

1 A For tax services?
 2 MR. GAUTHIER:
 3 Q For your services that you would have charged
 4 the trust in this matter.
 5 A Probably somewhere between \$80 and \$90 per hour.
 6 Q When you bill on a per-hour basis, are your
 7 increments in tenths of an hour, quarter of an
 8 hour, half an hour? How is it done?
 9 A We bill in quarter hours.
 10 Q If you had an invoice for \$30 to Academy for
 11 boxer shorts, would it be a good business
 12 practice for you to spend 15 minutes trying to
 13 document whether that expense, if it's for \$30
 14 was worth inquiring into it at that point in
 15 time?
 16 A No, sir. I don't think my client would be
 17 willing to pay my fee to do that.
 18 Q The real problem with documentation comes into
 19 effect when you get audited by the IRS?
 20 A Yes, sir. The majority of the time, I'll not
 21 have clients bring receipts into the office for
 22 the simple fact that my hourly charge to go
 23 through those receipts is too expensive.
 24 Q Ms. Martin, I'm going to ask you to assume that,
 25 on August 31, 2001, that the trust had \$17000

1 cash in the bank, that there was \$6,500 worth of
 2 payables that the trust owed, there were no
 3 contingent liabilities, that the trust owned
 4 103.5 acres of land in Vermilion Parish,
 5 Louisiana, which was unencumbered. At that
 6 point in time, would the trust be insolvent
 7 according to any accounting principles that
 8 you're aware of?
 9 MR. ACKERMANN:
 10 Object to the form of the question.
 11 That calls for this witness to speculate as
 12 to land values.
 13 A I guess, off the record, it wouldn't matter on
 14 the value of the land in that scenario, though.
 15 The land could be zero if they had enough cash
 16 to pay --
 17 MR. GAUTHIER:
 18 Q Let's put all this on the record, and then
 19 answer the question subject to the objection.
 20 A In your example, if that trust had -- what did
 21 you say?
 22 Q \$17,000 in cash, \$6,500 worth of payables, no
 23 contingent liabilities, 103.5 acres of land in
 24 Vermilion Parish which is unencumbered, would
 25 the trust be insolvent?

1 A No, it would not. Even if the land, Jeff, with
 2 your objection, would be valued at zero, I would
 3 still have enough cash to pay the trust
 4 liabilities. So there would be no insolvency.
 5 MR. GAUTHIER:
 6 Can I have one minute with Ms. Bell in
 7 the hall, please?
 8 (RECESS)
 9 MR. GAUTHIER:
 10 Q Ms. Martin, how familiar are you with the
 11 obligation of the trustee to do whatever is
 12 necessary, within reason, to protect the assets
 13 of the trust?
 14 A I would say I'm familiar with it.
 15 Q Each individual case or each individual trust,
 16 rather, could be different as to what the
 17 trustee has to do to be able to protect those
 18 assets; is that correct?
 19 A Absolutely.
 20 Q The fee that the trustee may earn in doing those
 21 tasks would depend on the level of services that
 22 she had to render or he had to render in order
 23 to be able to save the assets of the trust; is
 24 that correct?
 25 A That's correct. As I discussed before, those

1 fees would be not only unique to the trust
 2 situation but unique to the services performed
 3 and what's the value of the service.
 4 Q That should be evaluated on a trust by trust
 5 basis; is that correct?
 6 A Not only trust by trust but service by service.
 7 MR. GAUTHIER:
 8 That's all the questions I have.
 9 RE-EXAMINATION BY MR. ACKERMANN:
 10 Q Ms. Martin, a couple of follow-ups. To the
 11 extent there was a lease of a vehicle by the
 12 trust as opposed to a lease by Ms. Bell, would
 13 you expect that lease would be in written form?
 14 A If it were a formal lease, it would be in
 15 written form. If it was simply an auto
 16 allowance of some sort, it may or may not be
 17 written.
 18 Q To the extent it was a lease by the trust rather
 19 than a lease by Ms. Bell, would you have
 20 expected to have been provided a copy of that
 21 lease from Ms. Bell as part of your work for the
 22 trust?
 23 A If Ms. Bell is telling me that the trust has a
 24 leased vehicle, I would have requested a copy of
 25 the document on the vehicle.

