A: That's the kind of polite term for the  
17 busybody that thinks he ought to have a say about  
18 your development, you know.

19 "But he knew all those guys, you know, and  
20 he talked their language and got along with them,  
21 you know. So actually, you know, he would bring  
22 them in and you know, attempt to get them on our  
23 side.

24 "Q: You thought it was a smart thing to do?

25 "A: Oh, yes, yeah.



1           "Q: Now, you talked about these meetings  
2 and the team meetings. Was Anthony always there?

3           "A: Not always. I recall a few times he  
4 was not as well.

5           "Q: But for the most part?

6           "A: For the most part.

7           "Q: What about Fred DeLuca, did you ever  
8 see him?

9           "A: Fred DeLuca never attended a meeting.  
10 When I say 'a meeting,' I mean a development  
11 meeting, you know.

12          "Q: Where things were being planned?

13          "A: With planners. They were there, yeah.  
14 But Florio was almost always there.

15          "Q: But not once did you see Fred DeLuca?

16          "A: No, I saw him one time in Anthony's  
17 office. You know, he'd been going over things  
18 with Anthony and I came in to meet with him too.  
19 But Fred DeLuca didn't stay. He said he had a  
20 migraine and he was gonna leave.

21          "Q: He was out of it?

22          "A: Yeah.

23          "Q: Now, this timeframe that we're talking  
24 about now, just so the jury will be clear, was  
25 when the project was at its entry stage, the

1 early stage?

2 "A: Yes, sir.

3 "Q: Okay, good.

4 "And now, when you first met Anthony, was  
5 Fred DeLuca even in the deal at that time?

6 "A: No, sir.

7 "Q: Okay, good.

8 "And when you first met Anthony Pugliese,  
9 was he in the process of acquiring the property  
10 at that time?

11 "A: Yes.

12 "Q: Anthony Pugliese?

13 "A: Yes.

14 "Q: Are you familiar with how that process  
15 went, in terms of Anthony acquiring the property?

16 "A: Yes, very much so.

17 "Q: Could you tell the jury a little bit  
18 about that, please?

19 "A: Well, the first thing to do was  
20 negotiating the contract. Anthony -- well,  
21 Anthony, before the lawyers came to a meeting  
22 with the other side, the Latt Maxcy people, bid  
23 for the price and negotiated the price of the  
24 land and negotiated to buy all of it.

25 "And then at that point they said okay,

1 well, let's take the contract form that we had  
2 created and let's work out the specific contract  
3 deal between Land Company -- well, Anthony, which  
4 he then chose the Land Company of Osceola County,  
5 and the seller.

6 "So that contract was -- and that was a  
7 long, long process, as you can imagine something  
8 that was involved as this and in addition to, you  
9 know, just a straight purchase of the property,  
10 there was the fact that Latt Maxcy wanted to  
11 lease back the orange grove property for a period  
12 of time, harvest it. The county wanted all the  
13 cattle in a certain area of the ranch. They  
14 wanted to give them some time to get them off of  
15 there. So those issues had to be worked out.

16 "And then there was access from the  
17 so-called Peavine Road, which was a private road  
18 that they had which was on the west side -- or  
19 close to the west side of the 27,500 acres, but  
20 actually slightly over on the Latt Maxcy  
21 property. And that was thought, you know, we  
22 needed access from that to get in and look at  
23 certain things, all the access points on State  
24 Road 60.

25 "Q: Okay. So to be clear here, the

1 contract for this 27,000 acres -- as a matter of  
2 fact, it ended up being more than 27,000 acres,  
3 didn't it?

4 "A: Yeah, I think it's around 27,500, but  
5 to tell you the truth, I don't remember.

6 "Q: Well, there were two parcels that were  
7 purchased; am I correct?

8 "A: Well, there was land in two counties,  
9 but I always thought of it like one big property.

10 "Q: And of course, then even though the  
11 land was in two counties, your perspective in  
12 terms of the location as to how suitable it was  
13 for what that project was going to be was going  
14 to be the same, the two counties?

15 "A: That's right. That didn't affect it.  
16 And it had -- there was an aspect of State  
17 approvals that made it advantageous not to have  
18 land in two counties. But that's a further story  
19 that we haven't gotten into yet, you know. But  
20 we'll get into that.

21 "Q: And that was worked -- we worked  
22 through that?

23 "A: Yes, we did.

24 "Q: Okay, good.

25 "Now, was there due diligence done on behalf

1 of Anthony before he finalized the contract?

2 "A: Well, Anthony signed the contract. It  
3 was negotiated and signed and then due diligence  
4 was done by Barry Walter and Quinn Turner and  
5 everybody else in the consulting group who had  
6 been on it at that time --

7 "Q: Okay.

8 "A: -- to see if there were any, you know,  
9 major problems.

10 "Q: And there were none?

11 "A: There were none.

12 "Q: Now, so the jury will be clear, this  
13 27,000 acres and whatever additional acreage that  
14 was acquired -- well, the 27,000, that was the  
15 subject of discussion and work for you with  
16 Anthony before you met Fred DeLuca?

17 "A: Yes, sir.

18 "Q: No doubt about that?

19 "A: That's correct.

20 "Q: Now, tell us a little bit about the  
21 Land Company of Osceola County and how that --

22 "A: Well, that was a limited liability  
23 company that kind of, you know, has laws like  
24 most states that permit various forms of  
25 entities. You know, like you have a corporation

1 or you have a general partnership, a limited  
2 partnership or a limited liability company.

3 "Limited liability companies have a lot of  
4 advantages because of the flexibility in the way  
5 they're governed and operated in the so-called  
6 operating agreement --

7 "Q: Right.

8 "A: -- which is like the charter and the  
9 way, you know, the entity is to be run.

10 "So early on, and I don't remember how  
11 specifically the decision was made -- in other  
12 words, if he said to me 'should I take the title  
13 in my name,' the answer would have been no. But  
14 Anthony had a general counsel in-house named  
15 Henry Portner and I think he actually formed the  
16 limited liability company called Land Company of  
17 Osceola County, the LLC.

18 "Q: Were you familiar with the price that  
19 Anthony Pugliese worked out with the family that  
20 owned -- the Maxcy family for the purchase?

21 "A: Yes, sir.

22 "Q: Tell us a little about that deal and  
23 what you thought of it.

24 "A: Well, the deal was -- what Anthony  
25 wanted to bid on was at \$5,000 per acre and that

1 was --

2 "Q: Now, so we be clear, because I'm not  
3 that good at math, but \$5,000 an acre at  
4 27,000 acres is somewhat of a major deal?

5 "A: A major, major deal.

6 "Q: If my accounting -- my math is right,  
7 it's somewhere in the neighborhood of 130-plus,  
8 37, \$38 million?

9 "A: That's right.

10 "Q: And as I understand it, he won a bid.  
11 So there were other people involved --

12 "A: That's right.

13 "Q: -- trying to get it?

14 "A: Trying to get it, right.

15 "Q: He wasn't the only one that was  
16 pursuing it?

17 "A: That's right.

18 "Q: Okay. And this contract that we just  
19 alluded to, was that the contract that you were  
20 making reference to, the \$5,000 per acre bid that  
21 he won?

22 "A: Yes.

23 "Q: Okay, good.

24 "Now, and we'll get to the contract in just  
25 a second, but it wasn't the type of contract even

1           though it dealt with \$137 million -- but at the  
2           end of the day with Anthony and this family  
3           making this deal, was Anthony Pugliese acting as  
4           an administrator?

5           " You know, he did a lot of what he was doing  
6           based on --

7           "MR. HUTCHISON:  Objection, form and  
8           foundation.

9           "Q:  So is it safe to say that Fred DeLuca  
10          came into this deal after Anthony Pugliese had  
11          made the deal, won the bid for this -- to buy and  
12          purchase this 27,000 acres?

13          "A:  Yes.

14          "MR. HUTCHISON:  Objection to form.

15          "Q:  Now, you talked about your knowledge of  
16          the project.  It was a big project.  Did you have  
17          anyone else working on it with you or was it just  
18          you for the most part?

19          "A:  No, I had a number of people here in  
20          the office helping me.

21          "Q:  Okay.  Did you, Mr. Quentel, also work  
22          on the operating agreement?

23          "A:  A little bit, but mostly that was  
24          negotiated by --

25          "Q:  In-house counsel?



1           "A: Well, by Pugliese's in-house counsel,  
2 Mr. Portner, but also the support in our firm for  
3 what is mostly tax question type things, and that  
4 was one of the lawyers named Sam Levy, who is one  
5 of our shareholders out of Denver, Colorado.

6           "Q: But for the most part did you review  
7 the drafts of the operating agreement?

8           "A: Not in detail. I just became generally  
9 familiar with them and I discussed them. But I  
10 was really focused on the deal part rather than  
11 the operating agreement part.

12          "Q: Now, did you have an understanding as  
13 to how the funding was going to work with the  
14 LCOC project?

15          "A: Yes.

16          "Q: Tell the jury a little bit about that.  
17 What was your understanding as to how that was  
18 going to work?

19          "A: Well, there were -- I was told by  
20 Anthony and Tom San Giacomo that there were --  
21 that in meeting with DeLuca he first said, okay,  
22 he was going to come into the deal, and then he  
23 asked that a memorandum be written up of, you  
24 know, the deal points. And that was generated by  
25 Tom San Giacomo and that sort of became like the

1 outline of the deal, our counter-issue for the  
2 deal. This is what we're going to do.

3 "So it was pretty clear in there how it was  
4 going to be and as I understood it, it was going  
5 to be financed to get a mortgage loan.

6 "Then the cash requirement was really --  
7 there was another deal involved too. That was  
8 the paper company, the paper company acquisition.

9 "Q: Okay.

10 "A: So the bargain, as I recall it, was  
11 explained to me at the time and everything and I  
12 saw -- I think there are memos by Tom maybe in  
13 the form of emails or something that set all this  
14 out, that there would be \$35 million in cash for  
15 the two deals.

16 "Q: Okay.

17 "A: And the paper deal was I think about  
18 28 million. I may be wrong in that figure. But  
19 anyway, a total of 35 million in cash, and  
20 Anthony would put up 25 percent of that and  
21 DeLuca would put up 75 percent.

22 "So I think the figures were like -- I  
23 haven't done the math, you know, around  
24 \$8,750,000 and \$26,250,000 or something like  
25 that -- I don't know.

1           "Anyway, the paper deal closed earlier. It  
2 closed in May of 2005 and the land deal in  
3 August 10th of 2005, and the way it worked out in  
4 the paper deal, Anthony put in more cash and so  
5 when it came time to do the land deal, he put in  
6 less cash.

7           "Q: He also owned the right to the  
8 property. He contracted for the 27,000 acres  
9 before --

10          "A: Exactly.

11          "Q: -- he met DeLuca. So it had nothing to  
12 do with that?

13          "A: Nothing to do.

14          "Q: No interest in it, no money in it.

15          "A: That's right.

16          "Q: Now, let me just go back for a second.  
17 Who was the Rohde family?

18          "A: Rohde was --

19          "Q: Right.

20          "A: -- yeah, R-O-H-D-E, was a family of I  
21 think four brothers and a sister and they owned  
22 the land north of State Road 60 abutting the  
23 Turnpike. So in other words, they were a  
24 neighbor to the north of the property.

25          "Q: Okay.

1           "A: The Rohde family is one of those old,  
2 old families in Osceola County. Osceola County  
3 is I guess like a lot of rural counties -- or  
4 maybe not -- but anyway, there were a few major  
5 property owners, so they've been ranchers there  
6 for several generations. I think their ancestor,  
7 maybe the father and mother, had put together  
8 this whole big ranch and then each of the  
9 children got a portion of it. You know, they  
10 divided up parcels.

11           "So that was the Rohde family.

12           "Q: Now, how did they -- did they become a  
13 part of this venture, this deal, this  
14 transaction?

15           "A: Yes. Yes, they did. They became a  
16 part of it through this theory; that Anthony  
17 said, you know, with our property, the  
18 27,000 acres, we can do -- probably get a certain  
19 number of units. I don't remember what he said  
20 was the number.

21           "Q: Okay.

22           "A: And the Rohde property, if they  
23 developed, could probably get a certain number of  
24 units. But I think if we put the two together,  
25 we could get A plus B, but we could get a larger

1 figure. The figure would be larger than either  
2 one could have separately obtained the approvals  
3 for this property.

4 "Q: So what did you think about that  
5 approach?

6 "A: I thought it was very insightful. I  
7 thought it was a brilliant approach. I thought  
8 that that's true. You can see that, because you  
9 have both sides of the road. You have the  
10 ability to shift things from one area to another  
11 within that property. You have the ability to  
12 kind of phase everything, you know.

13 "Q: Now, during this time that we're  
14 talking about here, bringing this deal together,  
15 were there other companies involved in this  
16 property as well?

17 "Were there other people of interest that --

18 "A: Well, not between -- you know, I'm not  
19 sure I understand the question really well. But  
20 in other words, later at the development  
21 approvals the State wanted to include Latt Maxcy.

22 "Q: Okay.

23 "A: But that was part of the twists and  
24 contortions that the Department of Community  
25 Affairs and this Tom Pelham, you know, kind of

1 forced on us, in effect.

2 "Q: Was it all just money or was it --

3 "A: It turned into some -- well, yeah. In  
4 other words, it was the price they would pay plus  
5 give them the contract they wanted.

6 "They wanted to lease the orange groves to  
7 harvest the crops. They wanted to keep the  
8 cattle in this area of the ranch for a certain  
9 period of time, and you know, they wanted a few  
10 other things. Those were the minor -- in terms  
11 of the whole deal, the minor aspects of it.

12 "Q: Okay. And of course the Rohde family  
13 had some influence too in it?

14 "A: Well, but Rohde was a different -- you  
15 know, Rohde did not get along terribly well with  
16 Latt Maxcy and that's just one of those things  
17 that -- you know, I've heard the story and I  
18 can't tell you now what it was, but something  
19 happened with somebody's grandfather or father or  
20 something, you know.

21 "Q: Right.

22 "A: People have long memories.

23 "Q: Was this project geared for retirees or  
24 just senior citizens?

25 "A: No, it was geared for people that

1 worked and had jobs that could be brought to the  
2 property. In other words, the various things  
3 would be done to create income-producing jobs  
4 that you'd have right there in the community, and  
5 if you could have a mix it's not to be a  
6 retirement center.

7 "It's not like, you know, to use a  
8 well-known example, the Villages, which is more  
9 of a retirement center except for the guys that  
10 are the doctors and the ambulance drivers and so  
11 forth like that.

12 "But this was going to be where people come  
13 in and work and live and not have so far to drive  
14 to work, and maybe they'd take a bus or maybe  
15 they'd take a bicycle or maybe they would walk.

16 "Q: Thank you, Mr. Quentel.

17 "MR. HUTCHISON: Object, form, foundation.

18 "Q: When did Destiny first become the  
19 forefront of this deal?

20 "A: Well, it's hard to say. It evolved  
21 over time and certainly when he got the land  
22 there was no notion of, you know, what they would  
23 do other than, you know, there were a series of  
24 possibilities. One was ranchettes, you know,  
25 20-acre ranchettes or something, selling those to

1 people. Others were to build a city.

2 "So it evolved over time. The way you get  
3 the most money out of it and have to spend in the  
4 long run the least per unit, housing unit, on  
5 infrastructure; you know, roads, water, sewer,  
6 contributions to schools and all those things,  
7 was to go with the project to build a new town, a  
8 fairly serious population amount.

9 "Q: Now, this all predated any brokers  
10 agreements?

11 "A: Well, no. Florida law has kind of  
12 evolved on brokerage and I happen to know a lot  
13 about that. But basically, what this looks like  
14 is that -- you know, it says seller's broker,  
15 John Shepherd, RE/MAX Realty. So it sounds like  
16 they were expecting some type of brokerage  
17 agreement.

18 "Q: And that's around \$137 million?

19 "A: Yes. That's a lot of money, yes, sir.

20 "So then the question was -- they asked me,  
21 they said, 'Well, how can we -- if we did this  
22 thing, you know, we don't want \$137 million worth  
23 of ordinary income. What can we do?'

24 "So I got with one of our tax experts and  
25 said we'll grant him an option and close after a



1 year, because that way it becomes a capital gain.

2 "Q: You decided to move on with the Destiny  
3 project?

4 "A: Right.

5 "Q: Mr. Quentel, I've handed you what's  
6 been marked as Exhibit 2 -- or 3.

7 "A: Yes, sir.

8 "Q: Take a look at that and see if you  
9 recognize that document.

10 "A: Yes, this is the purchase and sales  
11 contract for the ranch, the 27,000-plus acres.

12 "Q: And what's the date on that contract?

13 "A: I think the date is -- let me check.  
14 December 6, 2004.

15 "Q: Thank you very much. Now, after the  
16 contract for purchase --

17 "A: Hold on just a second.

18 "Q: Okay. Was there another date?

19 "A: Oddly enough, under Anthony's  
20 signature --

21 "Q: There's another date?

22 "A: December 6, 2005. But that's wrong.  
23 It's the date that the seller has on here under  
24 their signature, December 6, 2004, because we  
25 actually closed the deal August 10, 2005. So

1 it's just an error in writing.

2 "Q: But the purchase was made in 2004?

3 "A: Yes, sir.

4 "Q: Okay. After the contract was  
5 consummated and the project got underway Fred  
6 DeLuca got involved at some point. Do you recall  
7 when he got involved in this deal?

8 "MR. HUTCHISON: Objection to form.

9 "A: I don't know --

10 "Q: When he got involved?

11 "A: When. I don't remember that exactly.  
12 It could have been like April or May of 2005 or  
13 something like that.

14 "Q: Okay.

15 "A: Maybe it was even more beyond that  
16 point.

17 "Q: Did there come a point in time that  
18 there was an unveiling, a reception that was  
19 held? Do you recall that?

20 "MR. HUTCHISON: Objection to form.

21 "A: Yes, I do.

22 "Q: And were you present?

23 "A: Yes.

24 "Q: Will you mark this for me, please --"

25 MR. MARIANI: Your Honor, if I could

1 interrupt a moment. This exhibit is the picture  
2 or photo that was published yesterday. Can we  
3 show it for a moment --

4 THE COURT: Fine.

5 MR. MARIANI: -- and then go back to the  
6 testimony?

7 THE COURT: All right.

8 Okay. Let's go back to the testimony.

9 (Whereupon the video continued.)

10 "Q: Did there come a point in time that  
11 there was an unveiling, a reception that was  
12 held? Do you recall that?

13 "MR. HUTCHISON: Objection to form.

14 "A: Yes, I do.

15 "Q: And were you present?

16 "A: Yes.

17 "Q: Will you mark this for me, please.

18 "I show you that photograph and see you if  
19 you recognize anybody on there.

20 "A: Yes, I recognize a lot of people on  
21 here.

22 "Q: Starting with?

23 "A: Well, there's Anthony Pugliese and  
24 myself sitting there.

25 "Q: That sort of depicts some of the people

1 that were present on the day that there was an  
2 unveiling of the project and that reception?

3 "A: Yes, these were the people that were  
4 involved in some way with working on Destiny.

5 "Q: And to the best of your knowledge, if  
6 you have personal knowledge of it, who  
7 orchestrated that unveiling and that reception?

8 "A: Well, I think it was Anthony. And Fred  
9 Florio was there. I see where he is in this  
10 picture. But I think most of the planning and  
11 that kind of thing was Anthony.

12 "Q: And you recognize some of the people  
13 who were there?

14 "A: Yes, sir.

15 "Q: Who were some of those people? What,  
16 if any, significance?

17 "A: Well, if you take the first row, there  
18 was Larry Walter, who was an engineer, a surveyor  
19 and general overall expert in matters, you know,  
20 relating to Osceola County.

21 "Q: Is he in the front?

22 "A: He's on the far left here wearing the  
23 white shirt.

24 "Q: Can you turn that around?

25 "A: Oh, sure. Sure, yeah.

1           "So you got -- Larry Walter is this fellow  
2 right here and he's -- yeah, he was back here.

3           "Q: Members of the jury, bear with us.

4           "A: Okay. This is -- there's Larry Walter  
5 right here.

6           "Q: Okay.

7           "A: And then --

8           "Q: And who is Larry, again, so the jury  
9 can be clear?

10          "A: Well, he's with the engineering firm  
11 based in Kissimmee and they're like experts in  
12 Osceola County. He had actually been the  
13 chairman of the water authority or something, you  
14 know, for the county. He is a very well-known  
15 engineer and surveyor.

16          "Q: And as best that you know, did he  
17 perform work on this project?

18          "A: Yeah, I knew a lot about what he did.  
19 It was more complex issues of surveying and  
20 planning and a LiDAR survey of property. He did  
21 that and he did a lot of things related to the  
22 property.

23          "Q: Okay. I'll try to move this along as I  
24 can.

25          "Do you recognize any other -- and I'll have

1           you turn it around and --

2           "A: This with the yellow necktie here is  
3           Scott Leftwich. He is a traffic expert, probably  
4           the finest traffic expert in Florida, was a  
5           teacher at I think the current Department of  
6           Transportation at the time.

7           "When I say a teacher, he's a college  
8           professor and taught this guy in class.

9           "Q: He taught the current --

10          "A: At that time. He was involved with the  
11          project. You know, people like that change in  
12          the department. But he's like -- you know, he  
13          wrote a book on traffic. In Florida you go to  
14          this guy, Scott Leftwich.

15          "Q: And can you just point out some of the  
16          other people of interest there that --

17          "A: Well, this right here is Meril  
18          Stumberger, who is a governmental lobbyist that  
19          has worked very closely with Anthony over the  
20          years, and right in the center there is Anthony's  
21          wife.

22          "Over here with the white hair is Henry  
23          Rohde and --

24          "Q: That's the famous Mr. Rohde?

25          "A: This is --

1           "MR. HUTCHISON:  Objection and move to  
2 strike.

3           "A:  -- the famous Rohde of the Rohde  
4 family.

5           "Then next to him is Ros Gatewood with the  
6 Pugliese Company.  She's sort of like a public  
7 relations person and you know, did a lot of  
8 things in connection with the press about the  
9 property.

10          "And let me see here, what is --

11          "Q:  So help me out a little bit here.  You  
12 had local officials here?

13          "A:  Yeah.  Now, I can't tell you exactly  
14 where, but --

15          "Q:  You can't point those out?

16          "A:  I know there was a county commissioner.  
17 We had a number of tables.  It was a big luncheon  
18 and I think it was sponsored by the Chamber of  
19 Commerce --

20          "Q:  Okay.

21          "A:  -- of the county as well.

22          "Q:  What about State officials, did you  
23 have State officials there as well?

24          "A:  I don't remember if there were State  
25 officials at this proceeding or not.

1           "I see Fred Florio, looks like right next  
2 there -- right there is Fred. He's right next to  
3 George Willson, who's the consultant I mentioned  
4 earlier.

5           "Q: George Willson?

6           "A: Yes, spelled with two L's,  
7 W-I-L-L-S-O-N.

8           "Q: And you're sitting on the front row  
9 with --

10          "A: Well, I was lucky. I was sort of like  
11 put on the spot. You get one of those things and  
12 you get a guy like Anthony, who has a strong  
13 personality and they're all scared to sit next to  
14 him, but -- he's kind of a brash guy. I think  
15 I'd sit next to Anthony anytime I have a chance.

16          "Q: And why is that?

17          "A: I like him. We get along well.

18          "Q: Now, there may have been State  
19 officials there that you just don't recall?

20          "A: Yeah, I don't recall.

21          "Q: But this unveiling, it was a big day?

22          "A: Oh, it was huge, the big event going on  
23 in that county at that time.

24          "Q: Did you see in that photograph or do  
25 you see Fred DeLuca anywhere?



1 "A: No.

2 "Q: Did he show up to that, that you know  
3 of?

4 "A: No, he didn't.

5 "Q: I've heard talk about a concept that  
6 was built into this project, the green concept.  
7 Are you familiar with that?

8 "A: Yes. That was -- one of the  
9 cornerstone ideas that Anthony had was to make  
10 this very green and what I mean by that, it would  
11 be energy efficient. It would use the latest  
12 techniques to take advantage of sunlight and  
13 natural environment and try and get the buildings  
14 to be lead certified with leadership and what is  
15 it called -- I forget what it stands for, energy  
16 and efficiency design and so forth.

17 "Q: As a matter of fact, speaking of the  
18 green design and the green concept, were you  
19 familiar with the work of this project and the  
20 people involved that received an award from the  
21 President Clinton's Climate Initiative?

22 "A: Yes, they did. They were chosen.

23 "Q: What is that about?

24 "A: Well, President Clinton has gotten  
25 involved with a lot of work in that area about

1 promoting the green designs and the use of less  
2 energy and all of those matters related to it. I  
3 didn't even describe all of it. He has a  
4 prestigious organization, and he actually gave  
5 Destiny an award.

6 "Q: And was this a local award or was it an  
7 international?

8 "A: It was international.

9 "Q: Okay. And that was given to this  
10 project by a former president of the United  
11 States of America?

12 "A: That's true.

13 "Q: Mr. Quentel, was the Audubon Society a  
14 part of this venture?

15 "A: Well, when you say 'a part,' they were  
16 very interested in it. The head of Audubon in  
17 Florida, may be a national figure and I can't  
18 think of his name right now, he was brought by  
19 George Willson to meet with the development team.  
20 I was at that meeting.

21 "Q: That was a pretty big deal?

22 "A: Yeah, because if we could get their  
23 support for what we're doing, you know, that was  
24 a lot of weight that carried at the State level.

25 "Q: Could you explain to the jury what the

1 Audubon Society was about?

2 "A: Well, Audubon Society was named after  
3 John James Audubon, who was the famous painter of  
4 wildlife, you know, of birds in America and  
5 his -- the organization named for him was  
6 created, you know, years and years ago to promote  
7 maintenance of bird life and habitats and unusual  
8 species, rare species, to make people familiar  
9 with them.

10 "Over the years the organization has evolved  
11 into probably the most prestigious of all the  
12 environmental groups. In other words, it  
13 predates all these things like Nature Conservancy  
14 and other groups and it has interesting attitudes  
15 about development.

16 "One of them is that they don't care how  
17 dense you get or how tall you get as long as you  
18 don't disturb the birds' habitat. They saw this  
19 with preservation areas that had been laid out by  
20 the team of consultants as doing that.

21 "In other words, the wetlands areas and the  
22 areas where different types of unusual species  
23 lived and bred and reproduced and so forth and so  
24 on, these would be preserved. So there were  
25 birds of enormous density on the land.

1           "Q: So they were on board?

2           "A: Well, when you say they were on board,  
3 they're kind of a tricky bunch. They will tell  
4 you they're on board and they'll be on board the  
5 day they tell you, but they're wily --

6           "Q: You stray away from them --

7           "A: If there's something they don't like,  
8 then they'll be your worst enemy, you know.

9           "Q: So how would you describe what kind of  
10 time and effort went into the planning and  
11 implementation of the ideas and the vision of  
12 putting this town together?

13           "MR. HUTCHISON: Objection, form and  
14 foundation.

15           "A: It was a -- you know, like a total  
16 effort.

17           "I know that Anthony did some other things  
18 during the time, but it was a total focus of  
19 everybody involved in the consulting group. This  
20 was the job, you know. We weren't doing other  
21 stuff. It is not an unusual thing to have  
22 setbacks and problems and we believe that we were  
23 overcoming those. We would deal with them as one  
24 by one and not run out of patience and  
25 persistence.

1           "Q: So how would you describe the project  
2 then in terms of -- was this dream on its way?  
3 Was it coming together?

4           "MR. HUTCHISON: Objection, form.

5           "A: Yes, it was.

6           "Q: Was it making progress?

7           "A: Yes."

8 \*           \*           \*           \*           \*           \*           \*

9           (Whereupon the video continued).

10          "Q: Did you believe in the project?

11          "A: Yes.

12          "Q: Why did you believe in it?

13          "A: Well, I guess all the things that we've  
14 been talking about before. You had a wonderful  
15 piece of property in a very strategic location.  
16 You know, they say with real estate valuation  
17 it's location, location, location. So it had the  
18 location.

19                 "It had the clean slate, meaning you could  
20 do with it what you wanted to do, which meant you  
21 could respect the natural beauty of the property.  
22 You could develop it with using all kinds of  
23 modern transportation, so everything from  
24 pedestrian paths to light rail.

25                 "You could make it convenient for people to

1 live there and you could make it convenient to  
2 work there, and there was a tie-in with  
3 universities that were asked to bring research  
4 facilities there and the idea that they would be  
5 offered campuses there for that research purpose.

6 "You had a sufficient amount of land to do  
7 all this and you had a willing county that would  
8 have loved to have seen development at the south  
9 end of the county where all up to that time had  
10 taken place as really an extension of Orlando,  
11 running down close to Kissimmee and over into  
12 Celebration and so on, and they wanted some  
13 activity in the south end of the county.

14 "Q: Okay. Now, at some point in time this  
15 deal was closed on. You were involved with that  
16 to some extent, were you not?

17 "A: Yes, as a lawyer.

18 BY MR. HUTCHISON:

19 "Q: The first time you met Anthony Pugliese  
20 was in late 2004; is that correct?

21 "A: That's right.

22 "Q: Now, with respect -- you've been a  
23 lawyer for how many years?

24 "A: Since '59. So it would be how many  
25 years -- 51 this year, 52.

1           "Q: Now, you as a lawyer, you don't get  
2 into the financial feasibility of real estate  
3 ventures, do you?

4           "A: No, sir, I do not.

5           "Q: And with respect to the 27,000 acres in  
6 Yeehaw Junction, did you give any opinions as to  
7 the financial feasibility of the Yeehaw Junction  
8 or Destiny project?

9           "A: You say did I give any? No, no, I did  
10 not.

11          "Q: Did you review any financial  
12 feasibility studies during the due diligence  
13 phase of the purchase of the Yeehaw Junction  
14 property?

15          "A: No.

16          "Q: Are you aware of whether any were done?

17          "A: I am not aware.

18          "Q: Tell us who Tom San Giacomo was.

19          "A: Tom San Giacomo was -- worked for  
20 Anthony Pugliese, and they have been friends for  
21 decades.

22          "Q: Dave Worroll, W-O-R-R-O-L-L --

23          "A: Yes.

24          "Q: -- who is he?

25          "A: Well, as far as I know, he is like a

1 financial person, controller or something at  
2 Subway, and he was the interface on the matters  
3 of finance.

4 "Q: Was he working on behalf of Fred DeLuca  
5 in the Land Company of Osceola County in the  
6 purchase of the Yeehaw Junction property?

7 "A: Yes, he was.

8 "Q: Land Company of Osceola County is a  
9 limited liability company?

10 "A: Yes.

11 "Q: It has two members?

12 "A: Right.

13 "Q: One member is FD Destiny, LLC?

14 "A: Yes.

15 "Q: And that stands for Fred DeLuca,  
16 correct, the FD? Correct?

17 "A: Right.

18 "Q: And the other member is AVP Destiny,  
19 LLC, correct?

20 "A: Correct.

21 "Q: And once the \$6 million for project  
22 costs was used up, AVP Destiny was to contribute  
23 25 percent of the additional costs and FD Destiny  
24 was to contribute 75 percent of the additional  
25 costs, correct?



1 "A: Correct, right.

2 "Q: Let me show you Exhibit 266. That's an  
3 email from you, correct, to San Giacomo? It's  
4 the second email from the top of the front page  
5 of Exhibit 266.

6 "A: Yes, uh-huh.

7 "Q: And you write: 'Under the operating  
8 agreement for Land Company of Osceola County,  
9 LLC, Section 5.3 on page 15, capital  
10 contributions are in the ratio of 75 percent by  
11 the FD entity and 25 percent by the AVP entity  
12 until August 10th, 2010, when they become 50-50.'

13 "That's what you write, correct?

14 "A: Yes.

15 "Q: And you understood Dave Worroll worked  
16 for Fred DeLuca, correct?

17 "A: Yes, he did. Okay, I read that.

18 "Q: Okay. And you were looking at the  
19 sequence -- in Exhibit 267, the second email from  
20 the top, which is also the bottom email on the  
21 page, is from Tom San Giacomo to Dave Worroll,  
22 W-O-R-R-O-L-L, and Joe Esposito and Fred DeLuca  
23 dated Thursday, June 21st, 2007. Do you see  
24 that?

25 "A: Yes.

1           "Q:  And that email from Tom San Giacomo to  
2 Dave Worroll is after the email that you sent  
3 Mr. Giacomo on Exhibit 266, correct?

4           "A:  Correct.

5           "Q:  He essentially takes your language and  
6 writes Mr. Worroll and writes that:  'The  
7 operating agreement for Land Company of Osceola  
8 County, Section 5.3 on page 15, capital  
9 contributions in the ratio of 75 percent by the  
10 FD entity and 25 percent by the AVP entity until  
11 August 10th, 2010, when they become 50-50'; which  
12 is the language that you wrote in the email to  
13 him, correct?

14          "A:  Yes.

15          "Q:  Okay.  And that was your understanding  
16 of how the future costs, operating costs of LCOC  
17 were to be funded, correct?

18          "A:  Correct.

19          "Q:  And then after sending it to Dave  
20 Worroll, Mr. San Giacomo then forwarded that  
21 email to you, which is the top email on  
22 Exhibit 267, correct?

23          "A:  Right, and to others.

24          "Q:  He sent it to Anthony Pugliese and Joe  
25 Reamer and to you, correct?

1 "A: Correct.

2 "Q: Let me show you Exhibit 275. It's an  
3 email from Julie Kendig, K-E-N-D-I-G.

4 "Who is Julie Kendig?

5 "A: She's one of the shareholders in our  
6 Orlando office. She's an expert in zoning and  
7 what we generally have been calling entitlements.  
8 In other words, to get the property so it was  
9 buildable.

10 "Q: So she works for Greenberg Traurig?

11 "A: Yes.

12 "Q: This is an email from Julie Kendig to  
13 Tom San Giacomo, copying you and others. It's  
14 Exhibit 275. Take a look at that.

15 "A: This was March 2005, so it was after  
16 the contract was signed. Good letter.

17 "Q: I said Julie Kendig, K-E-N-D-I-G. It's  
18 actually Julie Kendig-Schrader, S-C-H-R-A-D-E-R.

19 "What is her specialty? What is her --

20 "A: Entitlements, and especially in Osceola  
21 County.

22 "Q: So when you use the term  
23 'entitlements', just so the jury is clear,  
24 entitlements means what?

25 "A: It means the comprehensive plan

1 allocation that this property would be developed.  
2 It means zoning on the property and setting forth  
3 the various land uses that the ultimate design  
4 showed to be employed, and it means obtaining  
5 water approvals from the appropriate water  
6 management district.

7 "In this case the land was in two districts,  
8 but we believe that one of them would cede the  
9 authority to negotiate the aspects of the water  
10 plan to one or the other -- to one of the  
11 specific agencies.

12 "And it means clearing transportation issues  
13 with the Department of Transportation and  
14 generally enabling the property to have lots or  
15 development parcels that could be sold to  
16 builders.

17 "Q: And one large part of that is to  
18 increase the number of units that can be built on  
19 the property?

20 "A: Absolutely.

21 "Q: In fact, this property when purchased  
22 was entitled or zoned to have one unit per every  
23 five acres, correct?

24 "A: Correct.

25 "Q: That would be one rooftop or one house

1 per five acres?

2 "A: Correct, and the ultimate thing that  
3 was developed in using various strategies was --  
4 would have put us between 60,000 and 85,000  
5 rooftops on the aggregate of this property and  
6 the Rohde property.

7 "Q: But that hasn't happened, correct?

8 "A: That did not happen, correct.

9 "Q: I want to talk about this letter, which  
10 is Exhibit 275, attached to Julie Kendig's email.

11 "A: Right.

12 "Q: In the first paragraph, who is F. Hood  
13 Craddock, C-R-A-D-D-O-C-K, and Henry Lerner?

14 "A: Well, F. Hood Craddock was like the  
15 chief business guy for the Maxcy family and  
16 Maxcy -- the person named Latt Maxcy, for whom  
17 the ranch and the company was named, was deceased  
18 and the owners were then the family. I think  
19 their name was Wilson, and that was through a  
20 daughter that Maxcy had.

21 "The head of that group was known as Pete  
22 Wilson. I'm not sure that that's his name. But  
23 basically he hired Hood Craddock as his chief  
24 businessperson. Henry Lerner was sort of the  
25 deputy to Craddock.

1           "Q: In the next paragraph in the second  
2 sentence, Ms. Kendig writes: 'It is estimated  
3 that approximately 40 percent of the property  
4 contains wetland soils.'

5           "A: Yes.

6           "Q: Our review of the current -- when she  
7 says 40 percent of the Yeehaw Junction property,  
8 that was --

9           "A: Yeah, the 27,000 acres.

10          "Q: 40 percent of that was wetlands?

11          "A: Yes.

12          "Q: Then she goes on to write: 'Our review  
13 of the current development entitlements for the  
14 property has determined there's a residential  
15 density allocation for the upland portion of the  
16 property of one unit to five acres.'

17          "Do you see that?

18          "A: Yes.

19          "Q: Julie Kendig goes on to write in the  
20 second page in the second full paragraph starting  
21 out, 'The major issue.'

22          "Do you see that paragraph?

23          "A: Yes.

24          "Q: She says: 'The major issue surrounding  
25 any increase in entitlements for the property

1           which the development team has identified  
2           revolves around Osceola County's population  
3           projections that are contained in the  
4           comprehensive plan.'

5           "Do you see that?

6           "A: Yes.

7           "Q: Then she writes: 'The population  
8           demand for Osceola County is not currently  
9           sufficient to justify any significant increase in  
10          density for the property without creating a  
11          vacuum that would shift almost all available  
12          population projections away from other portions  
13          of the county.'

14          "So she was saying that -- I think you said  
15          this before, but Ms. Kendig is saying that  
16          essentially there's only a certain amount of  
17          allocation for future residential units and that  
18          if they titled the 27,000 acres in the south part  
19          of the county at Yeehaw Junction, it would take  
20          away from all further growth from the north part  
21          of the county; is that accurate?

22          "A: That's accurate. In other words,  
23          because -- again, what I tried to explain on that  
24          straight line projection that the State  
25          Department of Community Affairs insisted on

1 using; if you even told the county, and other  
2 developers in the county would realize what would  
3 happen because they knew exactly what this Julie  
4 Kendig did in approaching this letter.

5 "Q: Then she goes on to write: 'The  
6 development team has recommended to the Pugliese  
7 Company that no public mention be made of the  
8 proposed development of the property until both  
9 the population projection issue and the EAR based  
10 amendment debate are finalized.'

11 "Do you see that?

12 "A: Yes.

13 "Q: So that was the strategy that was  
14 implemented, as best you can recall?

15 "A: Well, at a certain point it was no  
16 longer viable, because as part of the Department  
17 of Community Affairs' reaction to anything that  
18 involves any kind of change or any kind of  
19 growth, they try to delay, roadblock, sabotage,  
20 otherwise prevent anything from happening.

21 "So in fact, the EAR based amendments were  
22 not done in August, were not. They just went on  
23 and on.

24 "Q: They were in late 2007, correct?

25 "A: I don't even know when it was first



1 developed and when it finally happened.

2 "The strategy, you know, was that we wait  
3 because we thought something was going to happen  
4 with the EAR based amendment. But I don't know  
5 how long that strategy remind viable, because  
6 nothing ever happened with the EAR based  
7 amendment.

8 "Q: Well, Ms. Kendig writes in the sentence  
9 before the one I just read: 'These issues should  
10 be resolved between August and December of this  
11 year,' which I assume at that time is what she  
12 anticipated, correct?

13 "A: Everyone anticipated, yes. I think she  
14 did. Everyone anticipated that they would happen  
15 sooner, in the hopes everything was lined up for  
16 that to happen.

17 "Q: The second page, last paragraph, first  
18 sentence: 'As a result of our due diligence  
19 findings (or lack of the ability to bring same to  
20 closure at this time) the development team has  
21 recommended to the Pugliese Company that they  
22 request an extension of the due diligence period  
23 for the purchase of the property. Our suggested  
24 extension would involve a series of three  
25 three-month extensions.

1           "'At the conclusion of each three-month  
2 period the Pugliese Company would report back to  
3 Latt Maxcy regarding the status of the due  
4 diligence investigation, the process of the  
5 county's resolution of the EAR based amendment,  
6 and the resolution of the population projection  
7 issue.'

8           "Do you see that?

9           "A: Yes, I do.

10          "Q: She goes on to write: 'During the  
11 extension period the Pugliese Company and its  
12 development team would continue in diligent  
13 pursuit of legislative avenues and encourage the  
14 speedy resolution of the issues surrounding the  
15 Osceola County EAR based amendment.'

16          "Is that what happened?

17          "A: No, there was no extension of the due  
18 diligence in three-month segments.

19          "Q: The seller would not agree to that?

20          "A: That's right.

21          "Q: What about any potable --  
22 P-O-T-A-B-L-E -- water studies, did you see any  
23 of those prior to the closing on August 10th?

24          "A: I don't remember potable water studies,  
25 no.

1           "Q: Any market studies regarding potential  
2 future sales, did you see any of those prior to  
3 August 10th, 2005?

4           "A: I don't remember.

5           "Q: Did you see any studies regarding  
6 sewage treatment plants or requirements prior to  
7 August 10th, 2005?

8           "A: They were certainly discussed.

9           "Q: Did you see a study done prior to  
10 August 10, 2005 with respect to that?

11          "A: I don't remember. No, I don't think I  
12 saw a study of it.

13          "Q: Last deposition you mentioned that when  
14 you first purchased the property on August 10th,  
15 2005, that there wasn't a set strategy going  
16 forward at that point; that they were looking at  
17 various options, including one was selling  
18 ranchettes, you know, small acres and house  
19 ranchettes, one was to sell off some entitlements  
20 and sell off different pieces to builders.

21          "Do you recall that?

22          "A: Yes, I do recall that.

23          "Q: So when the property was purchased on  
24 August 10th, 2005 there was no guarantee as to  
25 how many entitlements, if any extra entitlements,

1 would be obtained at all; is that correct?

2 "A: No guarantee, I think that's true.

3 "Q: It was a risk. It was a risk as to  
4 whether there would be more entitlements and if  
5 so, how many entitlements, correct?

6 "A: That's true.

7 "Q: Did you see any financial studies  
8 regarding how much it would cost to bring  
9 electricity to the property?

10 "A: No.

11 "Q: Did you see on how to bring water or  
12 sewer lines to the property, how much that would  
13 cost? Did you see any studies on that?

14 "A: No.

15 "Q: At some point in time there was a  
16 decision made to seek additional entitlements or  
17 increase the density of the Yeehaw Junction  
18 property under the Rural Land Stewardship Act,  
19 correct?

20 "A: Yes.

21 "Q: At some point in time you talked about  
22 the Department of Community Affairs. Ultimately  
23 they had to approve whether Yeehaw Junction was  
24 going to get additional entitlements, correct?

25 "A: Ultimately, yes.

1           "Q: And that is the Department of Community  
2 Affairs would have made a decision as to whether  
3 to increase the density or allow somebody to  
4 build more units or houses on the Yeehaw Junction  
5 property?

6           "A: Yes.

7           "Q: At one point in time when LCOC was  
8 seeking additional entitlements under the Rural  
9 Land Stewardship Act -- or the RLS it's also  
10 called -- the Department of Community Affairs  
11 insisted that LCOC work with the Latt Maxcy  
12 company.

13          "Do you recall that?

14          "A: I do.

15          "Q: The Urban Growth Boundary was on the  
16 top, was at the north end of the county, right,  
17 70, 80 miles away?

18          "A: I believe it was more like 60.

19          "Q: 60 miles away?

20          "And the Urban Growth Boundary is a  
21 perimeter around the -- that extends from the  
22 current area, the more urban area up in the north  
23 end of the county; that they recommend growth  
24 within that boundary, right?

25          "A: Yes.

1           "Q: So the Urban Growth Boundary restricts  
2 early growth to a specific area around the  
3 community to prevent the spread and development  
4 in the surrounding agricultural world?

5           "A: I think that's a generally accurate  
6 statement.

7           "Q: Who's Jeff Jones?

8           "A: I think he is the official for Osceola  
9 County who had the title of smart growth  
10 director.

11          "Q: Now, back to Exhibit 280, Mr. McDaniel  
12 writes: 'Subsequently, your client informed the  
13 Department that it proposed to construct on its  
14 41,000 acres of property a very large city,  
15 including 100,000 residential units and  
16 approximately 250,000 people, with a very large  
17 development footprint.'

18          "Do you see that sentence there?

19          "A: Yes.

20          "Q: Okay. Let's talk about that. What  
21 they were saying in this letter is they weren't  
22 going to approve -- the Department of Community  
23 Affairs was not going to approve additional  
24 entitlements under the Rural Land Stewardship  
25 Act, correct?

1           "A: For this size project, yes.

2           "Q: When you last worked on the LCOC  
3 project, were the entitlements still one unit per  
4 every five acres?

5           "A: As far as I know, they were that way  
6 when we bought it and they remained that way, but  
7 I don't know for sure.

8           "Q: To your knowledge, it's still that way  
9 today?

10          "A: As far as I know. That may have  
11 changed, but as far as I know, it is.

12          "Q: The last time you would have worked on  
13 the LCOC project would have been spring of 2009?

14          "A: Yes, I think so. I don't remember the  
15 exact dates.

16          "Q: And at least as of spring of 2009 the  
17 entitlements or zoning was still one unit per  
18 five acres at the Yeehaw Junction property,  
19 correct?

20          "A: I think so, yeah.

21          "Q: Tom San Giacomo, why was he fired, do  
22 you know?

23          "A: Probably, yes.

24          "Q: Could you tell us?

25          "A: Well, there were certain expenditures

1 in a related business that were not approved by  
2 the director or other officers involved.

3 "Q: He was stealing?

4 "A: I don't think he's ever been accused of  
5 stealing. I think he was accused of spending  
6 money that -- in ways that he shouldn't have  
7 spent the money.

8 "Q: Did you know that Mr. Pugliese created  
9 companies and actually billed LCOC for work that  
10 wasn't done?

11 "A: Created companies. No, I'm not aware  
12 of that.

13 "Q: When you prepared for this deposition,  
14 did you speak with Mr. Pugliese or any of his  
15 three lawyers that are sitting here today?

16 "A: Oh, sure, I've talked to all of them.

17 "Q: And you've talked to them about your  
18 deposition?

19 "A: Did I talk to them about the  
20 deposition? You know, we had ceaseless  
21 conversations about, you know, when it was gonna  
22 be and where it was gonna be and all that kind of  
23 stuff.

24 "Q: In preparation for your deposition, did  
25 you have any conversations with them?



1 "A: In preparation for the deposition.

2 "Q: Did you go over any documents with  
3 them?

4 "A: Well, wait a minute. Now, sure, we  
5 went over documents at some point, I think to try  
6 to get ready for this thing.

7 "Q: Did you go over any of those documents  
8 with any of Mr. Pugliese's lawyers?

9 "A: Well, we had some of the lawyers, yeah,  
10 at one time.

11 "Q: When was that?

12 "A: You know, I don't remember when that  
13 date was. Did you come down -- or no, I know  
14 Willie came down at some point. No, not Willie,  
15 CK Hoffler, yeah.

16 "Q: CK Hoffler, she's a lawyer that works  
17 with Willie Gary, correct?

18 "A: Yes, yes.

19 "Q: Who else came down?

20 "A: Marlin Porter.

21 "Q: That's another lawyer that works with  
22 Willie Gary?

23 "A: Yes, uh-huh.

24 "Q: Who else came down for that meeting?

25 "A: I think Anthony Pugliese and Doug

1 Merrick and Edgar Belaval.

2 "Q: Edgar Belaval is an in-house lawyer  
3 that works for Mr. Pugliese, right?

4 "A: Yes.

5 "Q: And Doug Merrick is another in-house  
6 lawyer that works for Mr. Pugliese?

7 "A: Who's that?

8 "Q: Doug Merrick.

9 "A: Yeah, Merrick, sure, right there.

10 "Q: In fact, those two gentlemen are  
11 sitting right here at the table, correct?

12 "A: That's right.

13 "Q: And was that here at your offices in  
14 Miami?

15 "A: Yes.

16 "Q: Did Mr. Pugliese or any of his lawyers  
17 tell you that Mr. Pugliese created a company  
18 called Consolidated Transport Consultants and  
19 billed Land Company of Osceola County for work  
20 that wasn't done?

21 "A: No, I don't know that.

22 "Q: Did they tell you that they actually  
23 opened a bank account in the name of Consolidated  
24 Transport Consultants and deposited money from  
25 LCOC in that bank account and then took that

1 money from that bank account and deposited it in  
2 The Pugliese Company's bank account?

3 "Did they tell you that?

4 "A: No.

5 "Q: Did they tell you that they had created  
6 a company called Black Walker & Associates and  
7 billed LCOC for work that wasn't done?

8 "A: No.

9 "Q: Did they tell you they created a fake  
10 bank account for that company and deposited money  
11 from LCOC into that bank account?

12 "A: No.

13 "Q: Did they tell you they took money from  
14 the bank account of Black Walker & Associates and  
15 gave it to the Pugliese Company?

16 "A: No.

17 "Q: How about a company called Creative  
18 Solutions Environmental, did they tell you they  
19 created a company called Creative Solutions  
20 Environmental and billed back LCOC for work that  
21 wasn't done?

22 "A: No.

23 "Q: Did they tell you they created a bank  
24 account for that company and then deposited  
25 LCOC's money into that bank account?

1 "A: No.

2 "Q: Did they tell you that they took money  
3 from that bank account and put it in the Pugliese  
4 Company's bank account?

5 "A: No.

6 "Q: Did they give you any information about  
7 any companies that Mr. Pugliese had created and  
8 billed LCOC for work that wasn't done?

9 "A: No.

10 "Q: Did they ever tell you when you met  
11 with them or at any time that Mr. Pugliese had  
12 created some invoices to show that work was done  
13 for LCOC, when it was really done at his house?

14 "MR. GARY: Again, objection.

15 "A: I don't know anything about that, no.

16 "Q: So you were never told that invoices  
17 were created to show that work was done for LCOC,  
18 even though the work was really done at  
19 Mr. Pugliese's house?

20 You were never told about that?

21 "A: No, I don't know anything about that.

22 "Q: Were you ever told that Mr. Pugliese  
23 created invoices and had LCOC pay invoices that  
24 were for work done at his self-storage facility?

25 "Were you told that?

1 "A: No.

2 "Q: Did Mr. Pugliese or his lawyers ever  
3 tell you that Mr. Pugliese was creating invoices  
4 for work that wasn't done at LCOC and paying  
5 those invoices out of LCOC funds?

6 "A: No.

7 "Q: Did Mr. Pugliese or his lawyers tell  
8 you that they submitted those invoices to Fred  
9 DeLuca, FD Destiny, to pay -- to fund LCOC based  
10 on those invoices created by Mr. Pugliese?

11 "A: No, I don't know about that.

12 "Q: Who's Joe Reamer?

13 "A: I think his title is maybe business  
14 manager of the Pugliese Company.

15 "Q: They haven't gotten the money out of  
16 Yeehaw Junction, correct?

17 "A: Right, right.

18 "Q: And my question to you is that the  
19 money that was put into Yeehaw Junction, Fred  
20 DeLuca paid more than 75 percent, correct?

21 "A: Yeah.

22 "Q: Now, when Mr. Pugliese ran LCOC he  
23 hired Greenberg Traurig, correct?

24 "A: Correct.

25 "Q: And Greenberg Traurig -- LCOC paid

1 Greenberg Traurig about three and a half million  
2 dollars in attorneys' fees?

3 "A: If you say so. I never added it up.

4 "Q: Does that sound close to you?

5 "A: It sounds reasonable. I wasn't sure if  
6 it was that or it was like \$2 million or  
7 something. But I don't know. It was a  
8 substantial amount of money.

9 "Q: Now, Mr. Gary asked you about some  
10 studies that were done and you mentioned  
11 hydrology and sewer.

12 "My question is, those studies were not done  
13 before August of 2005, the date of purchase, or  
14 at least as far as you know, correct?

15 "A: That's correct."

16 \* \* \* \* \*

17 (Whereupon the video continued)

18 BY MR. GARY:

19 "Q: Is it safe to say that it's a long  
20 process when you start dealing with trying to  
21 deal with entitlement changes, zoning changes,  
22 and things of that nature?

23 "A: It's a very long process, yes.

24 "Q: Why do you say that?

25 "A: Well, things take a long time and it's

1           tedious and it requires patience and assistance.  
2           You have to stay even-tempered about it, because  
3           it's hard not to feel very bad when you're jerked  
4           around like the Department of Community Affairs  
5           did us.

6           "Q:   And that's to be expected, isn't it?

7           "A:   Yeah, but you have to -- you know, you  
8           have to keep your even keel and just keep  
9           plugging away.

10          "Q:   And did Anthony Pugliese and Destiny  
11          keep slugging away even when they ran into some  
12          bumps and curves from the State of Florida to  
13          keep this project going?

14          "A:   Yes, sir, they did.

15          "Q:   But one comment that you made while you  
16          were being questioned just a few minutes ago, you  
17          said the State of Florida never said 'we're gonna  
18          block your project?'

19          "A:   That's right.

20          "Q:   What do you mean by that?

21          "A:   Well, you know, first of all, they  
22          don't have the legal authority and if they did --  
23          you know, they're afraid if they come out and say  
24          it, that you're going to sue them right off and  
25          say, you know, they have some kind of

1       preconceived notions against your property and  
2       your development.

3                "You know, that's not what was intended and  
4       they can't do that. So it's much easier to slow  
5       it down sometimes to the point of a very tortuous  
6       pace by as in this case, telling us the Rural  
7       Land Stewardship Act and then deciding some years  
8       later that they're not going on the Rural Land  
9       Stewardship.

10              "Q: Okay. And based on your knowledge and  
11       your involvement in this project, did Anthony  
12       Pugliese ever run into any situations where they  
13       just decided to shut down the project or it  
14       wasn't going to work, or did they continue the  
15       fight through the challenges that they had?

16              "A: Yeah, never. They never shut it down.  
17       You can look at other projects in other places as  
18       well as Florida and see that that's the attitude  
19       you have to take. You just have to keep working  
20       at it and overcoming and -- you know.

21              "So that letter of objections and the ORC  
22       and so forth, that was something to overcome.  
23       You had to deal with all the issues.

24              "Q: What does ORC stand for?

25              "A: Objections -- what was it you had?



1 "Q: Recommendations and comments?

2 "A: Yes.

3 "Q: So it's not just an objection, they  
4 make recommendations.

5 "A: Oh, yeah.

6 "Q: That's expected?

7 "A: Yeah, and they make comments. Now, the  
8 comments you have to give them an answer to. The  
9 recommendations you have to consider and say you  
10 consider them and you adopt that recommendation  
11 or you don't adopt that recommendation.

12 "And then the objections, you have to work  
13 it around so that they either cease their  
14 objection or the county can approve it anyway.  
15 But then under the law that was in effect then  
16 they had a right to appeal it and it would go to  
17 the governor to cap it and they would decide  
18 whether to approve it or not.

19 "Q: But as far as you know, with respect to  
20 the recommendations and the comments that they  
21 suggested, did the project led by Anthony  
22 Pugliese and his team, did they for the most part  
23 work with the State of Florida in trying to work  
24 through issues?

25 "A: Yes.

1           "Q: Was Anthony Pugliese doing that,  
2 exhibiting the kind of attitude that he was going  
3 to work through it?

4           "A: Yes, he did.

5           "Q: Why do you say that?

6           "A: Well, he never gives up. He's got  
7 the -- he never did in this case. He has the  
8 persistence and a nimbleness of mind to let him  
9 figure out how to -- you know, if this one  
10 particular thing won't work, he'll go to another  
11 one and what about this, what about that.

12           "Q: And that was the purpose of all the  
13 consultants. You would bounce ideas off of them  
14 and decide how to go.

15           "Q: Now, at some point in time did you  
16 prepare an amended operating agreement?

17           "A: Yes, sir, I did. In other words, I  
18 prepared drafts of such a document. I prepared  
19 forms and we submitted them, but in the end  
20 nothing was ever signed.

21           "Q: And in reference to the Rohde property,  
22 that increased the size of the project  
23 tremendously, didn't it?

24           "A: Yes, sir, it did.

25           "Q: And what was the significance of that

1 as it related to the first operating agreement  
2 you mentioned?

3 "A: Well, the first operating agreement,  
4 the 27,000 acres, is all south of State Road 60,  
5 which is the main thoroughfare that runs from  
6 Yeehaw Junction to the Turnpike and also the  
7 confluence of U.S. 441 there, west to Frostproof  
8 and that area.

9 "Our land, the 27,000 acres, was all on the  
10 south side of State Road 60. The Rohde land was  
11 on the north side of State Road 60 and it would  
12 give them a much more easily developable property  
13 that Anthony's concept of it, which the Rohde  
14 family agreed, was if you put the two of them  
15 together you would end up with an entitlement of  
16 mortgage that's called a collective property of  
17 41,000 acres and you would end up with all the  
18 27,000 approved plus the 14,000.

19 "Q: So did you think it was a good idea?

20 "A: Yes.

21 "Q: Now, obviously this was going to almost  
22 double the size of the deal, the venture; is that  
23 correct?

24 "A: Yes. There were a number of reasons to  
25 have an amendment to the operating agreement.

1           "Q: And tell the jury, what was some of  
2 those reasons?

3           "A: Well, one of the reasons was as Land  
4 Company of Osceola County was set up, it was  
5 50 percent owned by Anthony Pugliese and  
6 50 percent owned by Fred DeLuca. It was  
7 self-desirable to give incentives to certain of  
8 the key employees that would be working on it,  
9 and that would be small percentages with the  
10 control remaining in both -- you know, in  
11 Pugliese and DeLuca.

12           "So the small percentages would go to  
13 employees such as Tom San Giacomo and --

14           "Q: Randy Johnson?

15           "A: Well, Randy Johnson later. Randy  
16 didn't come in until later on.

17           "Then at a certain point it was thought  
18 that -- you know, actually, if I recall it -- as  
19 I recall it, I recall this very specifically, Joe  
20 Esposito, one of the lawyers at Subway who was  
21 representing DeLuca with the legal side of  
22 things, said that Fred DeLuca wanted some  
23 percentage put in for Fred Florio also.

24           "Q: Fred DeLuca wanted that too, right?

25           "A: Yes, sir. So that revision was also

1 made.

2 "There was also a necessity to revise it  
3 because of the Indian River County land. Now,  
4 most of the land in the purchase from Latt Maxcy  
5 was in Osceola County. A little bit of it was  
6 across the other side of U.S. 441 and the  
7 Turnpike and that was -- well, it may not have  
8 been the Turnpike, but it was across 441, and  
9 that fell into Indian River County.

10 "Under the rules that were applicable to  
11 development, if a person were to have a  
12 development in two counties, you had to go  
13 through both county commissions and both planning  
14 staffs, both of them, and they would be, you  
15 know, treated together.

16 "So it was very important to get the Indian  
17 River County land separated in a way that would  
18 not be under the rules of the Department of  
19 Community Affairs aggregated, and that was called  
20 aggregation.

21 "In other words, if the land owner owned the  
22 two parcels and went for approval of one, they  
23 would make him put the other one with it to get  
24 them all approved.

25 "So that was devised, to sell that to Fred

1 DeLuca's son and to Anthony Pugliese's son 50-50  
2 in a separate limited liability company, and that  
3 needed to be covered. And then there was another  
4 reason because of the Rohde deal.

5 "Q: And when you say 'reason', you're  
6 talking about reasons for making adjustments in  
7 the operation --

8 "A: Yeah.

9 "Q: -- the operating agreement?

10 "A: Yes, sir. So at some point along --  
11 and you know, you've got to -- everyone has to  
12 remember that when this was going on, every time  
13 we had one of these meetings Fred Florio was  
14 sitting there and --

15 "Q: Where was Fred DeLuca?

16 "A: Well, Fred DeLuca was we don't know  
17 where, but he wasn't with us.

18 "Q: Did he ever show up for any meetings,  
19 that you know of?

20 "A: He never showed up for a meeting with  
21 the development team. I have seen him in  
22 Anthony's office in Delray.

23 "Q: I'm just talking about the meetings  
24 with development team.

25 "A: No, he never --

1           "Q: Did you ever see Fred DeLuca show up  
2 for one single meeting?

3           "A: No, sir, I did not.

4           "Q: Okay.

5           "A: Basically we always understood, and  
6 Florio let it be known, that he was the -- he  
7 called himself the Dr. No, because if there was  
8 going to be something turned down for DeLuca, he  
9 would do it.

10          "Q: Okay.

11          "A: He was there all the time.

12          "So in connection with these meetings, you  
13 know, that went on we said okay, this is what we  
14 need to do in the Indian River County land, and  
15 that was another thing that should have been in  
16 an amendment to the operating agreement.

17          "Q: How many different revisions did you  
18 have going back and forth, back and forth, of  
19 dealing with the amendments that were proposed  
20 and suggested and needed to be made to this  
21 agreement?

22          "How many?

23          "A: I happen to know the figure because I  
24 looked at it one day. It was -- when we do a  
25 document, it has what's called a library, which

1 is the file, you know. In this case, it would be  
2 the amendment and it has a document number, and  
3 each time you revise it there's a document number  
4 and there's a V and then there's the version  
5 number.

6 "The last time I remember looking we were up  
7 to 17 versions.

8 "Q: Did Fred DeLuca ever sign the -- to  
9 your knowledge, did he ever sign the proposed  
10 amendments to this document?

11 "A: No.

12 "Q: Based on your knowledge, did he lead  
13 Anthony to believe he was going to do it?

14 "He was saying he was going to do it, but  
15 were you all under the impression that you were  
16 working back and forth to get it done so it could  
17 be signed?

18 "A: On several occasions Joe Esposito had  
19 told me that he had the document 'teed up for  
20 Fred's signature.' So by 'teed up for Fred's  
21 signature,' I think -- you know, I understood  
22 that to mean that, you know, Fred DeLuca was  
23 going to sign.

24 "Q: And this would been a year, several  
25 years after closing, the original closing?



1           "A: It went on and on with these different  
2 things that were going to happen.

3           "Q: And Fred DeLuca never stepped up to the  
4 plate and signed the amendments to the operating  
5 agreement --

6           "A: No.

7           "Q: -- that were the topic of discussion?  
8 He never did?

9           "A: He never did.

10          "Q: What did you mean when -- tell the jury  
11 what you meant when you said, in essence, a  
12 hundred percent approval, a unanimous vote by the  
13 county commissions.

14          "A: That's right, they were all in favor of  
15 it and that was -- you know, it would mean so  
16 many things to them. You know, like it would  
17 mean they can finally get some development at the  
18 southern end of the county without piling  
19 everything up around the Kissimmee and Orlando  
20 suburb.

21          "It would mean that their tax roll would  
22 increase. The tax assessor at that kick-off  
23 luncheon that we talked about the last time got  
24 up and said what a wonderful thing it would be  
25 for increasing the tax roll and giving the county

1 more money to do things with, and it would have  
2 done something to very important citizens of the  
3 county, namely the Rohde family.

4 "The county commission, everyone that I ever  
5 talked to about it, the expressions to me were  
6 that they thought that Destiny would be a  
7 defining experience for the county, one that  
8 would affect the county for the next 50 years or  
9 more in very beneficial ways by having a  
10 beautiful planned community at their southern  
11 reaches and benefiting people with places to live  
12 and new things to do with the county.

13 "Q: When Fred DeLuca pulled the plug on the  
14 funding, when he stopped the funding of this  
15 project, was Anthony and his team making progress  
16 on getting this project approved and passed by  
17 the various State agencies that they needed?

18 "Were they making progress?

19 "A: Yes.

20 "Q: Why do you see that?

21 "A: Well, the part of the process with the  
22 State is you have to appease them in certain  
23 ways. You have to, you know, concede certain  
24 things to them and by asking for 100,000 units  
25 when we had, you know, the need for significantly

1 less and could have lived with -- although they  
2 had no way of knowing -- you know, 60,000, you  
3 would look like you gave victories to the  
4 planners, that they had accomplished something.

5 "You just had to keep wearing them down, and  
6 you might have had to wait till the new  
7 administration took office in the Governor's  
8 office and the State.

9 "Pelham didn't seem to be going anywhere and  
10 seemed to have support at the political levels  
11 where he needed to be; namely, the governor.

12 "Q: Now, you were questioned about studies  
13 that were done or not done. One was I think  
14 there was a water management study and I think  
15 you indicated you didn't know -- you didn't know  
16 whether one was done or not?

17 "A: Well, that was before the -- before,  
18 you know, in terms of the due diligence before  
19 closing.

20 "There were all kinds of studies done,  
21 including every kind of water management and the  
22 other things that Mr. Hutchison was asking about,  
23 hydrological and this and that and the other. We  
24 knew which way the land drained. We knew which  
25 way the water would flow. We knew everything

1 about the water.

2 "Q: Do you know anything that would stop  
3 Fred DeLuca from doing any studies on his own if  
4 he wanted to?

5 "A: Nothing to have stopped him, no.

6 "Q: Do you know of any studies he did?

7 "A: No, sir, I don't.

8 "Q: And as best as you know, even though  
9 Anthony Pugliese secured this property before he  
10 met Fred DeLuca, Fred DeLuca still came in with a  
11 50 percent interest in all the equity that that  
12 property had in it at the time he made the bid;  
13 is that correct?

14 "A: That's my understanding.

15 "Q: Best you know from day one from start  
16 to finish in terms of sweat equity, running the  
17 business, coordinating the project, meeting with  
18 the State agencies, hiring the experts, the  
19 day-to-day sweat labor, when it comes to Pugliese  
20 and DeLuca, based on all the knowledge you have  
21 of this project, tell the jury, who was getting  
22 it done?

23 "Who was out there in the trenches making  
24 this happen?

25 "A: Well, it was Anthony a hundred percent

1 and Fred DeLuca zero percent."

2 THE COURT: Is that the end?

3 MR. MARIANI: Yes, Your Honor.

4 THE COURT: All right. That ends the  
5 testimony of Mr. Quentel. Thank you.

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## CERTIFICATE

1  
2 STATE OF FLORIDA )  
3 ) ss.  
4 COUNTY OF MARTIN )

5 I, Alice J. Teslicko, RMR, do hereby  
6 certify that the case of FD Destiny, LLC, et al. vs.  
7 AVP Destiny, LLC, et al., pending in the 15th Judicial  
8 Circuit, Case No. 502009 CA029903XXXXMB AG, was heard  
9 before the Honorable Donald Hafele on  
10 January 13, 2017; that I was authorized to and did  
11 report the proceedings of said hearing; and that the  
12 foregoing pages constitute a true and accurate  
13 transcription of an excerpt of my shorthand report of  
14 said proceedings.

15 In witness whereof, I hereby set my hand  
16 this 17th day of January, 2017.

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Alice J. Teslicko